

Award-Winning Lithium Battery Innovator with Significant Market Traction

\$860,000 TTM Revenue at cash-flow breakeven
 Presence in U.S. & Europe expanding into China
 Licensing & consortium business model with 40 members
 #1 Most Fundable Company by Pepperdine U & Entrepreneur Mag
 #1 Advanced Materials company by US China Innovation Alliance
 First license sold for \$600,000 up front payment plus 5% royalty

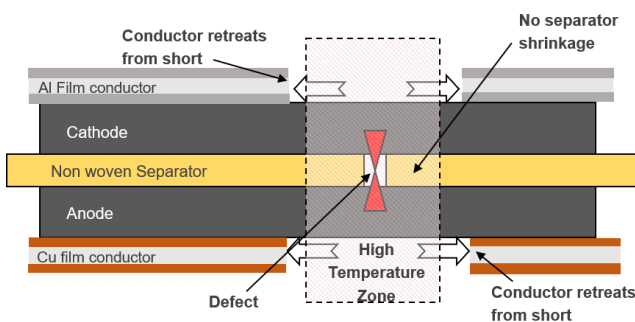
Technology: Improves Safety, Reduces Weight & Cost

- 10-20% weight reduction of lithium ion batteries
- 15-25% increase in energy density
- Up to 30% material cost savings
- Elimination of lithium battery safety events

Today's lithium batteries are made with the wrong combination of materials: thermally stable metal current collectors capable of delivering the entire energy of the battery into a defect or dendrite in a very short period, and thermally unstable separators that cannot withstand the heat generated with these massive current densities.

The Soteria architecture changes that with thermally stable separators made from advanced fibers and current collectors that are engineered to be unstable under the giant current densities that lead to lithium battery fires. The architecture provides the same electrical protection as a fuse on the inside of each battery.

The technology is being validated at NASA and Mercedes with superior test results.



An Open Approach to the Market

The company has formed an industry consortium with three goals:

- To license the Soteria battery technology to the best advanced materials companies
- To develop aggressive safety standards that highlight the advanced performance of the Soteria battery architecture
- To get those standards adopted in electronics, electric vehicles, energy storage and the broader lithium ion battery industry

The consortium is bringing together the expertise, market presence and brands of key advanced technology companies that are working to commercialize the architecture. A limited number of world-class licensees will manufacture and sell the components to the lithium ion battery market. Today, there are 42 members including:



Business Structure Modelled on Bluetooth

Soteria is formed as a consortium—a for-profit cooperative economy of materials suppliers, equipment suppliers, testing labs, licensees and end users. Together, this group will shift inactive lithium battery materials from the existing dangerous and heavy architecture to safer and lighter Soteria architecture.

If the Company can achieve a 25% market share in 2028, it equates to 5 B m²/year, \$5 B sales of Soteria materials and ~\$150 million annual royalties, which opens new markets for materials (\$730 M) and equipment (\$700 M) for member companies to enjoy.

The business is structured for broad adoption—to bring the safety of this new architecture to as many people in as many applications as possible. There are three primary revenue sources:

- Membership fees: ongoing operations of the consortium will come from annual dues paid by the members, up to \$25,000.
- R&D Contracts: additional revenue will come from special joint development projects with individual member companies.
- License Fees: recurring long-term return will come from license fees which include meaningful up-front fees (\$600k+) and royalty rates of 3-5%. (The first license **has been sold to Glatfelter**)

Soteria Battery Innovation Group



Safety Standards & The Soteria Brand

The consortium is establishing aggressive safety standards that every lithium ion cell made today would fail, but which can be passed using the Soteria architecture. Cells that pass this stringent standard will be allowed to use the Soteria mark and brand. In time, the brand will cut across industries, communicating the value of safe batteries to automotive, portable electronics, energy storage, industrial, power tools and other markets.

The Soteria mark: the mark is formed by combining the two lines of the electrical symbol of the battery with the electrical symbol for a fuse (two connected semi-circles, with small circles at the tips), all in a blue ocean denoting intelligence, trust and stability.



The Soteria Financial Model & Projections

	2019	2020	2021	2022	2023	2024
Consortium Members YE	60	90	135	190	270	360
# Licensees YE	3	5	8	11	12	12
YE Market Penetration	0.12%	0.43%	1.20%	2.74%	5.71%	9.87%
Recurring Consortium Fees	\$ 399,500	\$ 622,750	\$ 906,250	\$ 1,357,500	\$ 1,887,250	\$ 2,568,750
License Fees	\$ 412,500	\$ 815,625	\$ 1,642,969	\$ 1,742,432	\$ 2,145,996	\$ 1,226,807
Recurring Royalty	\$ 22,175	\$ 221,782	\$ 1,340,098	\$ 4,480,299	\$ 11,990,902	\$ 25,934,313
Joint Development Agrmts.	\$ -	\$ 200,000	\$ 350,000	\$ 400,000	\$ 450,000	\$ 500,000
TOTAL REVENUE	\$ 834,175	\$ 1,860,157	\$ 4,239,317	\$ 7,980,230	\$ 16,474,148	\$ 30,229,870
COGS	\$ 105,500	\$ 331,688	\$ 525,250	\$ 688,313	\$ 877,125	\$ 1,094,688
OPERATING EXPENSES	\$ 1,314,155	\$ 2,105,985	\$ 3,199,480	\$ 4,546,226	\$ 6,435,841	\$ 8,587,012
Pretax Income (loss)	\$ (585,480)	\$ (577,516)	\$ 514,587	\$ 2,745,691	\$ 9,161,181	\$ 20,548,171
Income Taxes	\$ -	\$ -	\$ 133,793	\$ 713,880	\$ 2,381,907	\$ 5,342,524
NET PROFIT	\$ (585,480)	\$ (577,516)	\$ 380,795	\$ 2,031,812	\$ 6,779,274	\$ 15,205,646
Cash on Hand	\$ 1,771,790	\$ 1,273,447	\$ 946,390	\$ 3,504,318	\$ 9,909,173	\$ 25,771,572

Key assumptions to the v3.0 forecast:

\$2.25 million equity funding which closes in Q3, 2019.

No further capital raise is required.

Annual Consortium fees fixed and limits total to the sale of 12 licences.

Equal penetration of collector and separator markets.

No distributions are paid to ownership prior to the sale on December 31, 2024.

Licensees pay 100% of collector based and 30% of separator based royalties and license fees to the Company. 70% of separator related amounts paid to Dreamweaver

Investment Opportunity

Soteria is seeking an investment of \$1.5 – 3 million. While cash flow and expenses are running very close to break even, progress will be accelerated with additional marketing and technical activities. The investment will be used to:

- Expand the consortium into Europe, China, Japan and Korea
- Hire a Consortium Director to drive membership and technical collaboration among consortium members
- Expand and protect the Company's intellectual property
- Subsidize the production of prototype cells
- License the technology to a global supply chain
- Finalize the Soteria safety standard

Structure, Governance & Exit Potential

The Company is a Delaware C-Corp, owned by the founders and a few angel investors. The activities of the Company will be guided by the Soteria Leadership Council and the Soteria Advisory Board. The Soteria Leadership Council consists of representatives from founding members including DuPont, Voith, Ingevity, Nasa, Teijin, Delfort, Domtar and DNV-GL. The Soteria Advisory Board consists of local business and industry leaders in Greenville with senior executive experience in Dow 30 companies and in the battery industry.

The Company expects to be profitable with ~200 member companies by YE 2021 and will seek an exit on a public exchange in a market where electric vehicles are achieving high penetration in 2022 – 23. This exit is expected to generate a multiple > 10x for investors.

THIS EXECUTIVE OVERVIEW (INCLUDING THE FINANCIAL FORECAST AND EXPECTED RETURN), HAS BEEN PREPARED SOLELY FOR INFORMATIONAL PURPOSES AND IS NOT AN OFFER TO BUY OR SELL OR A SOLICITATION OF AN OFFER TO BUY OR SELL ANY SECURITY. SUCH A SOLICITATION MAY ONLY BE MADE THROUGH FORMAL OFFERING DOCUMENTATION INCLUDING A PRESENTATION OF ALL RELEVANT RISK FACTORS. THIS EXECUTIVE OVERVIEW IS FOR DISCUSSION PURPOSES ONLY.