

OVERVIEW

AuroraTek, Inc
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William Alek, Pres. & CEO
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Aurora Light, VP
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Type of Company: Design and assemble electronic circuit boards, develop software, and perform light machining.

Date Founded: Nov. 2013

Legal Counsel: Richard Keyt, Scottsdale, Az.

Accounting Firm: TBD

Patent Attorney: Barbara Luther, Scottsdale, Az.

Patents: Mix of proprietary trade secret, patent and licensing intellectual property (IP) defensibility.

Selected Current Customers:
Start-up

Corporate Officers:
William Alek
Aurora Light

THE COMPANY

AuroraTek is a technology leader for the global energy generation and storage industries. AuroraTek aims to provide power management for the consumer markets and distributed microgrid power for the grid tie-in and off-grid microgrid markets. AuroraTek's current focus is completing the lifecycle design of a battery-powered DC Energy Management System called SmartPAK_{TM} / SFT_{TM} and adapt it to run on an Electric Scooter. The system consists of two integrated and scalable components: 1) the Energy Management Subsystem called SmartPAK_{TM}, and 2) a special transformer configuration called the Split-Flux Transformer or SFT_{TM}. The SmartPAK_{TM} system causes the SFT_{TM} to function as a Pumped Phase Conjugate Mirror or PPCM, which transforms conjugated Electromagnetic (EM) energy to real EM energy. Theoretical efficiencies over 3,000% are realizable with this technology.

INVESTMENT SUMMARY

For discussion with serious parties

MARKET NEED

AuroraTek uniquely addresses the following critical issues for the multibillion US dollar annual global commercial/industrial, community/utility, campus/institutional, military and remote microgrid market:

- The microgrid market is currently moving into full-scale commercialization with the launch of dozens of successful pilot programs globally, decreasing costs of solar photovoltaic (PV) panels, and a relaxing prohibitions against distributed generation operation during times of grid stress.
- This includes the capacity of the microgrid with grid tie-in to island itself off from the larger public utility grid during grid outages/blackouts.
- For a variety of reasons, North America (and especially the United States) still represents the best overall market for all microgrid segments in terms of aggregate capacity. Key factors include pockets of poor power quality scattered around the U.S.
- Many of these microgrids are designed to reduce diesel fuel consumption by integration of PV panels, a technology that is the primary driver for remote microgrids over the next six (6) years.

MARKET OVERVIEW

AuroraTek's target customers are large distributed microgrid networks owned and operated by such top-tier clients as governments, military, intelligence agencies, multinational private utilities, cell tower owners/operators, universities and commercial/industrial and community housing real estate companies.

The global wholesale level market for battery control technology was nearly \$86 billion in 2011 and should grow to more than \$124 billion (constant 2012 dollars) by 2016 under a consensus scenario, a Compound Annual Growth Rate (CAGR) of 7%. Battery chargers currently represent the largest of the three (3) battery control technology market sectors, with 2011 sales of about \$48 billion. BCC expects this market to reach \$69.6 billion by 2016, a CAGR of 7.6%. They are followed by smart batteries (including both nickel metal hydride and lithium-ion), especially those used in portable products and on-road electric vehicles. Smart batteries represented a \$32 billion market in 2011, expected to grow to more than \$49 billion by 2016, a CAGR of 8.5%. Lastly, battery conditioner shipments have grown over the last 5 years. Between 2011 and 2016, global sales are predicted to grow from \$5.2 to \$5.8 billion, a CAGR of 2.2%.

MANAGEMENT TEAM

President and CEO – W. Alek
VP, Investor Relations – A. Light
Director of Research and Development – W. Alek

PRODUCTS & SERVICES

For more than 15 man-yrs., AuroraTek prototyped hardware and developed the components of its' off-grid battery powered Energy Management System (EMS) called SmartPAK_{TM} / SFT_{TM} :

- SmartPAK_{TM} component – a battery operated Energy Management Subsystem (EMSS) for the Split-Flux Transformer or SFT_{TM} component. SmartPAK_{TM} is an open architecture programmable network-enabled smart energy management and component subsystem integration platform. The platform distributes power, monitors power levels, switches battery banks and computes efficiencies in real-time.
- Split-Flux Transformer or SFT_{TM} component – a special transformer configuration. The SmartPAK_{TM} EMSS causes the SFT_{TM} to function as a Pumped Phase Conjugate Mirror or PPCM, which transforms conjugated Electromagnetic (EM) energy to real EM energy. Theoretical efficiencies over 3,000% are realizable with this technology.
- Together, the SmartPAK_{TM} / SFT_{TM} EMS functions as a programmable network enabled smart battery (re)charger hardware platform. The input of the EMS requires 70% less power than standard transformers and the output produces enough excess power from the PPCM process to drive a load and self-charge the source battery. This technology can be configured to recharge it's own source battery or recharge a load battery when configured in a dual bank arrangement. The EMS optimizes battery control and energy storage systems that are part of the generation mix of a distributed microgrid network.

VALUE PROPOSITION AND IMPLEMENTATION

The AuroraTek hardware and software platforms enable the following critical capabilities:

- Enable a distributed microgrid network to achieve Levelized Cost Of Energy (LCOE) savings of up to 74% depending on the generation mix (base retrofit vs. solar hybrid) and whether the microgrid is grid-connected by grid tie-in (on-grid) or off-grid.
- Enable an enterprise to have a unified, real-time view of every power generation, management and recycling platform and environmental or electrical monitoring sensor device (like temperature, State Of Charge [SOC], Depth Of Discharge [DOD], Voltage [V], Current [I] and computed Power [P]) throughout a distributed microgrid network, while extending battery runtime, lifetime.
- Enable a security or information technology (IT) manager to simultaneously monitor and control all devices from any networked appliance in the enterprise cloud.
- Provide a single mechanism for tracking and managing the hybrid or single source energy generation mix, reactive power conversion, battery bank charge/discharge cycling and switching through algorithm definition, power data acquisition, remote control and digital rights management of component subsystems and individuals (installation and service technicians) operating the field devices.

The primary business model for AuroraTek is a Multi-Tier Recurring Revenue Model from sales, leasing fees and PPA streams from the SmartPAK_{TM} / SFT_{TM} EMS technology.

BARRIERS TO ENTRY

Our barriers to entry build on an IP strategy of filing full patent applications domestically and internationally to secure global patent-pending status, which does not expose our IP to the public via its publication as patent(s) for 18 months and initially we will only file systems-level IP, covering our open integration architecture and power management platform that also provides automated I/O power measurement for net metered Power Purchase Agreements (PPAs), documenting and monetizing power production derived from the conversion of reactive power to real power. Also, we will anti-tamper our circuit boards after packaging them in encapsulated/potted PCB modules, secure the microcontrollers by encrypting the code used to program them, and configure the microcontrollers to clear their memory when accessed without our permission.

The base intellectual property of our Intelligent Grid Software (IGS) platform will be licensed (pending) from Xeden Cloud Concepts, Inc., to cloud-enable subsequent generations of our modular devices with an any machine-to-machine (M2M) internet protocol, based on a universal rules-based engine, to network them through available standard data communications channels into our enterprise server(s) in the cloud.

AuroraTek secured a qualified patent attorney to implement this process and safeguard our IP.

5-YEAR FINANCIAL PROJECTION PLAN (CONSERVATIVE PLAN)

TARGET FUNDING: \$2,000,000 (This includes startup costs and two (2) operating years.)					
STARTUP COST: \$100,000 (This includes equipment, materials, kickoff events, website, legal, and building lease.)					
	YEAR ONE	YEAR TWO	YEAR THREE	YEAR FOUR	YEAR FIVE
TOTAL SALES	625,000	1,250,000	2,500,000	5,000,000	10,000,000
OPERATING EXPENSES					
BUILDING LEASE					
OFFICE AND LAB SPACE	15,000	15,000	30,000	30,000	30,000
SALARIES	500,000	600,000	700,000	800,000	900,000
UTILITIES/PHONE/ISP	15,000	15,000	20,000	20,000	20,000
LAB AND OFFICE EQUIPMENT	50,000	50,000	25,000	25,000	25,000
ELECTRONIC PARTS	62,000	125,000	250,000	500,000	1,000,000
COMPUTING EQUIPMENT					
HARDWARE & SOFTWARE	30,000	10,000	10,000	10,000	10,000
TRADESHOWS AND ADVERTISE	15,000	15,000	15,000	15,000	15,000
TECH CONSULTING SERVICES					
MACHINIST, TECHNICIAN	50,000	50,000	50,000	50,000	50,000
CONSULTING SERVICES					
LEGAL (PATENT), ACCOUNT	100,000	100,000	50,000	50,000	50,000
TOTAL OPERATING EXPENSES	837,000	980,000	1,150,000	1,500,000	2,100,000
REVENUE	(212,000)	270,000	1,350,000	3,500,000	7,900,000
EMPLOYEES					
PRINCIPAL	1	1	1	1	1
SHOP MANAGER	1	1	1	1	1
TECHNICIAN	4	4	4	4	5
SHOP LABOR	8	12	16	20	24
OFFICE	1	1	1	1	1

BUSINESS MODEL: Multi-tier Recurring Revenue Model