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STATEMENT

23 January 2025 Stavatti Statement on Wildfires and Air Tanker Solutions

It's a New Year and we have a New President. We also have new wildfires and for the past 16 days California has been battling infernos that have devastated lives, property and land on near apocalyptic levels. Our hearts go out to all who have died or have had their lives or livelihood destroyed by these events. For Stavatti, the California fires are not an abstract concept or an intangible event. It has directly affected our team, our stakeholders and our partners. It has affected me, the Commander-In-Chief of Stavatti, as I live at the foot of a mountain that is within the danger zone. My thanks go to everyone who has reached out to me and others with their deep concern and support. I cherish all of your thoughts and prayers.

Wildfires are always a threat. They always will be. We have the technology to manage, contain and even end them at their very beginning. One component of stopping them is aerial fire fighting. For many years now Stavatti has been dedicated to developing the best next generation aerial fire fighting solutions that can extinguish fires while literally putting boots on the ground in the hot zone. Many of those who have followed Stavatti know that we are developing our SM-100AT Air Tanker and Fire Bomber Aircraft. Patented in November 2023, this revolutionary new fire bomber is based on our SM-100 intermodal transport and will deliver over 36,000 lbs and up to 4,300 gallons of water or retardant. Exceeding the payload, speed and range of all of its nearest competitors, the SM-100AT is a Mega-Program.

It will cost approximately \$800 Million for Stavatti to develop, prototype, flight test, certify and begin production of the SM-100 family of aircraft using a lean commercial "skunk works" style approach. The development program we are undertaking to field this amazing new aircraft consists of a \$100 Million Round A prototyping phase followed by a \$700 Million Round B Full Scale Development, Engineering Manufacturing Development and Production launch phase. All of this development funding has been coming from the private sector including private investors, qualified wealth funds, our stakeholders and potentially for Round B, loans secured through outstanding purchase orders.

On the subject of purchase orders, Stavatti is now accepting pre-production orders for the SM-100 and SM-100AT, securing a manufacturing slot and an aircraft serial number. Stavatti has already received multiple orders and letters of intent for this amazing aircraft and we thank everyone who has committed resources the \$100 Million Round A Prototype Program as well as the production and deployment of this remarkable transport and air tanker.

But the SM-100AT is not the end-all airborne solution in countering wildfires. In November 2024 Stavatti began the design of the SM-27AT, an amphibious air tanker variant of the SM-27 Machete CAS aircraft. Engineered to carry up to 8,000 lbs of water or retardant, the SM-27AT will add a new precision tactical dynamic to world of aerial fire fighting. Broadening the fire-fighting family, Stavatti is also introducing a new transformable VTOL drone capable of delivering up to 1,000 lbs of water or retardant directly to fire zones either remotely or autonomously.

While water is nature's number one fire suppressant, Stavatti is also working hand-in-hand to develop, qualify and deliver a new family of non-toxic, non-carcinogenic, biodegradable foaming fire retardants as an alternative to the standard red foam solutions deployed today. This retardant will stop fire and aid in preventing future fires...while dramatically enhancing the survivability of commercial and military aircraft as an on-board fire suppressant.

Wildfires are not stopping and neither are we. We are racing to deliver solutions to make the devastation of uncontrolled wildfires ancient history and we thank everyone for their concern and support.

Stavatti Aerospace Ltd. is an innovative aerospace defense enterprise focused on the design, development, and production of next generation aerospace vehicles. Stavatti Aerospace Ltd is an American owned corporation with a CAGE Code of 8GT89 and a UEI of GSJ9JXA9FEE4.

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