

SDCmaterials Secures First Supply Agreement for Cost-Saving Advanced Materials used in Automotive Catalysts

TEMPE, Arizona, January 26, 2016 – A product that will mark a dramatic shift in the ingredients used in catalytic converters – and potentially save the auto industry billions of dollars in platinum and other precious metal costs - has its first customer.

SDCmaterials, Inc. (SDC) today announced a partnership and formalized supply agreement with Car Sound, a leading manufacturer of catalysts and catalytic converters for the automotive aftermarket.

The automotive catalytic converter, developed in the early 1970s primarily by General Motors and BASF/Engelhard and first deployed in 1975, changes exhaust pollutants into compounds that occur naturally in the atmosphere, allowing vehicles to run better, cleaner and on less fuel.

Today, a typical original equipment automotive catalytic converter in a gasoline engine contains about \$100 in precious metal. The SDC approach could take as much as \$60 out of that cost. If applied across 17 million new vehicles sold annually in the U.S., the value of the precious metal cost reduction could reach \$1 billion in that market alone.

“We see this technology as providing a significant savings for customers when applied in broader use,” said Jon Lauckner, GM chief technical officer and president of GM Ventures, an investor in SDC. “With ever-increasing emission requirements, this could help offset a potential cost increase for customers.”

SDC’s Nano-on-Nano™ formulation, applied to exhaust-treatment catalysts, requires as little as 40 percent of platinum-group metals in traditional catalysts, essentially doubling the efficiency of the precious-metal composition.

“SDC’s catalytic ingredients mark the most dramatic shift in the chemical composition of the basic automotive catalyst in some 40 years,” said Peter Nitoglia, Chief Strategy Officer of Car Sound. “With this agreement, we plan to leverage SDC’s novel approach to significantly improve emissions-control performance and reduce costs.”

SDC manufactures its Nano-on-Nano™ catalyst ingredients via plasma-synthesis technology, which integrates nano-sized precious metal particles onto nano-oxide support particles. When incorporated into traditional catalysts, the ingredients inhibit catalyst-degrading precious-metal migration and agglomeration, creating more stable and predictable emissions control, and allowing the catalyst manufacturer to use substantially less precious metal.

“This is an important milestone for SDC as a company,” said SDC Executive Chairman William Staron. “It commercially validates our technology and opens an array of new options for catalyst manufacturers to effectively balance emission-regulations, engine performance and exhaust-system costs.”

About Car Sound Exhaust System

Based in Rancho Santa Margarita, Calif., Car Sound Exhaust System designs, validates and manufactures aftermarket and custom catalysts in compliance with ISO 9001 quality standards. It markets top brands in automotive emissions control, including MagnaFlow catalytic converters. For more information, go to www.ect-catalyst.com and www.magnaflow.com

About SDCmaterials

SDCmaterials develops and commercializes advanced catalyst products based on a novel materials fabrication and integration platform. Founded in 2004, the company's headquarters and R&D center are in Tempe, Az. It also owns and operates a production facility in Schwarzheide, Germany. Investors include the venture capital arms of General Motors, Volvo Group, and SAIC Motor Corp., China's largest automaker, as well as BASF Venture Capital; Emerald Technology Partners, a leader in clean-tech venture capital; and Invus Financial Advisors. For more information, visit <http://www.sdcmaterials.com>.

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