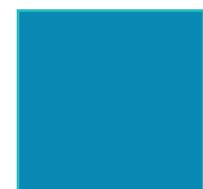
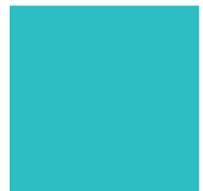




ERIC CHOREY, PRESIDENT
PETRA INTERNATIONAL HOLDINGS, LLC
420 EAST PINE AVENUE
CRESTVIEW, FL 32539
850-499-1809



CONFIDENTIALITY AND DISCLAIMER

Sources and objectives of document: This document is the confidential business plan of Petra International Holdings. Information contained herein was obtained from management and from the Company's founders.

THE INFORMATION CONTAINED IN THIS DOCUMENT IS CONFIDENTIAL AND IS INTENDED ONLY FOR THE PERSONS TO WHOM IT IS TRANSMITTED BY THE COMPANY. ANY REPRODUCTION OF THIS INFORMATION, IN WHOLE OR IN PART, WITHOUT THE PRIOR WRITTEN CONSENT OF THE Petra IS STRICTLY PROHIBITED.

Certain information in this business plan constitutes "forward-looking" statements which can be identified by the use of forward-looking terminology such as "may", "will", "should", "could", "would", "plan", "can", "hope", "potential", "expect", "anticipate", "estimate", "intend", "project", "believe", or negatives or variations of such terminology. There are numerous risks and uncertainties that will have an impact on the development of the business described in this business plan and the ability of Petra International Holdings to achieve any of its goals and its estimates or projections of future performance, and the actual performance of Petra International Holdings may differ materially and adversely from the estimates and projections reflected or contemplated by any such forward looking statements. There can be no assurance that Petra International Holdings will be able to achieve any of the revenue, profit, customer acquisition or other goals described in this business plan.

Certain of the economic, financial, industry and business segment and market information (including but not limited to those contained or forming the basis for forward-looking statements and information) has been obtained from a variety of sources. While such information is believed to be reliable, none of Petra International Holdings, its officers, directors, managers or members or their affiliates assume any responsibility for the accuracy of such information.

The forward-looking statements contained in this business plan speak only as of the date hereof and Petra International Holdings undertakes no obligation to update any of them to reflect events or circumstances after the date hereof: November 2018

CONTENTS

Executive Summary.....	1
Background	3
Industry	4
Target Markets.....	7
Our Products	8
Sales and marketing.....	9
Growth Strategy.....	11
Competitors	13
The Team	15
Profits and Projections.....	16
Exit Strategy	16

EXECUTIVE SUMMARY

BACKGROUND

Every year almost 100 million tons of plastic and paper are dumped into landfills. Petra's answer to making paper-based packaging sustainable, recyclable, and a green solution is the patented Petra penetrating treatment technology, a unique, treatment that imparts an extremely high level of hydrophobicity within paper and corrugate. To date, Petra has designed and constructed treatment machines and treated various types of paper, provided by numerous paper manufacturers. The Petra team has made great strides in the areas of perfecting the treatment process and industrial equipment designs.

COMPANY PROFILE

Petra International Holdings, LLC,
a Florida LLC formed in 2013
Industry: Eco Packaging

FINANCIAL INFO

Stage: Seed
Capital Seeking: \$5 Million

CONTACT INFO

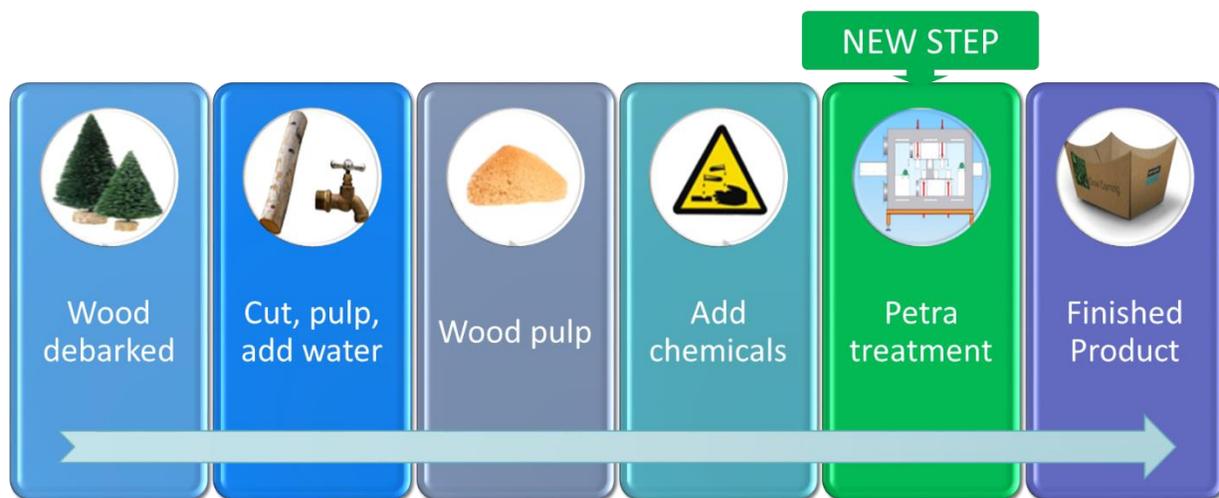
Eric Chorey, President
Phone: 850.499.1809
Emchorey@gmail.com

INDUSTRY

The global green packaging industry is estimated to reach \$203.1 billion by 2021 because of the expanding environmental concerns over packaging waste.¹ With a 6.2% CAGR predicated between 2015 and 2021, demand for biodegradable and healthy packaging is growing at an exponential rate.

TARGET MARKET

WestRock, Carastar, MD Papeis, Hub Folding Box, Dunn Paper, USDA, Graphics Packaging, Pratt Industries, Double H and Bags to Earth have shown great interest in the treatment technology and provided paper, which Petra has successfully treated. There have been paper trials performed for each company and active analysis of the treatment are in process with several of the companies.



¹ prnewswire.com. "Global Green Packaging Market to Reach US\$203.1 Billion by 2021." Web.
<http://www.prnewswire.com/news-releases/global-green-packaging-market-to-reach-us2031-billion-by-2021-driven-by-rising-environmental-concerns-over-packaging-waste-transparency-market-research-586953271.html>

More to Recycling.
Less to Landfill.



THE TEAM

President Eric Chorey has 25 years of experience in technical and utility field industrial operations and has held key leadership roles at American Electric Power and Siemens Corporation. Mr. Chorey’s unique and diverse skill set has enabled him to successfully contribute in a variety of executive leadership roles.

PROFITS AND PROJECTIONS

Petra has invested over \$2.5 million in patent acquisition, patent maintenance, product and laboratory testing, and operational expenses. Petra plans to license the technology to paper and packaging

manufacturers and is considering treating certain products in its own facilities. The licensing revenue would be in the form of a onetime franchise fee, ongoing royalty fee based on gross sales of treated product and equipment rebates. The license allows our partners to utilize Petra patents, IP and treatment process in its manufacturing process.

EXIT STRATEGY

The packaging industry saw 288 deals in 2015 for a total of \$33.3 billion as compared to 250 in 2014 for \$15.2 billion. Petra’s plan is to build revenue through licensing and royalties over the next 3 to 5 years and then seek a purchaser within Petra’s field of expertise, a strategic merger with another company like Georgia Pacific, Caraustar, International Paper, or WestRock.

	2019 Forecast	2020 Forecast	2021 Forecast	2022 Forecast	2023 Forecast
Sales	\$0	\$363,025	\$2,197,688	\$5,471,844	\$9,136,914
Cost of Goods	\$0	\$26,303	\$159,769	\$399,684	\$669,941
Gross Profit	\$0	\$336,723	\$2,037,919	\$5,072,160	\$8,466,972
Margin %	-	93%	93%	93%	93%
Sales & Marketing	\$0	\$90,000	\$180,000	\$270,000	\$405,000
Gen'l & Admin	\$279,824	\$1,518,640	\$1,645,877	\$1,644,560	\$2,903,466
EBITDA	(\$279,824)	(\$1,271,917)	\$212,042	\$3,157,600	\$5,158,506

BACKGROUND

Every year almost 100 million tons of plastic and paper are dumped into landfills. Our solution is a unique paper that is sustainable, recyclable, and a green solution that is patented and originally developed by DOW Corning (“DOW”). The Petra paper barrier treatment process can improve water barrier and strength properties of paper. The greatest majority of single server (K-Cups), wax or PE covered paper cardboard, styrofoam, plastic cups, plates, boxes and related products are not recyclable, not compostable, not biodegradable and not sustainable.

At a rate of 32.5 million tons of plastic and 67.5 million tons of paper and corrugate, our landfills are filling up quickly and the problem is escalating. The world’s oceans are being polluted at an estimated 8 million metric tons of plastic per year, equivalent to an area 34 times the size of Manhattan ankle deep. A debris island the size of Texas is floating in the Pacific Ocean. Pollution is a critical problem and the public and government are demanding sustainable, green packaging solutions. Manufacturers are desperately seeking sustainable and recyclable packaging to meet these demands.



Petra’s answer to making paper-based packaging sustainable, recyclable, and a green solution is the patented Petra penetrating treatment technology, a unique, treatment that imparts an extremely high level of hydrophobicity within paper and corrugate. The process was developed and patented by DOW Corning and the result of treatment takes the paper performance from ordinary to extraordinary. Petra entered into a business relationship with DOW and, as a part of the agreement, acquired these patents. DOW’s core business is manufacturing chemicals, and development of new markets for their use, Petra will activate this technology in the paper and packaging industry.

The patented process transforms the treated paper so that it is pulpable, compostable, and recyclable, meeting the Fibre Box Association’s standards. Truly a green solution. The treatment process meets U.S. Food and Drug Administration standards for incidental food contact and Petra is moving forward to attain direct food contact regulatory approval. It’s important to understand that the treatment penetrates throughout the paper and is NOT a coating or wax.

The treatment creates a lotus effect within the fiber matrix, which changes the contact angle of the surface to water and requires no other additional treatment to the paper. It improves the paper strength and allows it to breathe. The paper can be cut, folded, printed and/or glued and converted without loss of moisture resistance. The treatment has been proven commercially viable and at a cheaper cost as compared to traditional coating technologies. The high water-resistance properties of treated paper results in superior wet strength.



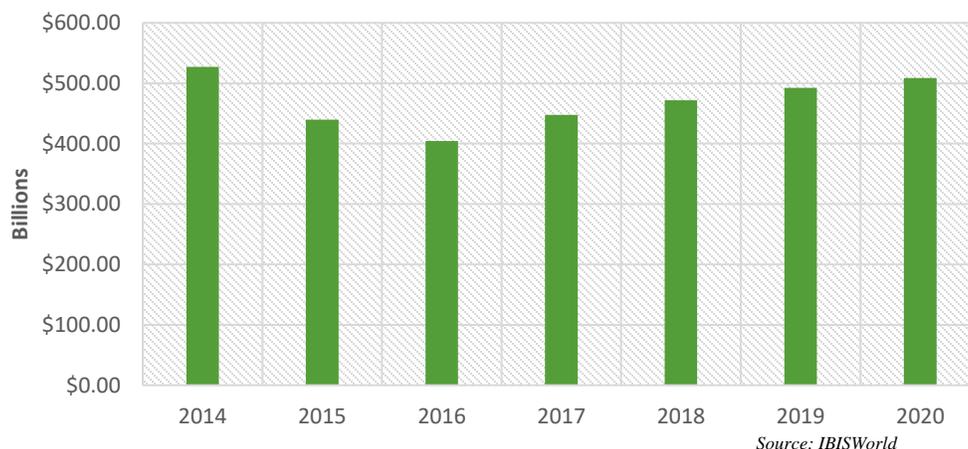
The result of the treatment on paper increases recyclable value to companies allowing higher levels of truly recyclable paper solutions used in the packaging industry. This shift will have a positive effect to a company's bottom line, and will reduce the rate at which our landfills are being consumed and oceans are being polluted. It will allow companies to increase their quantity of recycle sales to recycling companies and reduce their cost of sending non-recyclable

packaging to landfills. It will afford companies like Starbucks the opportunity to truly attain their goal of a fully recyclable cup. It will allow the paper companies to reduce their requirements to purchase virgin timber and the environmental impact associated and increase their use of recycled paper. It will increase the recycling company's profits thru increased tonnage sales to the paper producers and less cost to the landfill. A net positive supply chain impact from consumers to producers, changing the impact we have on our natural resources.

INDUSTRY

State and governmental regulation is changing the landscape of packaging material options that are used in the packaging industry. Over 70 cities have outlawed or are considering regulations on the use of Styrofoam, plastic bags, single serve containers and plastic bottles. These regulations and increasing consumer pressure are altering the packaging landscape and redefining the traditional packaging technology solutions.

GLOBAL PLASTIC PRODUCT & PACKAGING MANUFACTURING



According to the Association for Packaging and Processing Technologies, the U.S. food packaging

industry is forecasted to grow through 2022.² Projected to grow at a constant rate of 2.9% CAGR through 2022, experts anticipate that meat, snack foods, and related products will outperform the market with growth exceeding 3%. The rising consumer demand for portion control and convenience options has steadily correlated with the rise of the packaging market. Internationally, the food industry has also experienced a period of rapid growth. The Association for Packaging and Processing Technologies identifies the most innovative food industry segments as snack foods, meat and related products, and fruit and vegetables. As consumer demand is primarily driven by such factors as sustainability, safety and convenience, the introduction of eco-friendlier packaging should translate to an even higher demand within the market.



packaging products.

Currently, the global plastic product & packaging manufacturing industry is in a state of decline as revenue growth has been negative over the ten-year period leading into 2016. However, plastic consumption has accelerated over the past 5 years, leading to more environmental benefits such as waste reduction and energy savings due to its recyclable material.³ The packaging segment of the food and beverage market tended to outperform other industry products such as household chemicals due to the inelastic nature of demand for

A recent increase in public awareness of environmental issues has led to an increased demand for sustainable packaging and processing operations.⁴ Due to this increased environmental consciousness, sustainability initiatives have considerably advanced, as there has been a rise in the use of recycled materials, minimized material usage and growing demand for more energy-efficient machines. The market for global green packaging is estimated to reach \$203.1 billion by 2021 because of the expanding environmental concerns over packaging waste.⁵ With a 6.2% CAGR predicated between 2015 and 2021, demand for biodegradable and healthy packaging is surging at an exponential rate.

WASTE

The world's trash situation has reached a level that is now impossible to ignore. More than half the world's population lacks access to regular trash collection, and some experts believe that the world's current trash troubles are at a crisis level.⁶ Countries are producing 1.3 billion tons of waste annually, with an expected total to amount to 4 billion tons by 2100.

² Pmmi.org. "U.S. Food Packaging Market Forecast to Grow Through 2022." Web. <http://www.pmmi.org/News/PRDetail.cfm?ItemNumber=28874>

³ IBISWorld.com "Industry at a glance." Web.

<http://clients1.ibisworld.com.proxyiub.uits.iu.edu/reports/gl/industry/ataglance.aspx?entid=770>

⁴ Pmmi.org. ""Breaking down sustainable packaging." Web

http://pmmi.files.cms-plus.com/PACKEXPOInternational/files/Final_PMMI_Infographic_Earth%20Day.pdf

⁵ prnewswire.com. "Global Green Packaging Market to Reach US\$203.1 Billion by 2021." Web.

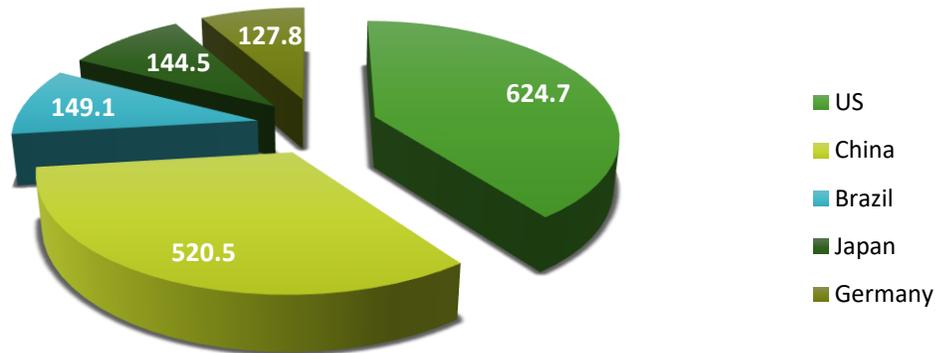
<http://www.prnewswire.com/news-releases/global-green-packaging-market-to-reach-us2031-billion-by-2021-driven-by-rising-environmental-concerns-over-packaging-waste-transparency-market-research-586953271.html>

⁶ Latimes.com "The world's trash crisis, and why many Americans are oblivious." Web.

<http://www.latimes.com/world/global-development/la-fg-global-trash-20160422-20160421-snap-htlstory.html>

Although manufacturers have been able to reduce source material by creating thinner, lighter primary and secondary packaging, down gauging, and other waste reducing efforts, the price associated with current waste levels continues to surpass customary expectations. Presently, \$1.5 billion is used in the development of corrugated wax and wax alternative boxes for meat and produce. Additionally, \$3.9 billion is spent on disposable cup stock, \$1.1 billion spent on barrier coated paper for frozen/chilled foods, and \$1.8 billion expensed on global air filters. The US generates the most waste according to a 2011 report that compiled data from earlier years.

Top 5 Waste Generating Countries
(in thousands of metric tons)



Through increased production of recyclable packaging materials, waste numbers will drastically decline, resulting in less money used up in waste reducing efforts and a smaller ecological footprint for the world.

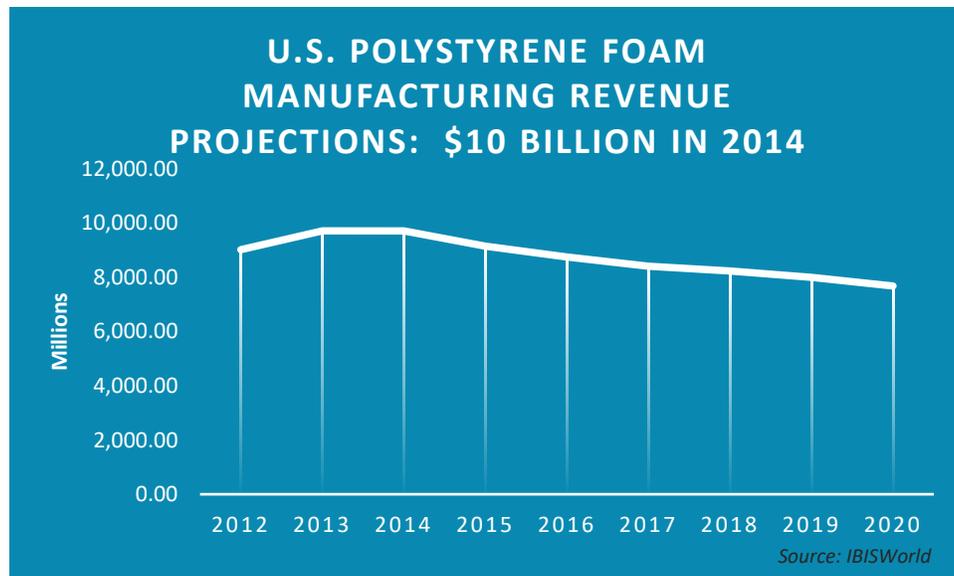
STYROFOAM INDUSTRY

Owned by the Dow Chemical Company, Styrofoam is a brand of extruded polystyrene foam that is currently made for insulation amongst other applications.⁷ The Polystyrene Foam Manufacturing industry produces a wide array of products including expanded polystyrene for food cups and containers, chests, and other packaging and insulation goods.⁸ These products are popular in other industries as well, including construction and hospital sectors.

The industry is currently producing an annual revenue of \$9.2 billion with a \$412 million profit, although it is currently in a state of decline. Between 2010 and 2015, the industry grew at an unfavorable rate of 0.8%, with a forecasted growth rate of -3.4% between now and 2020. Unfortunately, the current growth existing in the industry may only be attributed to a recovery from the industry's recessionary lows. Consumers tended to hold off on going out to eat, which limited their consumption of manufactured goods. This led to the imminent decline in demand for polystyrene foam products.

⁷ [styrofoamcrafts.com](http://www.styrofoamcrafts.com) "You can't drink coffee from a Styrofoam cup." Web. October 14, 2016.
<http://www.styrofoamcrafts.com/en/its-not-a-cup>

⁸ [IBISWorld.com](http://www.ibisworld.com) "Industry Overview." Web. October 14, 2016.



Polystyrene foam product manufacturers are subject to volatile price fluctuations for some of the necessary material inputs and they have experienced stringent regulations regarding the use of polystyrene-based bags and containers inside of stores and restaurants. In order to make up for the rising costs and regulation that had been imposed, some operators began to rise the prices of their products, which can further lead to a decaying market if consumers do not value the products at the recently increased rates. Consequently, some companies are going to run out of business, or have to merge with a larger competitor as the number of businesses in this industry are forecasted to drop in the near future.

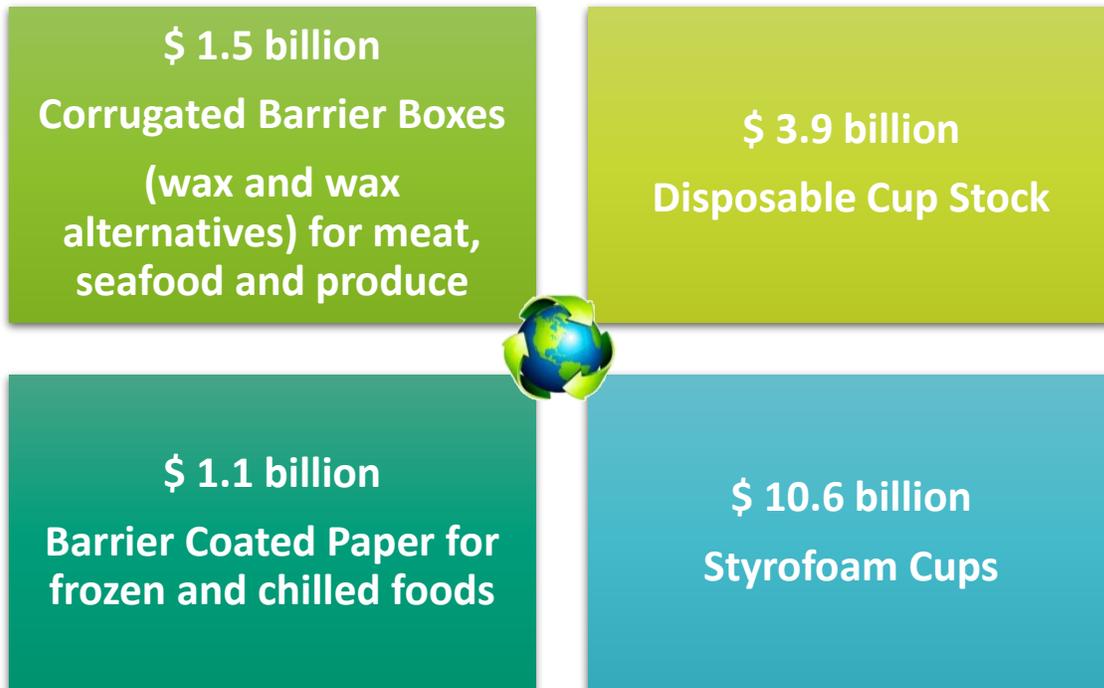
There is a low concentration paired with high competition within this sector, as the top three businesses accounted for 32.1% of the industry's total revenue. Dart Container Corporation, Reynolds Group Holdings Ltd. And The Dow Chemical Company possess the largest market share inside the industry.

TARGET MARKETS

There is a huge market for this product. The impact the treatment has on the markets allow paper-based converter and manufacturers to differentiate their product, develop new markets, expand existing markets and applications, enhance their brand, meet sustainability goals, regulatory legislation requirements and minimize the use of excessive non-recyclable packaging. The industry is also facing regulatory pressure to develop sustainable solutions to legacy treatment processes and consumer pressure is demanding green, recyclable sustainable solutions.

WestRock, Caraustar, MD Papeis, Hub Folding Box, Dunn Paper, USDA, Graphics Packaging, Pratt Industries, PCA and others have shown great interest in the treatment technology and provided paper, which Petra has successfully treated. There have been paper trials performed for each company and active analysis of the treatment are in process with several of the companies. We have spoken to testing labs and counsel and have plans to move forward with the application for direct food contact

regulatory clearance from the FDA. When this is achieved the market for Petra's treatment process grows exponentially. Another area of interest that show future promise is oil resistant, outside of paper and corrugate includes treatment of fabric and construction materials. While these potential markets are promising opportunities, it will take funding to continue further research and development.



OUR PRODUCTS

Imagine how our world might change if we could replace many types of packaging, hot and cold cups most of which are not recyclable, with a single, paper-based material that offers equal or improved performance and is fully sustainable, compostable, green and recyclable. It would significantly reduce the amount of non-recyclable packaging going to our landfills, polluting our oceans and land. In short, a single, paper-based material treatment could dramatically improve the sustainability profile for packaging around the world.

Petra has a patented treatment process that is applied to paper that is highly water resistant and durable. The paper's special properties are that it is highly resistant to water, it has a higher wet strength than untreated paper, it is biodegradable, it is FDA non-direct food contact compliant, treated paper is not just coated but treated through the paper, and the paper passes fiber box association



standards for recyclability. The paper proves to be a better and greener alternative to wax coated boxes, traditional cup stock and Styrofoam packaging.

The Petra treatment has benefits for manufacturers, retailers, and brand owners. The manufacturers benefit from our paper because it costs less to make as opposed to coating boxes with wax. Our product isn't attached to the price of oil unlike wax coated boxes, which makes it less volatile. For retailers our product is recyclable and biodegradable and will add to your sustainability image. The treatment process also has a lower total cost of ownership compared to wax boxes. For brand owners our treatment benefits them by having a lower cost and being lighter than wax boxes.



The potential markets and applications our product can be applicable to are the food packaging industry, the paper cups industry, beverage cases, air filtration frames, flower packaging, and the medical industry. There are many more uses towards industries and applications for our product. Petra's treatment can change the industry to go green. Above is a demonstration of our treated paper vs non-treated paper.



SALES AND MARKETING

MARKETING STRATEGIES

The green movement is growing rapidly. Publicity over increased greenhouse gasses, thinning polar ice caps, product recycling, landfill reductions, polluted oceans and grey water use has entered mainstream consciousness worldwide. The awareness of one's "carbon footprint" has grown significantly as has the need to reduce it and slow the destructive effects mankind is having on the environment. Petra is effectively positioned to take advantage of this current trend.

MARKETING TACTICS

Our success strategy will focus on two major areas:

- **ADVERTISING** - The advertising component of our strategy will consist of a national media campaign involving key print publications, national radio, various online venues and targeted broadcast media outlets focusing on specific age/income demographics
- **PUBLIC/MEDIA RELATIONS** - Complementing our advertising strategies, our public relations firm will construct a highly effective/highly visible public and media relations campaign

involving the development of key messaging strategies, the use of contributed articles to key publications, nationwide participation in trade shows, and other effective public relations tactics.

Our public relations firm has the resources to develop and place stories in a wide variety of media throughout our targeted markets. They bring superior insight and understanding of how to work effectively with the media to our client assignments. They will utilize our media contacts to maximize exposure for you. Typically, they create a story idea and pitch this idea to strategically selected media outlets.

ADVERTISING

Our advertising strategy includes national radio campaign along with online cross-promotions and print advertising. We will pursue a combination of online and print advertising in some key publications ranging from “super green” down to mainstream:

- **MAGAZINES** such as Good Housekeeping, Converting Quarterly, SmartMoney, Newsweek and Sunset
- **JOURNALS** such as The Sierra Club, National Geographic and the LOHAS Journal
- **WEBSITES** such as treehugger.com, thegreenguide.com (National Geographic Society) and lowimpactliving.com

Targeted and effective advertising efforts will work in tandem with the public relations efforts. Raising awareness and activating customers will occur at events and in media outlets most likely to reach potential Petra customers.

PUBLIC RELATIONS

Our public relations effort to build awareness through the use of media placements on television, radio, print and the Internet will involve the following:

- **NATIONAL BUSINESS MEDIA OUTLETS** such as CNN, Bloomberg Television, CNBC, The New York Times, Chicago Tribune, Wall Street Journal, USA Today, The Washington Post, Business Week, Money, Forbes, Fortune, Inc. and Entrepreneur Magazine
- **LOCAL PUBLICATIONS** such as Florida Trend, 850 Business Magazine including local television and radio outlets in the Florida, Georgia and Alabama area

National media often can be leveraged from local media. Since Petra is based in the Tallahassee area, we have an excellent opportunity to arrange local media coverage that could boost awareness levels and attract national coverage. Media exposure might take the form of feature articles, bylined articles,

article mentions, announcements, letters to the editor and op-ed pieces, and broadcast coverage (TV, radio, Internet).

General news releases are an effective tool to gain editorial coverage for announcements as effective story placements are viewed as credible due to the third-party endorsement given by the writer of an article or reporter of a story. Depending on case-by-case news value, they can be written for things such as new clients and partnerships, appointments/promotions, community involvement, milestones (e.g. anniversaries, length of service awards), increased capabilities, and announcements of long-range plans (e.g. expansion abroad). This smart marketing approach will be a focal point of our marketing efforts. It is virtually free and is a valuable component of any strategic marketing communications effort, especially in the green area, where being viewed as “legitimate” is crucial.

TRADE SHOWS

We have identified many shows and events worldwide that would be excellent venues for us. Some of these shows, their audiences, dates and locations are listed below.

- **GREEN MANUFACTURING EXPO**
- **GREEN FESTIVALS**
- **THE GREEN INDUSTRY & EQUIPMENT EXPO**
- **PACK EXPO**
- **SPECIALTY PAPERS US**
- **WASTE EXPO**
- **RENEWABLE ENERGY WORLD INTERNATIONAL**
- **ICE USA**

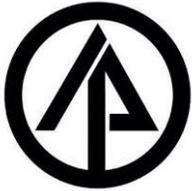


ESTIMATED GROWTH STRATEGY

Key Milestones		
Establish Office and Lab Space	Mar-19	Office space with attached warehouse for small scale treatment machine and clean lab facility in Tallahassee area.
Lab Delivery Treatment System Design and Build out	Apr-19	Order equipment, set up and calibrate, testing
Finalize Equipment Engineering and Design select Equipment partner	May-19	Potentially MegTech, SAM-NA, Kroenert
Identify substrates and Begin Final Certifications	May-19	Engage Keller-Heckman, National Food Laboratory, FDA, Organic Waste Systems and Biodegradable Products Institution.
Sample Testing	Jun-19	Final migration extraction testing with National Food Laboratory, Organic Waste Systems.
Hire Marketing Firm	Apr -19	Identify firm with specific industry expertise to carry out CEO vision
Develop Marketing Plan	May-19	President and marketing firm to create formal marketing strategy to prepare for launch
Develop Web, Social Media Presence and Marketing Material	Jun-19	Marketing firm to create web page with social media campaign and SEO optimization and Marketing Material
Commercial Equipment Prototype	Aug-19	Build, startup, testing and initial production run of treated Kraft virgin and recycled paper stock.
Develop Sales Samples	Aug-19	Work with marketing firm to ensure samples reflect brand strategy
Conference/ Expo Material	Aug-19	Attend 1 to 2 trade shows with booth and sample products
Prepare Equipment for Production Run	Sep-19	Establish parameters for paper cups, Styrofoam meat trays, lawn bags and shipping boxes
First Customer	Feb-20	Leverage existing relationships, with and without direct food contact product requirements
Expand Customer Base	May-20	Continue to add in Customers outside of food industry and inside as certification testing is completed
R&D for Generation 2	Jun-20	Build prototypes, re-formulate chemistry to accommodate oil – oleophobic treatment solution
Gen 2 Testing and Certifications	Sep-20	Testing and certifications for new product line

COMPETITORS

INTERNATIONAL PAPER



International Paper is the largest pulp and paper company in the world. With headquarters in Memphis, Tennessee, International Paper employs approximately 65,000 people. They have related company facilities across the country as well ranging from warehouses to recycling centers. Their products include uncoated paper used in printers, market pulp for making towels and tissues, and coated paper and uncoated bristols. Sales for 2015 totaled \$22.37 billion, with net income amounting to \$938 million and a net profit margin of 4.19%.⁹

ASAHI GLASS CO. LTD.



More commonly known as AGC, Asahi Glass Co. Ltd is a Japanese global glass manufacturing company headquartered in Tokyo. It is one of the core Mitsubishi companies. One of the primary competitors to DOW Corning as well, AGC is one of the largest flat glass producing companies in the world, owning Glaverbel glass plants across Europe and AFG industries in North America. Their main objective is to use as much glass cullet, or recycled glass, as possible in their production process.¹⁰ They are actively involved in several projects to improve collection and reuse of cullet in their plants, such as increasing the range of materials that are able to be loaded into their furnaces, and teaching their people to sort the cullet efficiently so as to recycle it better.

In 2015, they reported net sales of 1,326.3 billion yen, or about \$12.5 billion. Their operating profit for 2015 amounted to 71.2 billion yen (\$671.5 million) with future projections expected to reach 100 billion yen (\$943 million) in 2017.¹¹ The company aspires to have net sales of \$1.6 trillion yen, a ROE of 5% or better, and a debt to equity ratio of 0.5 or less. Out of the total sales numbers, glass was responsible for 52% of sales, Chemicals was 24%, Electronics was 22%, and ceramics/other came in at 2%.

GEORGIA PACIFIC



Georgia Pacific is an American pulp and paper company based in Atlanta, Georgia. It is one of the world's leading manufacturers and distributors of tissue, pulp, paper, toilet and paper towel dispensers, packaging, building products and related chemicals. It also makes a wide variety of other products including cardboard packaging, plywood and lumber, related chemicals, fertilizers, recycled paper fibers, Dixie-brand paper cups and more. Georgia Pacific is the largest user of de-ink fiber, or recycled paper pulp, in the world,

⁹ "Company Overview." *Hoovers.com* Web. July 19, 2016.

<http://subscriber.hoovers.com.proxyiub.uits.iu.edu/H/company360/overview.html?companyId=1080000000000>

¹⁰ "Environmental Achievements" *agc-glass.eu* Web. July 19, 2016. <http://www.agc-glass.eu/English/Homepage/Our-Values/Environment/Environmental-Report-2016/Recycling/page.aspx/2660>

¹¹ "2016 report." *Agc.com* Web. July 19, 2016. http://www.agc.com/english/ir/library/2016/pdf/2016e_complete.pdf

and its subsidiary company GP Harmon trades in the recycled material. With revenue of \$17.66 billion in 2015, GP's net profit margin comes in at 1.75%.¹²

CARAUSTAR



Acquired by investment firm H.I.G. Capital in 2013, Caraustar makes 100% recycled paperboard and converted paperboard products for end-use markets such as folding cartons and other specialty products. Their business groups include Recovered Fiber, Mill, Consumer Packaging, and Industrial Packaging. It purchases about half of its own recovered fiber, selling the rest to independent converters and to the textile, paper, metal, bookbinding, printing, and furniture industries. With reported annual sales of \$1.35 billion, Caraustar has been able to establish itself as a leader within the industry despite its negative net profit margin of 14.31%.¹³

WESTROCK



With headquarters in Richmond, Virginia, WestRock is an American corrugated packaging company. It was formed in May 2015 after regulators approved the merger between MeadWestvaco and RockTenn.¹⁴ Currently the second largest American packaging company, WestRock recorded \$9.9 billion in sales in 2014. They reported a 3.66% sales growth rate, as well as a total net income for 2014 of \$479.7 million.¹⁵

¹² "Company Overview." *Hoovers.com* Web. July 19, 2016.

<http://subscriber.hoovers.com.proxyiub.uits.iu.edu/H/company360/overview.html?companyId=1064800000000&newsCompanyDuns=009020777>

¹³ "Company Overview." *Hoovers.com* Web. July 21, 2016.

<http://subscriber.hoovers.com.proxyiub.uits.iu.edu/H/company360/overview.html?companyId=1581200000000>

¹⁴ "WestRock Company Formed with Completion of Merger of MeadWestvaco and RockTenn." *Globenewswire.com* Web. July 21, 2016.

<http://globenewswire.com/news-release/2015/07/01/749119/10140347/en/WestRock-Company-Formed-with-Completion-of-Merger-of-MeadWestvaco-and-RockTenn.html>

¹⁵ "Company Overview." *Hoovers.com* Web. July 21, 2016.

<http://subscriber.hoovers.com.proxyiub.uits.iu.edu/H/company360/overview.html?companyId=4196000000000>

THE TEAM

ERIC CHOREY

PRESIDENT, MANAGING MEMBER

Mr. Chorey has 25 years of experience in technical and utility field industrial operations and has held key leadership roles at American Electric Power and Siemens Corporation. Mr. Chorey's unique and diverse skill set has enabled him to successfully contribute in a variety of executive leadership roles, including large budget management (\$100 million+), professional services, operations, project management and strategic planning.

LEON COOK

ADVISOR

Mr. Cook was employed by Dow Corning for over 37 years and served as Lead Chemical Engineer in the development of our treatment processing technology. Mr. Cook has experience with process improvements, process design, process development, manufacturing, economic evaluation, and Six Sigma. He is listed as inventor on eight issued patents as well as several more patents in various stages of evaluation. He has published over 100 internal technical reports and is the Recipient of 5 Dow Corning Technical Achievement Awards

JERRY HORNE

ADVISOR

Mr. Horne is employed by Florida State University with over 25 years' experience working in research and development, product development, testing and design. He is the lab manager for FSUs High Performance Materials Institute.

FRED HARRIS

ADVISOR

For the past 30 years, Mr. Harris has represented a broad range of the general business community, associations and governmental entities before federal, state and local agencies, and legislative bodies. He is a senior shareholder and attorney for Greenberg Traurig and holds an LLM in Taxation. His practice focuses on taxation, transactional work, corporate transactions, corporate and dispute resolution. He is the owner of Full Earth Farms located in Quincy, Florida which specializes in organic naturally grown crops.

RICK WEIDNER

ADVISOR

Mr. Weidner is a certified public accountant with more than 40 years of experience. As a managing partner with Carr Riggs & Ingram Northeast Florida he actively provides tax compliance and tax consulting services to a wide range of companies. Mr. Weidner is currently serving on the Executive Committee of CRI and is the Partner-In-Charge of the Tallahassee, Florida, and Marianna, Florida, offices. He is the CEO and Board Member of Prime Meridian Bank, based in Tallahassee Florida. He is also a member of the American Institute of Certified Public Accountants (AICPA) and the Florida Institute of

Certified Public Accountants (FICPA). He also provides employee benefits planning and administration services, as well as succession planning consulting services. Mr. Weidner specialty is in performing tax services for construction companies, healthcare entities, and professional services firms.

PROFITS AND PROJECTIONS

Revenue will be mainly from royalty, and license fees and equipment rebates. First licensing fees are forecast in 2020. Product development costs include estimated NFL, FDA Food Contact Regulatory Clearance, OWS, BPI, Keller Heckman services and patent fees. We are focused on building a working larger scale treatment machine. This machine can be used for small sale quantities to allow for some revenue to offset cost, as we seek larger partners. Cost of sales mainly includes manufacturing costs and royalty fees paid back to Dow. With 89%-93% high gross margin, the company is expected to turn profit quickly by 2021 with revenue of \$2 million and net cash flow of \$200K. By 2023, revenue is to reach \$8.4 million.

Petra is seeking a partner to further the commercialization of this unique paper treatment process. To fund its capital needs, Petra is seeking an investment in the amount up to \$5 million in order to assist in launching the commercial product platform. The founders have invested just over \$2.5 million in the Company to date. The funds will primarily be used as follows:

- \$2,500,000 for machine
- \$225,000 for corrugate treatment
- \$350,000 for FDA, BPI and OWS Certification process
- \$325,000 for patent maintenance cost
- \$350,000 for other professional services
- \$1,250,000 for working capital

EXIT STRATEGY

The M&A activity in the packaging industry is still being pushed by private mid-level companies that need to provide a wider range of products to fit the consumer's needs. The packaging industry saw 288 mergers and acquisitions in 2015 up from 250 in 2014. The deals combined in 2015 were for a total of \$33.3 billion while in 2014 there was only a combined total of \$15.2 billion. The US and Canada make up 22% of the packaging industry. There is a huge consumer shift for packaging companies to use bio-based materials but only less than a third of companies use the materials now. By 2019, 43% of companies are expected to switch to bio based materials.

NUMBER OF PAPER PACKAGING DEALS



Source: www.pmcj.com

Petra's growth plan will position the company for a possible acquisition by one of the major paper or paper cup producer companies such as Georgia Pacific or merger with one of the top brands in the industry such as International Paper. There is a history of packaging and paper companies that have been acquired in the past by top companies in the market in order to bolster their market share and gather new technologies.

Some examples of recent deals include:

- **WESTROCK** acquired **CENVEO PACKAGING** in January 2016 for \$105 million. In the last 12 months prior to being purchased Cenveo Packaging had \$190 million in revenue which gives a deal value of 0.55.¹⁶ Cenveo Packaging is a printing and packaging company.
- **GEORGIA-PACIFIC** acquired **SPG HOLDINGS LLC** in 2014 for an undisclosed amount. SPG Holdings LLC is a specialty paper packaging supplier.
- **INTERNATIONAL PAPER** will acquire **WEYERHAEUSER** for around \$1.3 billion. Weyerhaeuser's EBITDA in 2015 was \$372 million which brings the deal multiplier to 3.49. The deal was announced in May of 2016.¹⁷ Weyerhaeuser is an international forest products company producing softwood lumber, pulp, paper and packaging products.
- **CARAUSTAR INDUSTRIES** bought **NEWARK GROUP** in 2014 for an undisclosed amount.¹⁸ Both companies produce recycled paperboard.

All companies involved use recycled materials for at least a product line of their materials.

¹⁶"WestRock to buy Cenveo Packaging." www.bizjournals.com. Posted 12-10-15. Accessed 7-19-16.

<http://www.bizjournals.com/atlanta/news/2015/12/10/westrock-to-buy-cenveo-packaging.html>

¹⁷ Nathan Bomey. "International Paper Makes \$1.9 Billion Acquisition." www.usatoday.com. Posted May 2nd 2016. Accessed 7-19-16.

<http://www.usatoday.com/story/money/2016/05/02/international-paper-weyerhaeuser/83815646/>

¹⁸ Nicole Wrona. "Caraustar Industries strikes deal to buy Newark Group." www.wastedive.com. Posted 7-7-14. Accessed 7-19-16.

<http://www.wastedive.com/news/caraustar-industries-strikes-deal-to-buy-newark-group/282897/>

ACQUIRER	TARGET	DATE	DEAL MULTIPLE
WestRock	Cenveo Packaging	Jan-16	0.55
Georgia-Pacific	SPG Holdings LLC	2014	Undisclosed
International Paper	Weyerhaeuser	May-16	3.49
Caraustar Industries	Newark Group	2014	Undisclosed

COMPETITIVE ADVANTAGE

The greatest majority of single serve packaging (K-cups), wax covered paper, Styrofoam, plastic cups, plates, boxes and related products are not recyclable, not compostable, not biodegradable and not sustainable. Our landfills are filling and our oceans are being polluted by these products. Consumers and governments are demanding and manufacturers are eager to find sustainable and recyclable packaging solutions. Petra penetrating treatment technology is the answer. Our penetrating treatment process for the paper industry, provides compostable, recyclable and sustainable packaging, that enhance the water barrier and strength properties at a lower cost as compared to widely used methods currently in place.