



Keastone

19 JUL 2020

To: Team Keastone

Re: Update

Hello, Team Keastone

Even though I know there have been various inter-team verbal conversations over the last two weeks about the efforts here in Prague related to capital sourcing, I wanted to send out a more formal update to clarify for everyone what's going on.

I had a special meeting with the lead Series-B funding brokers to reset the momentum and focus of their efforts on our behalf. The message was simple;

The Keastone team did what we ask of them in taking a 70% deferral in compensation in order to give the brokers time to recalibrate their inflow of capital. Not only did the team take the cut, they doubled down on productivity and EVERY member of the team has stayed onboard. And despite all the reasons to be negative, this team has stayed professional and positive. It has now been 5 months. It's time for us to do what we promised to them by going back to full compensation.

I won't go into all of the details here, but I was very assertive in my communication with them. We are greatly beholden to our investors, but in this situation, it is my primary responsibility to fight for the Keastone team. You guys have demonstrated tremendous faith and confidence in Keastone, and I want you to know how much I value and appreciate it.

I made it clear to the brokers that because of the caliber of skill/talent of every member of the Keastone team, any of you could start TOMORROW at virtually any company of your choosing at full compensation. I stressed to the brokers that the ONLY reason you're still at Keastone is because you have CHOSEN to be. I told them this is a rare and precious commitment that we should highly value and honor.

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The brokers verbally agreed to the following:

- Compensation will go back to 100% starting in AUG 2020. My preference and request of them is to go to 100% in the next compensation payout, but I won't know for another week if that is possible.
- A timetable will be agreed-to by 01 SEP that outlines how we will pay-down the deferred compensation for the last 5 months.
- A revised budget and funding timeline will be agreed-to that allows Keastone to start scaling the team to accelerate the delivery of IRIIS 1.0.

While I was very happy with the outcome of this meeting, I asked them to come back to me within two weeks with documented specifics for how these commitments will be executed. I don't doubt their intent, but I need to see how they plan to execute so that I feel the highest level of confidence that they can and will.

I am sharing this information with you a bit earlier than I should. But I know that all of us are under a lot of financial stress right now, so I decided to take the risk of sharing early so that you at least know things are moving in the right direction.

I meet with the brokers in Prague this coming Thursday. At that time, I will see and discuss how these new commitments will be executed. I will update you regarding the funding later this week or at the latest early next week when the specifics are clearer.

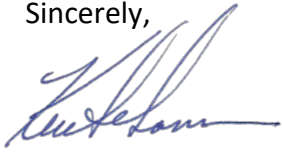
With regard to IRIIS, I am very happy that we passed a big milestone a week ago with the handover of the IRIIS Lean package from design to engineering. Congratulations and thank you for the full team tackle it took to reach that milestone. The package has been under engineering review for the last week and I look forward to participating in the next steps over the coming weeks.

We could find ourselves in a very exciting place with our funding restored and a clearly defined path forward with IRIIS. Both of these developments are still fragile at the moment. Let's work to firm-up each of them, then we can let the clutch out and truly move ourselves to the next level of delivering IRIIS 1.0. This is the game, team! Don't get weary. Get refreshed by reinventing where we are with these two important new developments.

I will update you as soon as there is substantive news to report. Until then, continue to be safe regarding the pandemic threat and take care. What a year it has been! Ha... But we will prevail!

Onward!

Sincerely,

A handwritten signature in blue ink, appearing to read "Keith Adams", with a stylized flourish at the end.

Keith Adams
Keastone CEO