



HUE.AI

License Innovation *for the* Optical and Color Industries

INVESTOR INTRODUCTION

JANUARY, 2019

\$120 BILLION OPTICAL INDUSTRY BUILT ON HIGH MARGIN PRODUCTS

Sunglasses \$15 Billion/yr



LUXOTICA

Safilo
GROUP

MARCOLIN
EYEWEAR

Spectacles \$16 Billion/yr



 **ZEISS**
essilor
HOYA

Contact Lenses \$10 Billion/yr



Johnson & Johnson
Vision Care

Alcon A Novartis
Division

 **Bausch & Lomb**

HUE LICENSES LENS ADD-ONS FOR THE OPTICAL MARKET

Example: Eyecare Practice

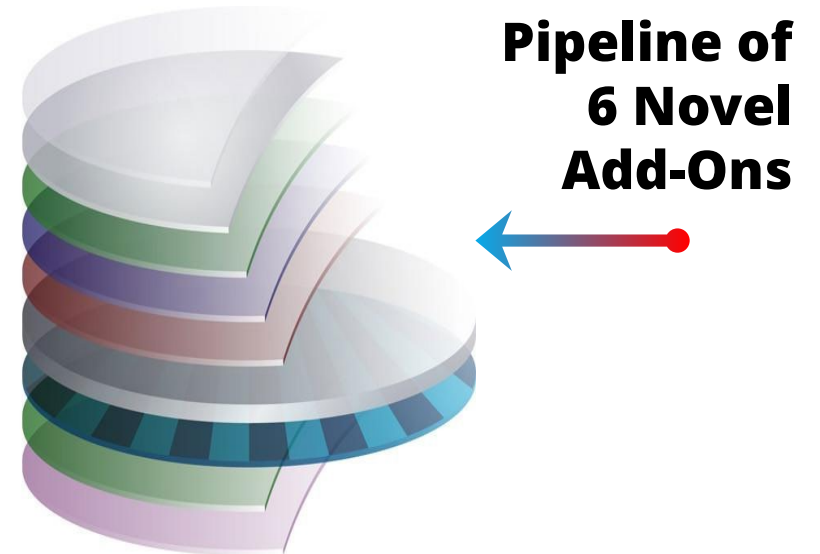


Base Frame & Lens **\$200**

Anti-Scratch/Fog	\$100
Anti-Reflection	\$50
Polarization	\$50
UV Filter	\$50
Blue-Light Filter	\$100

Total Sale **\$550**

\$6 BILLION
Lens Add-Ons



**Pipeline of
6 Novel
Add-Ons**

**LICENSED ADD-ONS =
CHEMICAL FORMULA + IP**

EXAMPLE DESIGN: LENSES FOR THE COLOR-BLIND



Retail: \$350-\$700

**BETTER LOOK
SAME EFFECTIVENESS**



Clearest lenses
85% Improved Wearer's Color Selection¹

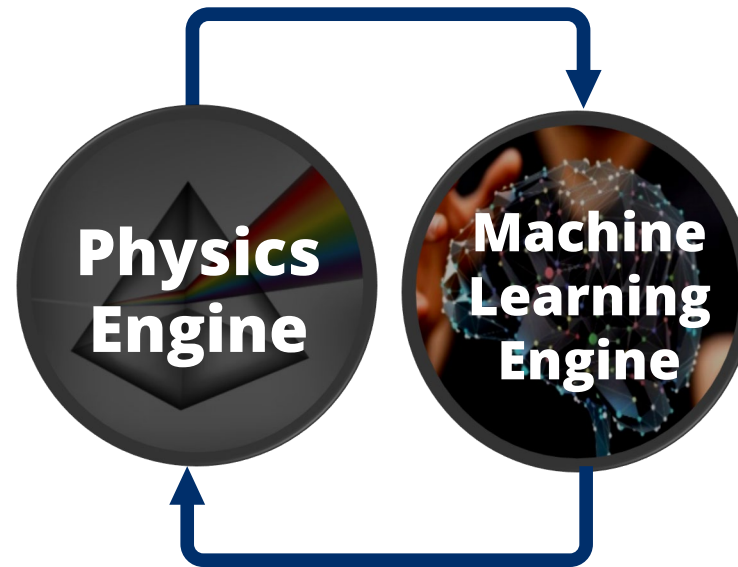
1) Hue.AI test 24 color blind men – Farnsworth D-15 Test, 85% improvement in mild/medium color blindness

HUE PROPRIETARY PLATFORM

PERFORMANCE CRITERIA

A

CRITERIA FOR LENS LOOK

B

Millions of Iterations

- Optics
- Color Vision
- Lens Chemistry

PIPELINE OF LENS ADD-ONS

$\pm 2\%$

Predicted vs. Actual



- Color Blindness
- Color Enhancement
- Computer Lens
- Sport
- Driving
- more ...

LENS-ADD ON PRODUCT PIPELINE

- 1) Color Blindness
- 2) Color Enhancement
- 3) Blue Block/Computer
- 4) Special Fashion Tint
- 5) Color Management
- 6) Melanopsin Response
- 7) more...

FORMATS

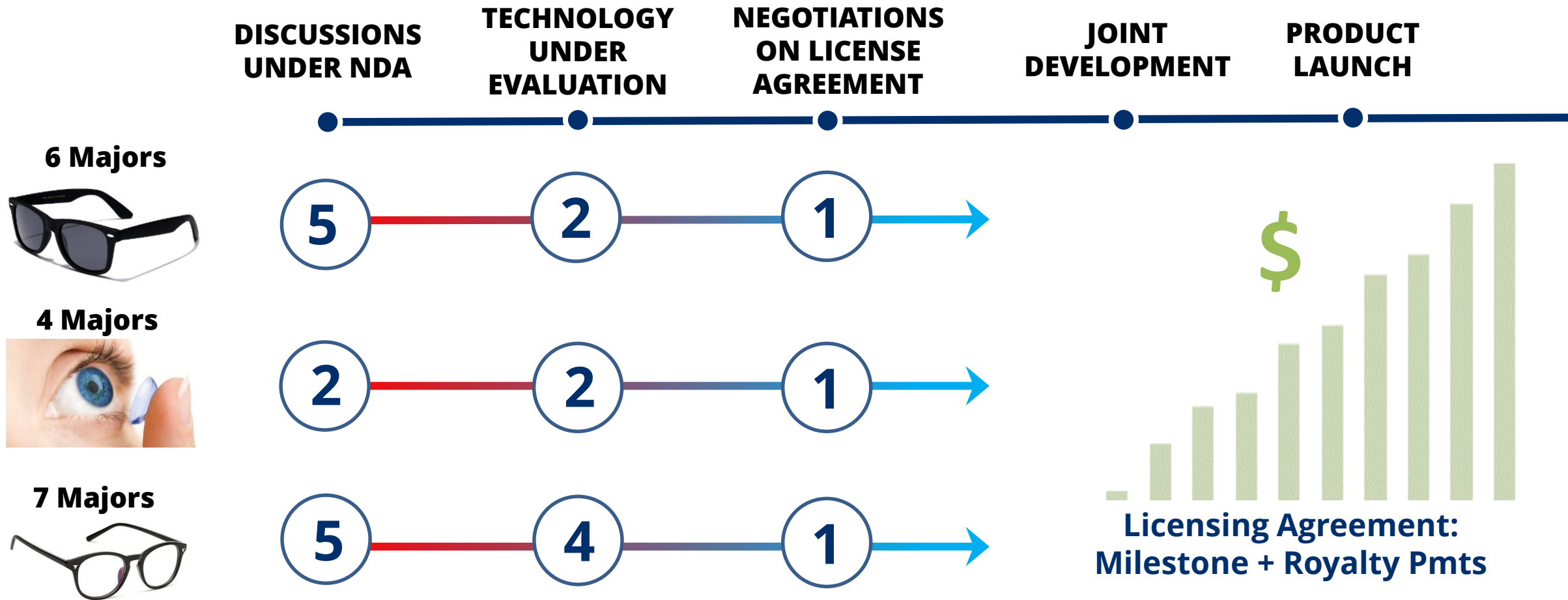


POTENTIAL LICENSES

14⁺

License =
Recipe + IP

COMMERCIAL TRACTION, MONTH-7



More opportunities in paints, inks and cosmetics.

EXAMPLE LICENSING AGREEMENT WITH A GLOBAL LENS COMPANY

JOINT-DEVELOPMENT

Term:	3 Years
Milestones:	Product & Medical Tests FDA Review
Revenue:	\$1M
Hue Costs:	\$200k – IP and Scientific Consultants

PRODUCT LAUNCH

Term:	>20 years
Distribution:	Global
Upfront Revenue:	\$2 M
Royalty Revenue:	\$/Optic Sold w. Hue Tech \$4.5 M / year (% Guarantee)
Hue Costs:	\$250k – IP and Contract Manager

CORE TEAM (FULL-TIME/PART-TIME)



Justin Fong, CEO
Harvard Masters
Lead ops and BD on
\$1B P&L for Fortune 200



Keenan Valentine, CTO
Cornell PhD
Lead on AI deployment
for Fortune 200



Gary Davis, CRO
Fmr Essilor Sales Exec
Prevent Blindness, Chairman



Larry Rodriguez, BD, BOM
Licensing Exec
Fmr Essilor and J&J Exec

CONSULTING TEAM (CONTRACTOR/ADVISOR)



Larry Chapoy
Contact Lens Chemistry
Princeton, PhD



Peter Haaland
Dye Chemistry
Harvard, PhD



Dr. Alan Glazier
Renowned Optometrist
Thought Leader



Mark Graham
Fashion Sunwear
Former Eyewear Exec

HUE.AI'S PRO FORMA STATEMENT OF OPERATIONS

	2019	2020	2021	2022	2023
Revenue					
License Fee Revenue	1,314,000	2,400,000	4,200,000	3,000,000	743,000
Royalty Revenue	183,000	1,725,000	6,136,000	18,433,000	19,354,000
COGS	(75,000)	(206,000)	(517,000)	(1,072,000)	(483,000)
Gross Profit	\$ 1,423,000	\$ 3,919,000	\$ 9,819,000	\$ 20,361,000	\$ 19,614,000
Operating Expenses					
Business Development	(118,000)	(173,000)	(524,000)	(959,000)	(959,000)
R&D - IP	(138,000)	(208,000)	(305,000)	(345,000)	(345,000)
R&D - Other	(146,000)	(238,000)	(723,000)	(1,323,000)	(1,323,000)
Salaries	(398,000)	(1,041,000)	(2,037,000)	(2,325,000)	(2,325,000)
Overhead	(73,000)	(107,000)	(325,000)	(595,000)	(595,000)
G&A	(43,000)	(63,000)	(190,000)	(347,000)	(347,000)
Earnings (EBITDA)	\$ 508,000	\$ 2,088,000	\$ 5,714,000	\$ 14,466,000	\$ 13,720,000
Depreciation & Amortization	-	-	-	-	-
Operating Profit (EBIT)	\$ 508,000	\$ 2,088,000	\$ 5,714,000	\$ 14,466,000	\$ 13,720,000
Interest Expense	(10,000)	(7,000)	(3,000)	-	-
Earning Before Tax (EBT)	\$ 498,000	\$ 2,081,000	\$ 5,711,000	\$ 14,466,000	\$ 13,720,000
Federal Income Tax	(118,000)	(494,000)	(1,356,000)	(3,436,000)	(3,258,000)
State Income Tax	(25,000)	(104,000)	(286,000)	(723,000)	(686,000)
Net Profit	\$ 354,000	\$ 1,483,000	\$ 4,069,000	\$ 10,307,000	\$ 9,775,000

POTENTIAL EXIT OPPORTUNITIES WITH OPTICS AND COLOR COMPANIES

OPTICAL/SUNWEAR CONGLOMERATES



essilor



10 acquisitions since 2016

\$2.1 Billion Oakley 2007
\$3.3 Billion Transitions 2014

COLOR MATERIALS CONGLOMERATES



SunChemical[®]
a member of the DIC group 
Color & Comfort

10 acquisitions since 2016

\$2.3 Billion Comex 2014

COLOR TECHNOLOGY/ CAMERA COMPANIES



PANTONE[®]



7 acquisitions since 2016

\$5.9 Billion Toshiba Med Sys 2016
\$2.8 Billion Axis 2015

SEEKING SERIES SEED FINANCING FOR 16 MONTHS OF RUNWAY



USE OF FUNDS

\$400k	R&D and IP
\$200k	Business Dev
\$700k	Salaries & OH
\$50k	PP&E
\$150k	Working Capital



CONTACT

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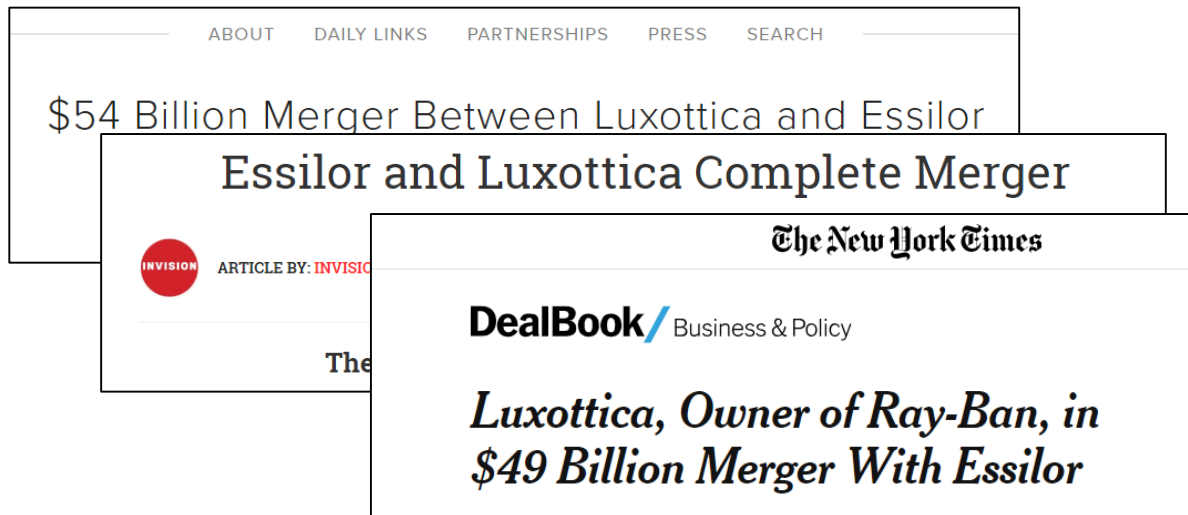
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NOTICE

This presentation contains forward-looking statements about our achievements, future results, goals, levels of activity, performance, and other future events. We believe the expectations reflected in our forward-looking statements are reasonable, although we cannot guarantee achievements, future results, levels of activity, performance, or other future events. These statements are based on our company's current expectations and actual results may differ from these forward-looking statements due to numerous factors, including risks related to our ability to raise additional capital, liquidity, revenue growth, operating results, industry, technology and products. You should not place undue reliance on these forward-looking statements. Furthermore, the forward-looking statements contained herein are made as of the date of this presentation, and we undertake no obligation to revise or update any forward-looking statements in order to reflect events or circumstances that may arise after the date of this presentation, unless otherwise required by law. The forward-looking statements contained in this presentation are expressly qualified by this cautionary statement.

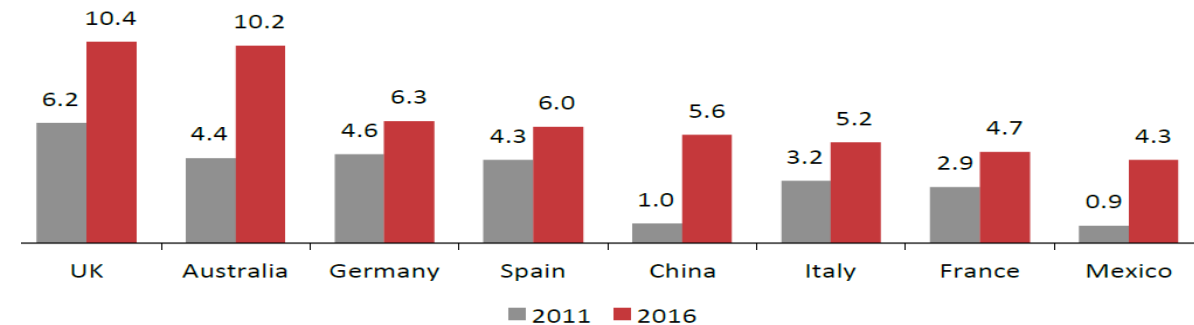
OPTICAL INDUSTRY STRUCTURE

Consolidation Across the Value Chain



Majority Brick & Mortar

Online Sales are 5% of Global Sales



Online Sales of Personal Accessories and Eyewear Products (%), 2011–2016

HUE HAS A GREAT LICENSING BUSINESS MODEL

**High Reward
Managed Risk**



**Best in World for
technology type**



**Many Swings
at Bat**

**Licensing is
Industry Norm**

E.g., The Safilo Group (#2 in market)

Dior	BOSS HUGO BOSS	BOSS HUGO BOSS	havaianas
DIOR HOMME	MARC JACOBS	GIVENCHY PARIS	BANANA REPUBLIC
REBECCA MINKOFF*	ELIE SAAB	MOSCHINO*	rag & bone* NEW YORK
FENDI	kate spade NEW YORK	LOVE MOSCHINO	Juicy Couture BLACK LABEL los angeles
MaxMara	FOSSIL	BOBBI BROWN	LIZ CLARBORNE
JIMMY CHOO	TOMMY HILFIGER	MAX&Co	Juicy Couture
	swatch*** theeyes	pierre cardin PARIS	JACK SPADE

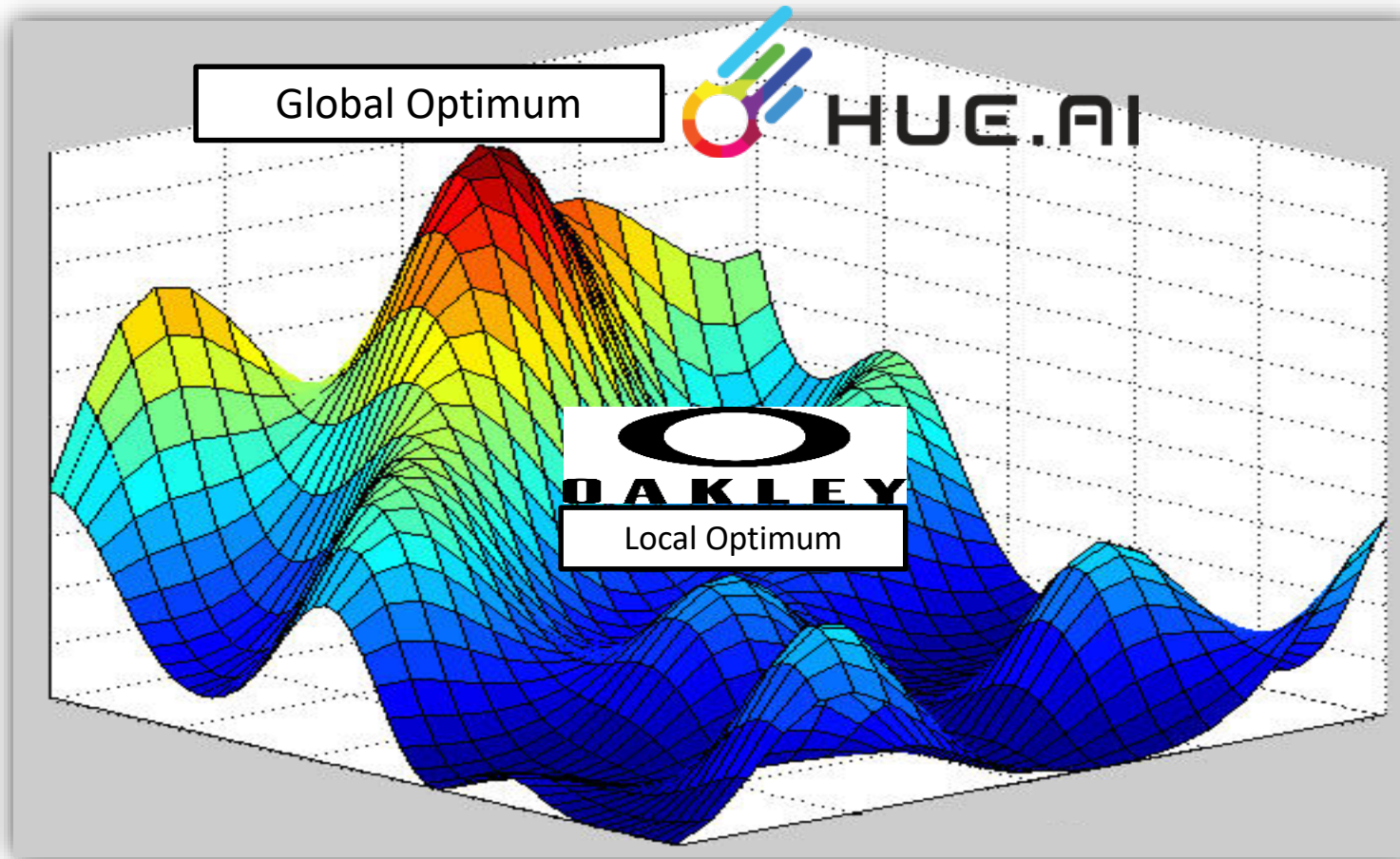
LICENSING IS HIGH REWARD WITH MANAGED RISKS

Fig. Safilo Group 2017 Annual Report

Licensed brands

Each of the segment and of the most houses rely on operating in contracts that provide for royalties and marketing contributions to the licensors, calculated as a percentage of net sales generated from the collections and with minimum annual guaranteed amounts. In many cases, such guaranteed amounts are based on a percentage of the turnover achieved by the licensed brand in the previous year.

HUE SOFTWARE USES POWERFUL AI TOOLS



Machine Learning

Hue uses proprietary vision data and color science to create highly accurate human visual response and optochemical models.

Generative AI

Hue deploys an ensemble of intelligent algorithms specifically formulated to generate global optimal solutions in high-dimensional, high-accuracy and non-convex models.

HUE IS THE ONLY COMPANY THAT CONTROLS COLOR INCONSTANCY

DAYLIGHTS:

clear sky, overcast, morning,
noon, afternoon, sunny indoor



FLUORESCENT LIGHTS:

broad-band, tri-band,
daylight simulator



LEDs:

3000K, 4000K, 5000K

HUE OPTIMIZES LENSES FOR 10+ LIGHTING ENVIRONMENTS

HUE OPTIMIZES VISUAL RESPONSE FOR ALL COLOR TYPES

NATURAL COLORS



ARTIFICIAL COLORS



HUE ENSURES COMPREHENSIVE PERFORMANCE FOR DIVERSE USE-CASES

HUE'S SELECTIVE COLOR VISION ENHANCEMENTS



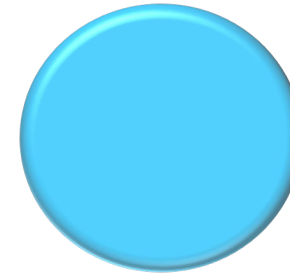
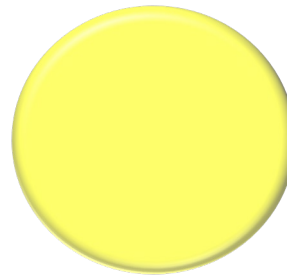
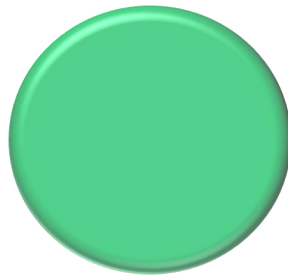
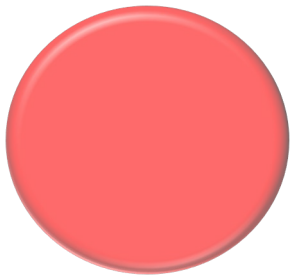
NAKED EYE



HUE'S RED-ENHANCING LENS



OAKLEY



SELECT ONE OR MORE PRIMARY COLOR ENHANCEMENTS,
AND "KEEP WHITES LOOKING WHITE".

HUE MAKES A DESIRABLE & EFFECTIVE COMPUTER LENS (BLUE LIGHT BLOCKING)

