

ASI Aviation Inc.

Fact Sheet

A S A V

S Y M B O L

OTC

ASI AVIATION

QUICK REFERENCE

ASI Aviation Inc.
OTC: ASAV

Outstanding Shares: **10,267,350**

Website: **www.ASI-AVIATION.com**

BUSINESS SUMMARY

ASI Aviation is developmental stage company principally involved in the business of developing aircraft, aircraft engines and aircraft spare parts leasing and sales operations, and aviation consultancy services. We also intend to develop our business through the acquisition of aircraft related assets, such as aircraft engines and spare parts inventories, or synergistic businesses operating in the aviation industry.

We plan to provide the following services:

- Aircraft, aircraft engines and aircraft spare parts leasing and sales, and related support functions
- Aviation consultancy
- On-site maintenance and operational support
- Aircraft charter and ferry services
- IT business development consulting services

GROWTH STRATEGY

- Core Aviation Business Development: We plan to build out our core business of aviation consultancy services; aircraft, aircraft engine and spare parts sales and leasing; and onsite maintenance and operational support. We also expect to develop capabilities in the aircraft charter and ferry service businesses.
- Government Contracts: We plan to bid on various federal and state contracts for aviation services as a small business. There are opportunities set aside annually for small businesses by the U.S. federal government and by state governments. The Company would be positioned as one of only several smaller businesses in this industry, and thus would have a real chance of winning contracts as a result of its size and industry experience. We can give no assurances, of course, that we would be successful in bidding for any of these contracts.
- International Opportunities: We plan to explore opportunities to do business in the Middle East, South Asia, Africa, and Eastern Europe.
- Asset Acquisitions: We may develop our business capabilities through the acquisition of aircraft related assets such as aircraft engines and spare parts inventories, either individually or through the acquisition of all or substantially all of the assets or businesses of one or more synergistic companies operating in the aviation industry.

CONTACT INFORMATION

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Investor Relations Contact
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The Jet X Aerospace Acquisition Agreement

On February 10, 2020, we and Jet X Aerospace LLC, or Jet X, and its members entered into an asset purchase agreement pursuant to which we agreed to acquire, subject to certain conditions, substantially all of the assets of Jet X. The Agreement has been amended six times, most recently on August 7, 2020 to extend the closing date to September 6, 2020. This deadline may be extended further by the mutual consent of the parties.

Jet X is in the business of providing customer support, solutions and management to the aviation industry including, spare parts inventory procurement, sales and management, purchase support and supply chain management, component repair and vendor management, maintenance support for light, scheduled and heavy checks, power plant management and support and aviation industry consulting.

The Company has agreed to pay a purchase price of \$5,000,000 for the assets, consisting of the settlement and satisfaction of outstanding Jet X debt in the amount of \$2,975,000, the payment to the Selling Members of \$225,000 in cash and the issuance to Jet X or its designees of 1,800,000 restricted shares (subject to a spare parts inventory appraisal of more than \$5 million) of the Company's common stock (these three components together, the "**Purchase Price Consideration**"). The Selling Members will also enter into five-year employment agreements with the Company whereby the Selling Members would become employees of the Company to manage and develop the Jet X business on behalf of the Company.

The Company has accomplished a recent appraisal of the spare parts inventory. The inventory was appraised at \$2,880,000 Fair Market Value. The Company anticipates the purchase price now being reduced to \$3,000,000 for the asset, consisting of settlement and satisfaction of outstanding debt of \$500,000, to clear liens against spare parts inventory of \$1,000,000 and \$1,500,000 restricted shares of the Company. These three components together, will be the "**Revised Purchase Price Consideration**").

Jet X has been a preferred vendor to the FAA in Oklahoma City, OK. Jet X has not seen a slow down in their activity or requests. The FAA has been in full operation during this COVID 19 period and we see no reason why the FAA would see any slow down in its activity.

Leasing Company Support

Jet X supports various leasing companies with on-site engine restoration shop visit support. As the repair shop works through the parts needed for the repair process we provide the needed materials. This creates a great savings to the leasing companies as compared to purchasing all factory new material. A number of our leasing companies support cargo aircraft and they are not seeing any lowering of the demand for cargo aircraft leasing. Repair slots at the facilities are secured several months in advance and are highly desired. In effect, once you are in line you will continue with the scheduled visit. We have three engine visits scheduled for the remainder of 2020. Each visit produces a unique set of requirements but overall this will supply a steady stream of sales activity.

Engine & Airframe material consignment agreement

Jet X has just completed a large consignment agreement with a large leasing company to assist them in bringing their parted out engine(s) and airframe material to the market. The first engine (Rolls Royce RB211 535-E4) has just completed its tear down and the material is being offered to the market. This inventory is in our building and going through our receiving process, we have already started receiving purchase orders. The next engine ESN32965 (also a RR RB211) has been delivered to the tear-down facility and is expected to be completed and delivered to us in three weeks. Rolls Royce, the manufacturer is incredibly unresponsive to spare parts requests, especially since the back-log created by their recent facility closure.

Jet X has received the approval and consignment agreement for the second Rolls Royce RB211 for part out. The engine will enter part out phase over the next two weeks. We already have \$500,000 in pre purchase commitments for this engine. In addition, there are five (5) more engines of various types that the leasing company has slotted for tear-down and it is our expectation that these part sales will generate a solid long term revenue flow, conservative estimates of \$2.0M in sales per engine.

Jet X Aerospace has also supplied sales data and is expecting to receive consignment of a Boeing767-300 ER aircraft. This aircraft has exceptional landing gear and APU and is completely intact except for the engines. This teardown will begin in July and will yield a great deal of top line sales. This 767-300 is currently being operated by many cargo operators, especially Amazon Air, for their cargo operations. Part demand is extremely high for this aircraft and supply is limited. Early estimates on this aircraft part out is \$4.0 million in top line sales. Jet X is an approved vendor to Amazon Air, a large cargo carrier. In addition to the engine material the leasing company has asked us to assist them with selling their airframe inventory. They currently have various material for Boeing 757, 737-400 and MD- 80 aircraft.

For additional information visit ASI-AVIATION.com

This Company Fact Sheet is distributed by Andrew Barvicki, Investor Relations. Contact Info: 516-662-9461 / andrew@barvicki.com
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