



Rock Hill Economic Development Corporation

Board of Directors

Monthly Meeting

Tuesday

May 2, 2023

12 noon @ Kounter

Mission: To benefit Rock Hill economically by fostering increased employment opportunities and by expansion of business and industry; thereby, lessening the burdens of government and combatting community deterioration.

Agenda:

- I. Call to Order and Welcome
- II. Approve Minutes of the April 4, 2023, Meeting
- III. Approval Request of Financials as of March 31, 2023
- IV. Director's Report
- V. Pallidus, Inc. Presentation
- VI. Other Business
 - I. Looking Ahead
- VII. Adjourn



Financial Reports

Robert Alexander, Vice Chair

Rock Hill Economic Development Corporation
Statement of Financial Position
Previous Year Comparison as of March 31, 2023

	AS OF MAR 31, 2023	AS OF MAR 31, 2022 (PY)	CHANGE
<u>ASSETS</u>			
Current Assets	\$6,518,871.70	\$6,083,694.55	\$435,177.15
Other Assets	<u>\$523,628.50</u>	<u>\$522,768.50</u>	<u>\$860.00</u>
TOTAL ASSETS	\$7,042,500.20	\$6,606,463.05	\$436,037.15
<u>LIABILITIES AND EQUITY</u>			
Liabilities	\$726,491.14	\$1,558,550.93	-\$832,059.79
Equity	<u>\$6,316,009.06</u>	<u>\$5,047,912.12</u>	<u>\$1,268,096.94</u>
TOTAL LIABILITIES AND EQUITY	\$7,042,500.20	\$6,606,463.05	\$436,037.15

Rock Hill Economic Development Corporation
Statement of Activities
Budget vs Actual as of March 31, 2023

	Actual	Budget	Over Budget	
<u>Income</u>				
Total Income	\$1,076,815.55	\$91,649.97	\$985,165.68	
<u>Cost of Goods Sold</u>				
50000 Cost of Real Estate Sold	\$54,383.41	\$0.00	\$54,383.41	
Total Cost of Goods Sold	<u>\$54,383.41</u>	<u>\$0.00</u>	<u>\$54,383.41</u>	
Gross Profit	\$1,022,432.24	\$91,649.97	\$930,782.27	
<u>Expenses</u>				
Total Expenses	<u>\$45,992.36</u>	<u>\$99,903.07</u>	<u>-\$53,910.71</u>	
Net Operating Income	\$976,439.88	\$8,253.10	\$984,692.98	
<u>Other Income</u>				
Net Other Income	<u>-\$5,000.97</u>	<u>\$0.00</u>	<u>-\$5,000.97</u>	
Net Income	\$971,438.91	\$8,253.10	\$979,692.01	



Director's Report

Lisa Brown, Staff

Interim Director of Economic & Urban Development

2023 Community Champion Award Winner: RHEDC



Rock Hill Economic Development Corporation is committed to representing the business, educational, and community interests of the city while promoting jobs and supporting growth in Rock Hill. By fostering increased employment opportunities and partnering on redevelopment projects, RHEDC improves the quality of life for Rock Hill residents. In recent years, RHEDC has played a key role in facilitating the redevelopment of the urban core through the Knowledge Park Action Plan, leading to \$400 million of investment in downtown Rock Hill, and is a partner in the Clinton ConNEXTion strategic plan for attracting jobs, businesses, and housing to the historic neighborhoods in South Rock Hill. Through RHEDC's Talent Pipeline program, educational institutions and local businesses build supportive relationships with students through employment, internship, and apprenticeship opportunities.





Committee Reports



Pallidus, Inc.

Jerry Knowles, Vice President

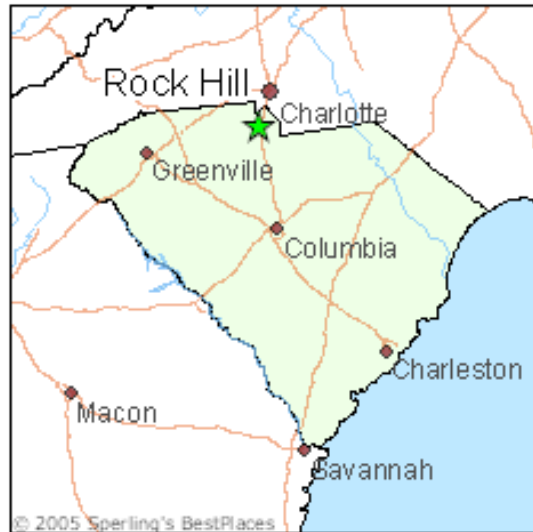
PALLIDUS



Unlocking the Potential of SiC at Rock Hill, SC

May 2nd, 2023

South Carolina



Pallidus: Overview

Pallidus is a high growth Silicon Carbide wafer manufacturer, producing the highest quality wafers at low cost leveraging its proprietary technology platform. Pallidus is rapidly seeking to expand its operations to facility II to meet pent up demand for product.

- Industry leading product margins
- Cash Flow positive within 6-months of facility II build-out
- Strong backlog of contracts
- Superior product improves customer margins by 20%+
- Backed by established industry investors, and led by accomplished industry veterans, including Breakthrough Energy Ventures, Monashee Capital and Pallidus Executive Chairman Rick Clemmer, former CEO of NXP



FINDING A NEW HEADQUARTERS

Pallidus is laying down roots

- Facility II will become the company headquarters and production facility to meet current demand and will support over 400 new jobs within 2 years of acquisition
- Have specific facility requirements, including square footage, labor force and skills sets, access, ample and redundant electricity, state support
- Pallidus is attracting the attention of broader semiconductor market and investors.

Shortlisted states/sites, focused upon garnering state and local support



ULTRA-HIGH GROWTH MARKET WITH DEMAND > SUPPLY FOR THE FORESEEABLE FUTURE

SiC enables the electrification of the world



Power electronics expected to reach \$37 billion by 2030 with a 32% CAGR

Silicon carbide is a semiconductor that is perfectly suited to power applications, thanks above all to its ability to withstand high voltages, up to ten times higher than those usable with silicon.

**Power
Electronics.**

“Silicon carbide power electronics can slash \$6,000 from cost of Tesla Model S”

WSJ

“With electric-car target, California is going to need a bigger grid”

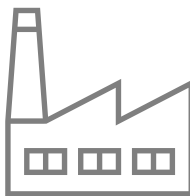
Powerful and Sustainable Growth Drivers



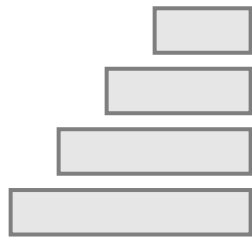
Hundreds of Millions in Purchase Commitments Already in Place



Surging Demand Combined with Constrained Supply



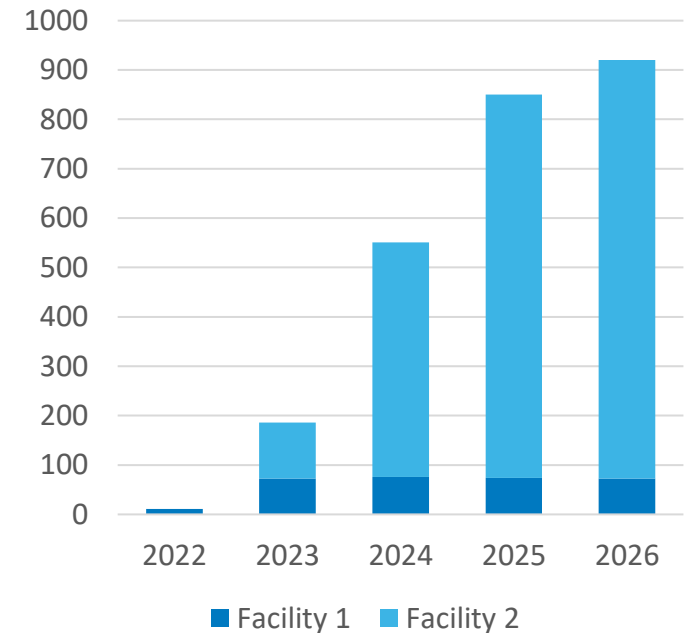
Rapid Capacity Expansion Planned



Robust Innovation Roadmap and New Product Pipeline

Pallidus Wafer Sales Plan

Wafers in thousands



Pallidus Value Proposition

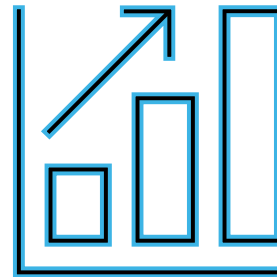
Pallidus provides a **game-changing value proposition** for semiconductor device manufacturers

Lower device costs...

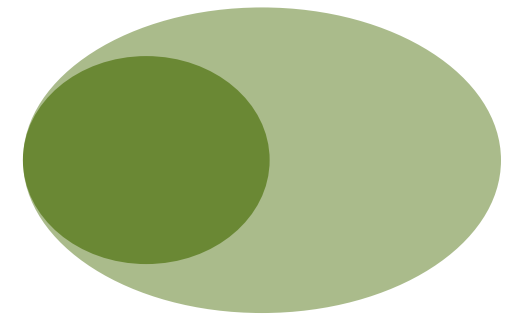


By as much as 25% without wafer cost reduction

...enable device makers to increase profitability...



...or lower prices and expand their addressable market...





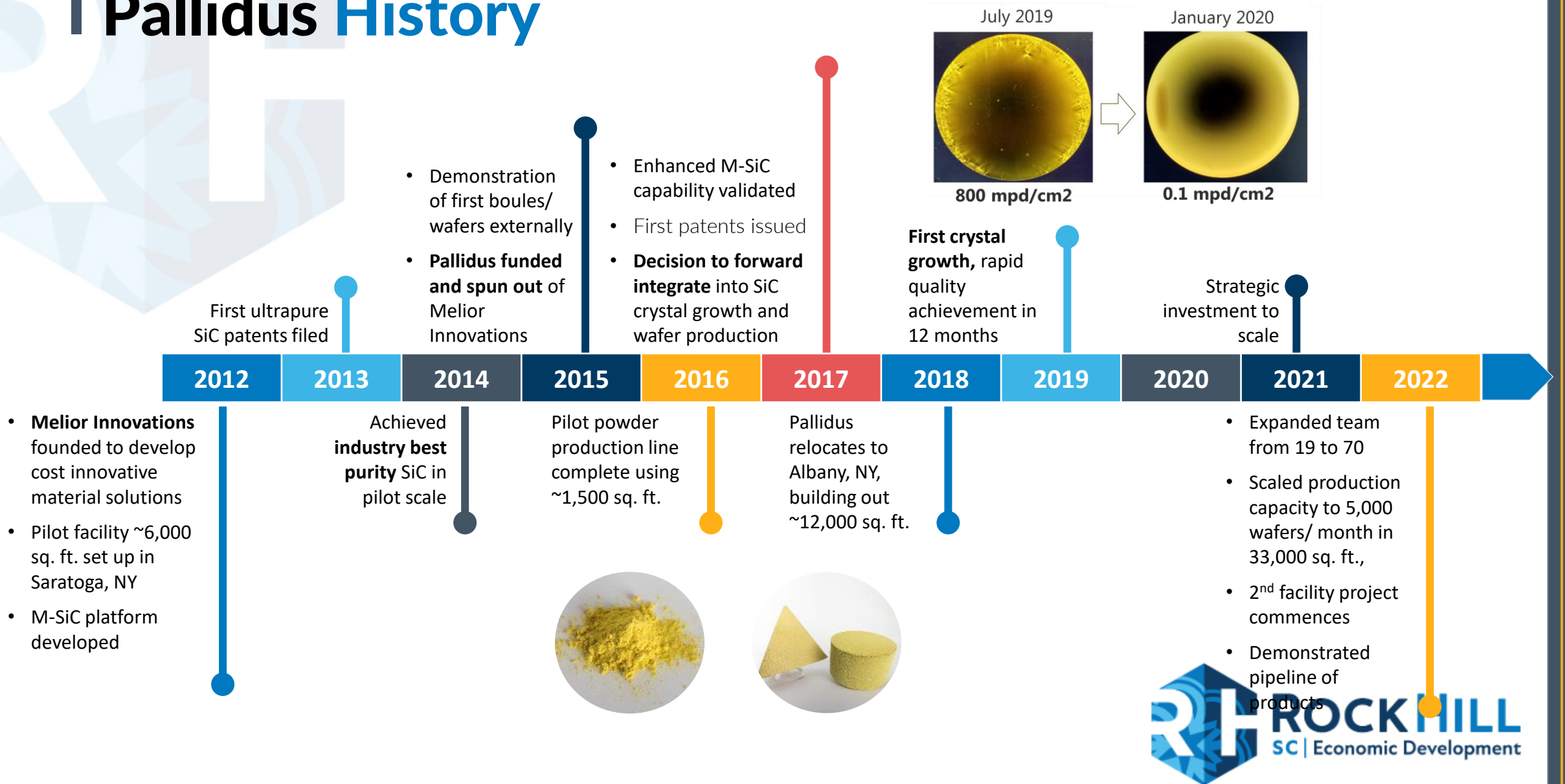
DESPITE INTENSE DEMAND, SUPPLY LAGS BECAUSE

SiC is incredibly hard to grow

...and is even harder to do so with quality, consistently and cost-efficiently. Wafer quality directly impacts device yields, thus failing to unlock total potential TAM.

COMPANY OVERVIEW

Pallidus History



A DEFENSIBLE PLATFORM THAT CREATES MASSIVE ADVANTAGE

Pallidus technology transforms SiC wafer growth

A platform with massive competitive advantage – wafer diameter expansion, wafer material properties modification, and wafer quality and consistency - and a deep pipeline of products to continue to differentiate Pallidus.

Source

Proprietary, superior and consistent source. Can be enhanced with dopants



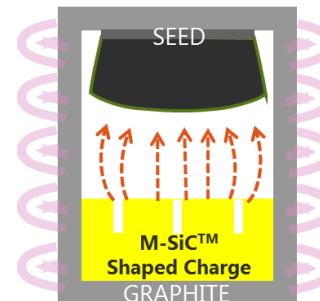
Shaped Charge

Consistent faster growth, larger diameters w/out degradation, longer crystals



Simplified System

Reduced system complexity, less consumables, wider process windows.



Predictive

M-SiC platform enables highly predictive modeling leading to ongoing rapid improvements.



Growth Drivers: Capacity Expansion

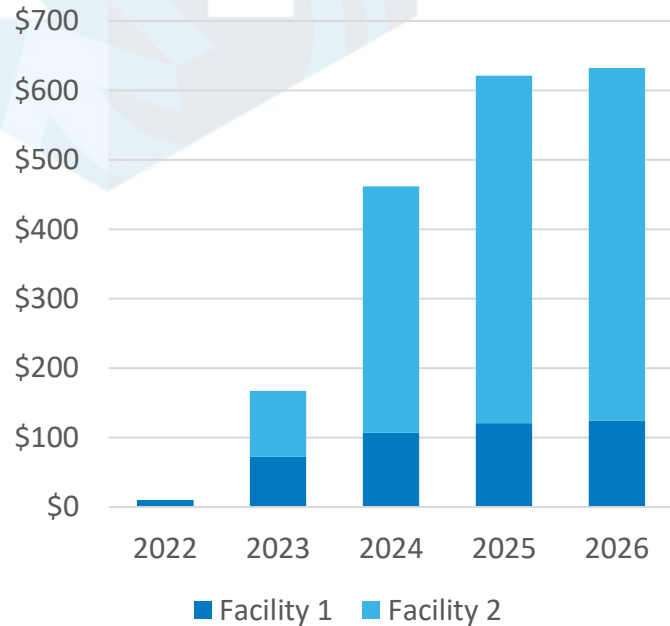
	Facility 1: Albany, NY	Facility 2: Rock Hill, SC
Square Footage	38,400	250,000-300,000
Project Duration	March 2022 – December 2022	October 2022 – December 2025
Production Start (at Partial Capacity)	October 2022	July 2023
Monthly Saleable Wafer Production at Full Capacity	6,500	65,000 (Phase III – 102K WPM)
Jobs Created	110	~400
Investment:		
Facility Build-out*	\$12M	\$125M
Production Tools	\$28M	\$325M
Design/Other Fees	\$2M	\$20M
Total Project Cost	\$42M	\$470M (*Phase III Project Total of \$650M)
Status	On track	Occupancy expected in early Q4

*Estimated based upon site options

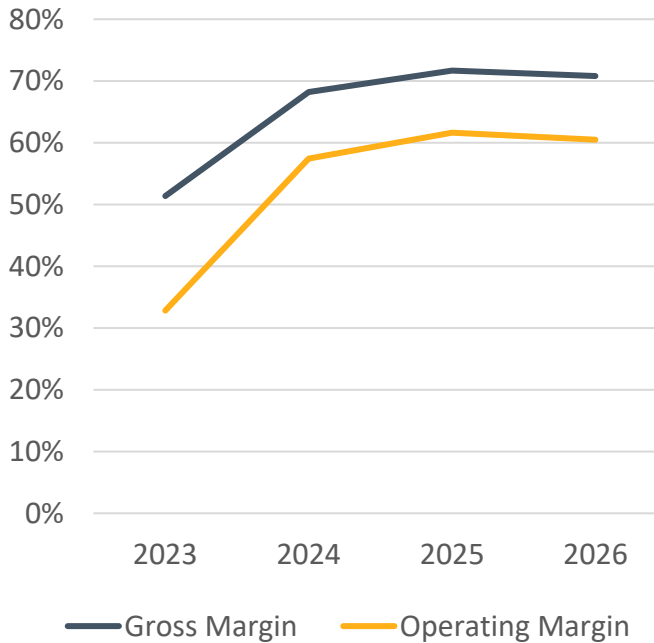
High-Growth, Highly Profitable Financial Profile

Rapid Revenue Growth

US\$ in millions

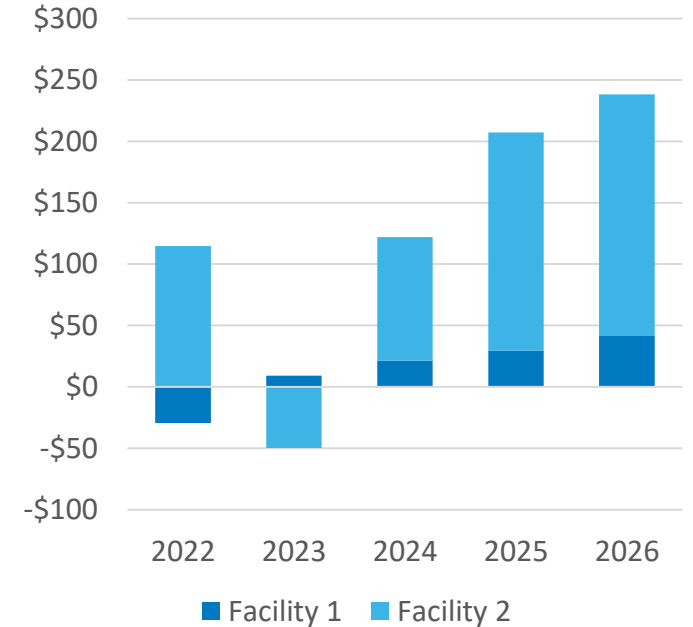


High Margins



Strong Cash Flow

Including Lease and Equity Financing
US\$ in millions



AN EXPERIENCED TEAM DESIGNED TO TRANSFORM AN INDUSTRY

World-Class operators and investors

Leadership



Mark Land
Founder & CEO
Materials science
innovator



Rick Clemmer
Executive Chairman
Former CEO, NXP
Semiconductors

Investors



Breakthrough
Energy



AN EXPERIENCED TEAM DESIGNED TO TRANSFORM AN INDUSTRY

Pallidus will become one of the fastest growing companies in the US starting this year, with an expectation of reaching \$1 Billion in revenue run-rate in 2026.

SiC wafer demand for all applications





Other Business

Looking Ahead

- Continuing the Governance Discussion –
 - Strategic Plan process ✓
 - Fiscal Year Change ✓
 - Reconstituting the board
 - Strengthening committee structures

Upcoming Events

Event	Date	Time	Place
Launchpad	5/3/2023	8am	Knowledge Perk
1 st Wednesday – Webinar with Climb Fund	5/3/2023	10am	Zoom
Talent Pipeline Internship Readiness Lunch N' Learn for Employers	5/4/2023	12-1pm	Gravity Center
Talent Pipeline Orientation	5/9/2023	10am	Zoom
Business Formation Workshop (Spanish) SC Hispanic Chamber of Commerce	5/16/2023	8am-5pm	Gravity Center
RHEDC Annual Meeting	June - TBD	TBD	TBD
Placemaking Training Part 2	6/14/2023	4-7pm	Emmett Scott Community Room
Placemaking Project Implementation	6/16/2023	9am-3pm	Southside