

Update – December 2022

We are often asked by our distribution network about the success of the companies that DAF lends money to. This impacts directly on the fund, both in the success of the loans that DAF makes, and also in the future “Alpha” upside that will be delivered to our investors.

We expect to see these “Alpha” returns in 2023 from several of our portfolio companies, including 3Tone and I2Media, but at this time we’d like to update you on **The Coretec Group Inc.**

Last week on the 14th Dec The Coretec Group Inc held their annual shareholder call and we are excited to share some of the news they gave with you. Coretec are a US tech company that specialises in liquid silicon technology.

Firstly – they have made a video explaining the technology they have developed and patented, and the real world applications for commercial uses for their revolutionary Endurion battery. You can watch the video here:

<https://www.youtube.com/watch?v=kQPsiDeLfe8>

In their own words this technology radically improves batteries to make them “*Farther, Faster, Longer – we believe this silicon anode technology will revolutionise electric vehicles, and other battery applications, and that battery companies will scramble to get it!*”

This positive message is backed up in the shareholder call. Matthew Kappers, Chief Executive officer of The Coretec Group inc said:

“EV manufacturers like GM, Ford and BMW are seeking a battery with higher energy density, faster charging, and a longer life. GM announced that its vehicle line will be all-electric by 2035. BMW has set a target of achieving 50% of its global sales in electric vehicles by the end of the decade. Ford is investing more than \$50 billion in electric vehicles globally through 2026, and the company plans to manufacture them at a run rate of 600,000 electric vehicles globally by late next year, and two million by 2026. A few months ago, we had a Zoom meeting with a battery expert at Ford, and he told us about their innovative Ford Ion Park, which is a state-of-the-art center for developing, testing and building vehicle battery cells. It’s located here in the Detroit area, not far from our facility. The automakers’ huge investments in EV clearly show their commitment to electric vehicles. To achieve these goals, the automakers have to have a better battery. This is where Endurion fits in. Our silicon anode technology will revolutionize EV batteries. As such, our strategy is to concentrate our efforts and resources on Endurion.”

The full transcript of the shareholder call can be found here:

https://s27.q4cdn.com/151623411/files/doc_events/2022/12/CRTG_December_2022_Shareholder_Call_Transcript_FINAL.pdf



I'm sure you will agree this is a great end to 2022 and offers a hugely exiting outlook for 2023 for one of The Diversified Alpha Fund's key borrowers – we will obviously bring you further updates as we receive them.