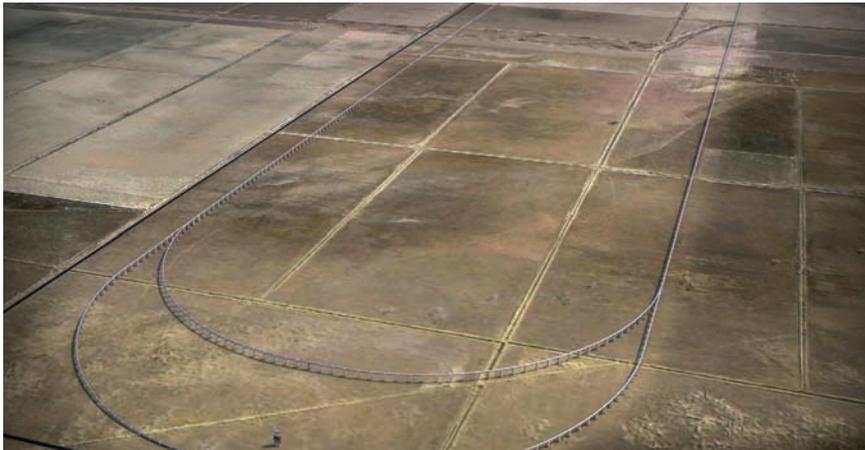


Abstract: Hyperloop Transportation Technologies Risk Report

Expanding together the boundaries of transportation and insurability



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Abstract:

Hyperloop Transportation Technologies Risk Report

Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München (Munich Re) is pleased to submit an abstract of its Risk Report in support of identification of Hyperloop Transportation Technologies (HTT) risks and to form a basis of the development of a Hyperloop Insurance Concept.

HTT and Munich Re are partnering since 2016 and agreed on a project with the following objectives: First, to understand the HTT business model and the outline functionality of its Hyperloop technology; second, to develop risk landscapes and third, to write a report capturing HTT and Hyperloop technology risks.

In summary the Hyperloop Transportation Technologies Risk Report has five key observations:

1. It is Munich Re's belief that bringing to fruition the Hyperloop proposition is one of the few genuine activities at the edge of human endeavor. Furthermore, although as yet unproven in full-scale testing, the Hyperloop technology is likely to be viable, and represents a realizable integrated system.
2. Munich Re believes that the Hyperloop proposition represents an insurable prospect that will embrace traditional risk transfer and yet-to-be-developed innovative responses to the HTT operating and capital model.
3. The nature of the challenge is extreme, and the global resources required to harness the Hyperloop ambition demand the HTT innovation implicit in the crowd-sourcing model. Munich Re recognizes this as genuine innovation on a global scale. It is likely to be an essential component of future large scale infrastructure projects originated in the digital era. We consider that traditional approaches to managing risks need to adapt to this innovation.
4. It will demand a rigorous and structured enterprise risk management framework to ensure meaningful management against the reduction of the risk portfolio value which will change in the different stages of the project's lifecycle. Munich Re is thus convinced that only by means of evolving risk management with a coherent safety concept that synthesizes safety and security, can HTT manage the risk that we believe lies at the edge of human endeavor.
5. It is well understood by both HTT and Munich Re that the HTT venture depends on funding as well as developing and satisfying challenging regulatory environments and establishing and sustaining the perception and trust of society. Assuming that HTT can successfully manage the risks identified in this report, we believe that the Hyperloop system is viable and realizable by HTT.

As a next step HTT and Munich Re are going to enter into a strategic partnership. This partnership is intended to provide HTT with risk transfer and risk-management-related services and solutions. It is anticipated that the services and solutions would include among other topics the development of a Hyperloop Insurance Concept.

It is anticipated that that the Hyperloop Insurance Concept will comprise not only traditional risk transfer for the relevant risk categories, but also risk-derived capital solutions to reflect the different stages of the HTT corporate development lifecycle and various challenges encountered in each phase of that lifecycle. It is envisaged this will be a key enabler of funding and capital flexibility as the HTT capital base evolves.

In delivering this, it is expected that HTT and Munich Re will expand the boundaries of transportation and insurability.

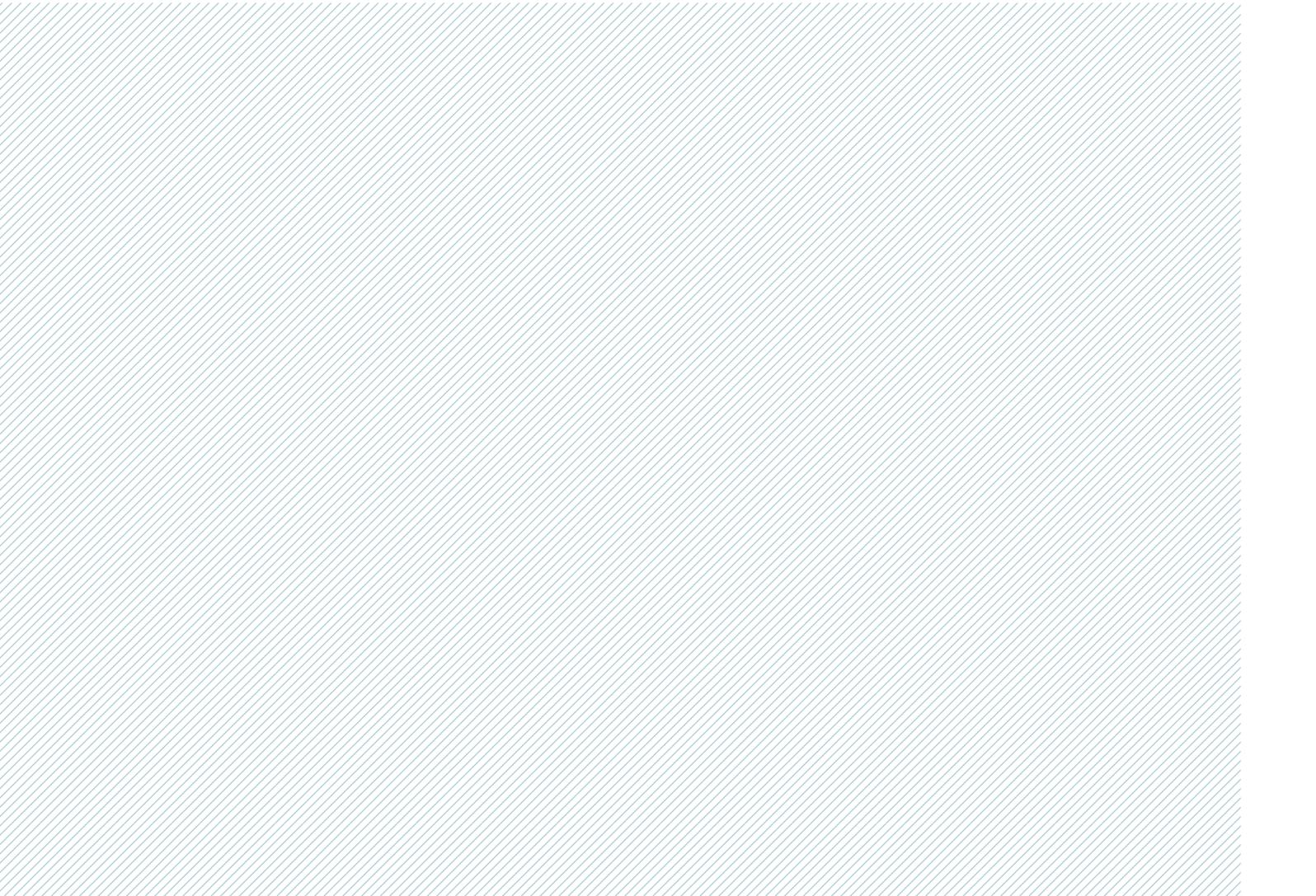
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