

INOVITA INC

bringing innovation to life

March 2009

AGENDA

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Business Concept/Objectives
Technology
Markets
Strategy
Manufacturing
Sourcing
Management
Financial Projections
Financing

TRENDS AND EMERGING CATEGORIES

HEALTH

- 93% consumers believe some food have benefits beyond nutrition.
- Functional foods ~\$60 billion growing at 10%

EATING QUALITIES

- Eating qualities outweigh other factors particularly for young people

CONVENIENCE

- Consumers with busy on the go lifestyles will pay for convenience

FRUITS

Health Benefits

- 5-10 servings a day
- Rich phytonutrients and antioxidants

Eating Qualities/Convenience

- Fresh fruit is craveable treat but spoils and is easily damaged
- Dried and IQF fruit can be packaged - a lot of products launched.

Infused Fruit

- Shelf stable, sweet and juicy “nearest to fresh”
- Delivery platform for functional enhancements

BUSINESS CONCEPT/OBJECTIVES

COLD INFUSED FRUITS

- Incorporate the natural health benefits and eating qualities of fresh fruits into shelf stable consumer packaged goods and process stable industrial ingredients
- Develop functional - foods that contain a health benefit beyond the traditional nutrients they contain and may target prevention or treatment of specific diseases and conditions

TECHNOLOGY

Technology Platform

Cold infusion technology from US partner plus proprietary **inovita** improvements

Cold Infusion

Preservation by *osmotic transfer* of sugar into fruit - reduces water activity

Natural structure, flavour and nutrition preserved

Low temp, low energy - suitable for soft fruit

High yield - 50% + gross manufacturing margin

TECHNOLOGY (CONT.)

Inovita Technology

Reduced sugar, low calorie, low glycemic index products

Functionally enhanced products:

- Cholesterol lowering
- Prebiotic digestion enhancing
- Bone health
- Arthritis/Joint pain
- Eye health





MARKETS

Industrial Ingredients

- Trail mix
- Nutrition bars, baked goods, frozen desserts,, ice cream /yogurt /specialty cheese, breakfast cereal, chocolate enrobed/encased.
- Processing intermediates - clusters,

Consumer Products

- Packaged trail mixes
- Packaged snacks – individual fruits and mixes, clusters
- Family packs for adding to cereal, ice cream, baking, cocktail snacks.

STRATEGY

Industrial Ingredients

- Years 1&2 - small/medium sized customers,
- Year 3 and beyond - food majors Kellogg's etc.
- Further processed intermediates
- Trademark

Consumer Products

- Year 3 and beyond
- “Killer application”- snacks, applications, sugar reduced, functionally enhanced
- Own Brand vs. Private label
- Packaging and labeling – daily dose format
- Position in the store and display

MANUFACTURING

- 9-15,000 sq. ft plant – scaleable
- 6 -10 million lbs per year
- Preparation area and holding freezer, infuser hall, dryers, evaporators, packaging, QA lab
- Pre-engineering study in progress

SOURCING

- Process can use fresh or IQF fruit
- IQF has process advantages, can be sourced year round and held in contract freezers - “just in time” inventory
- International fruit broker but expect up to 75% of temperate berries and cherries can be source in Canada
- Trying to understand specific quality and processing properties that could give local growers a sustainable advantage - IQF plant in Ontario?

MANAGEMENT

Charles Scott MBA, P. Eng - Chairman

- **Former President SealTest, Ralston Purina and Weston's Bakery**
- **Former Chair GPMC and GFTC Board**

Brian Cox PhD - CEO

- **Founder and CEO of a public technology company.**
- **Venture capital**
- **Senior scientist and business development leader in Imperial Chemical Industries PLC and Royal Dutch Shell PLC UK**

Andrew Stewart - V.P., Industrial sales

- **Food product formulation consultant**
- **Former plant manager**

V.P Operations and International Fruit Sourcing Broker

- **Quality candidates identified**

FINANCIAL PROJECTIONS

Pro forma Financials

- Best assumptions followed by sanity checks

Sales targets

- Conservative numbers based on discussions with prospective customers aimed at strong cash flow and early break even

Growth

- Several scenarios

Investment Required

- Capital equipment (to be determined by the PES) and working capital.

FINANCING

Debt Financing

- Capital lease and working capital – BDC (Business Development Bank of Canada), credit Unions, Farm Credit/ Royal Bank
- Debt to Equity secured upon equipment sale and equity investment

Equity Financing

- “Friends and relatives” of *inovita* and US Associates
- Angels
- Professional VC’s and Private equity