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The Coretec Group Releases CEO Annual Letter

2020 saw unprecedented progress in building a solid business foundation, now Coretec is prepared and planning for CHS Commercialization and more momentum and growth in 2021

ANN ARBOR, MI / ACCESSWIRE / January 12, 2021 /The Coretec Group, Inc., (OTCQB:CRTG) ("Coretec"), a company developing a portfolio of silicon-based materials utilizing Cyclohexasilane ("CHS") to pursue commercial development of products in semiconductor, energy, solid-state lighting, and Solar PV, today released an Annual CEO Letter highlighting progress made in 2020 in building a solid business foundation, and detailed plans for commercialization of CHS in 2021, thereby building more business momentum and growth.

Coretec CEO Annual Letter

First, all of us at Coretec hope all of you are safe and healthy. We wish you a Happy New Year and a prosperous 2021. One thing I was reminded of in 2020 was the fact that we all, individually, can make a difference. Therefore, it is my wish that you go out of your way in 2021 to make a positive difference.

I am very pleased to report that the entire Coretec Team is healthy, safe, and working very hard for Coretec's continued success. We made significant progress in 2020! And we are planning to complete many tasks in 2021 where the groundwork was laid in 2020. Highlights follow.

CEO Vision for Coretec:

After serving as your CEO for nearly 4 years, I have seen Coretec strengthen every year. Some progress has been hard to see, but I assure you Coretec is stronger now with more success destined in its future than ever before. We now wholly own our intellectual property (IP). We have built a team of world-class professionals that are headquartered in a top high-tech corridor in the USA. We have secured a world-class partner in Evonik to produce CHS, and have put into place world-class customer service, sales, and marketing. I want to thank our long-term shareholders as you have been patient and you too have seen this growth. This foundation, though it takes time, is necessary to build a successful company. Coretec now has a solid foundation.

In 2021, the Coretec Team will leverage the foundation we worked so hard to build. We will commercialize CHS in more than one market, and begin the first sales of CHS. First, I wish to summarize the progress made in 2020, and then review the planned activities for 2021.

2020 Achievements

We have a CHS [supply partner in Evonik GmbH](#). Coretec filed a CHS synthesis patent and held many meetings in 2020 with Evonik which resulted in a CHS supply partnership. Evonik is a €13 billion specialty chemical company with 30,000 employees in 104 countries. This supplier has a stellar reputation worldwide and cancels any customer doubt in the security of supply or volume manufacturing. For the customers and applications we are working with, these are critical questions for initial consideration and quite simply, there could not be a better answer.

Coretec now owns its own IP. I must thank Ramez Elgammal for his dedication and for leading the effort to establish Coretec's own IP. We have 2 patents in process and have more on the way. The objective here is because we know how CHS best amplifies an application's performance, we must patent that value before we show the customer. When the customer sees this improved performance and requires CHS supply, we will be the sole supplier to that customer and that application as with the sale of CHS we provide a non-exclusive license to the patent we own which allows that customer to build a product that performs far superior to the competition. That is a world-class barrier to entry to competition and excellent security of the sales account.

We have experienced significant customer interest in CHS. Sales is an attrition process. To find 10 customers, you must prospect more than 10 leads. In many markets, one might need to prospect 10,000 leads to get 10 potential customers (a qualified lead); a 0.1% interest rate. A less than 1% rate is very typical. In 2020, Coretec experienced a >10.0% hit rate from prospecting, from talking to customers. I have been in advanced materials my entire 30-year career, and this is nearly 100x the norm. It means customers want CHS.

Coretec shares (CRTG) have been upgraded and now trade on the [OTCQB Venture Market](#). The OTCQB Venture Market is the premier market for entrepreneurial and development stage U.S. and international companies that are committed to providing investors with high-quality trading and improved market visibility. To be eligible, companies must be current in their financial reporting to the SEC, pass a minimum bid price test, and undergo an annual company audit, verification, and management certification process. This reflects Coretec's commitment to current and transparent SEC financial reporting and OTC certifications. Most importantly, it reflects our continued efforts to build a solid foundation to accelerate the Company's progress.

Coretec moved the HQ office from Tulsa, OK to Ann Arbor, MI. I first want to thank Ron Robinson, past CFO, and Judy Keating, past Office Manager/Corporate Secretary. Ron and Judy kept Coretec going for many years and we are all indebted to their service. I personally relied on both many times and am forever grateful. We moved the office for two reasons; one to be where there is an abundance of talent, and two because Ron and Judy were entering retirement. Yes, Coretec's CEO lives near Ann Arbor, but all the more reason to be where the talent is and keep the entire team together. This too is an important foundation for a successful company. Thank you Matt Hoffman, Michelle Tokarz, and Lindsay McCarthy for working so hard to create a successful Coretec future, alongside Ramez Elgammal, Ken Evans, myself, and Taylor and Felix our college student interns.

Plans for 2021

In early 2021 evaluation samples of CHS will ship to customers. As we have reported, we have ten (10) initial evaluation samples; enough CHS for our customers to create a Gen 2.0

version of their application and measure its performance. This is an exciting time for us, as we are working with best-in-class companies in many markets. Motivating for sure, but also very rewarding in knowing Coretec is partnering to create technology that will make a greener planet, more efficient EVs, next-generation semiconductors to drive Artificial Intelligence, Gen 2.0 LED lighting, and better solar efficiency. This is also a big advantage of an advanced materials company – we are very diversified over many leading technology applications, which is to say we are not putting all of our eggs in one basket. We are highly confident that more than one of these applications will use CHS as a key material, and that diversification makes a strong basis for company success.

Coretec has filed its own patents and will file more. A company should own its own IP for several reasons. One, to not have to pay a royalty or behold to another company for key technology it builds a business on. Second, and I feel, more importantly, to understand the patent landscape and in the technology space who is a potential partner and who is a competitor. Successful businesses know both well and Coretec has completed all relevant IP landscape searches surrounding our technology. These searches not only make our patents stronger, but identify partners; in fact, this is exactly how we found Evonik. I personally oversee the Coretec IP portfolio, and Ramez is one of the best I have ever worked with as a CTO, and as a result, with the help of our IP firm, Coretec has a strong IP portfolio, and it gets stronger every day.

Coretec is hiring a new Chief Marketing Officer (CMO). This person should be on board in January 2021. The accomplishments in 2020 were significant, however, we felt the message, and the understanding of what we are accomplishing, needs to be communicated better, and to more audiences that need to hear it. Therefore, for the past few months, the Coretec team has been interviewing world-class CMOs and we found several top candidates very interested in Coretec. The final selection process and onboarding may occur concurrent with this letter release, but is imminent. Coretec's commitment is to provide effective messaging so that all shareholders, future shareholders, customers, and partners, and everyone else understands clearly the impact we are making with CHS and the Coretec Team.

Coretec is gaining attention and sincere interest from our customers. Michelle Tokarz, her team, and in Coretec "Everyone is in Sales!", are building an impressive sales funnel. We use Salesforce and now have >1000 leads in 4 major markets; 17% of those leads are qualified leads. Qualified means that the customer has plans for a Gen 2.0 product, which uses CHS for improved performance, and the customer wants to know more. For anyone in sales – that is an impressive % of qualified leads! We are working those qualified leads down through the sales process and have several slated for all 10 of the initial CHS samples. In fact, we have already asked Evonik for more CHS samples as demand has exceeded our initial expectations. Many of these leads are Fortune500 companies and leaders in their markets; however, as Non-Disclosure Agreements are typical in these relationships we may not be able to tell you the company name that is using CHS as a key advanced material in their product, but we will inform you of all the progress Coretec makes in 2021. Coretec has a solid Sales funnel for future and sustained business.

In summary, during 2020 Coretec built strength in all key business areas and established traction with leading customers in several application markets. In 2021, Coretec will ship initial samples of CHS for customer evaluation and continue the application development of

Gen 2.0 products with our customers and begin initial sales. We have a product in demand, we own our own IP, we have a world-class CHS supplier, and we have a world-class team driving the business. Coretec has a solid business foundation and 2021 is what some call a “Break out” year. I am confident in the solid business foundation the Coretec Team has built and have never been involved in an advanced materials business that has more impact on potential applications. With Coretec’s solid foundation and the technology impact we have, 2021 will be another high growth year!

To learn more about The Coretec Group or to submit interest in collaboration, please visit www.thecoretecgrou.com.

About The Coretec Group, Inc.

Coretec utilizes a portfolio of silicon-based and volumetric display materials to pursue commercial development of products in energy-focused verticals such as energy storage, solar, and solid-state lighting, as well as printable electronics and 3D volumetric displays. For more information, visit www.thecoretecgrou.com. Follow The Coretec Group on [Twitter](#), [LinkedIn](#), and [Facebook](#).

Forward-Looking Statements:

The statements in this press release that relate to Coretec's expectations with regard to the future impact on Coretec's results from operations are forward-looking statements, and may involve risks and uncertainties, some of which are beyond our control. Such risks and uncertainties are described in greater detail in our filings with the U.S. Securities and Exchange Commission. Since the information in this press release may contain statements that involve risk and uncertainties and are subject to change at any time, Coretec’s actual results may differ materially from expected results. We make no commitment to disclose any subsequent revisions to forward-looking statements. This release does not constitute an offer to sell or a solicitation of offers to buy any securities of any entity.

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