

Confidential



Briefing Material

www.resetfoods.com

Prepared by:

RESETfoods Ltd. | www.resetfoods.com

INTRODUCTION

Along all points of the Food Value Chain both Buyers and Suppliers constantly struggles to balance uncertain supply and demand. This inefficiency results in vast amounts of food surplus and waste as well as lost resources used as inputs to production and management. The challenge is to align a broader base of buyers and suppliers within an efficient reallocation mechanism.

Industry Challenges

The food industry in general, lacks a proper online marketplace that can effectively coordinate the alignment of buyers and suppliers. The current challenges has various supply and demand issues specific to various segments of the food industry.

Demand Side Example

Take the poultry production segment of the industry as an example. This segment is governed by supply management and specific quotas allocated to major manufactures (primary processors). There is a growing trend in this segment whereby the majors are not placing full birds or residual parts (surplus) on the open market. The majors are retaining this product and utilizing existing or establishing new internal value added channels. This movement has placed a great strain on the small to midsized further processors as this has limited their access to raw material. As a result further processors are forced to source raw materials from other countries such as the United States. This is not the ideal solution as the Tariff Rate Quota system on Agricultural Products manages imports and this is only suitable to firms that have sufficient import allocations (quota shares).

The problem here is that there is no stable supply of raw material to meet demand and the strain on supply places significant pressure on production planning activities for the further processors. In addition, further processors are spending considerably more time in procurement activities searching for product at effective prices. This drives up the cost of a typical transaction.

Supply Side Example

Producers are routinely left with surplus product during production. This occurs at various points in the production process. Examples of these events include:

- Value added channels at production capacity
- Production/material excess
- Mislabeling/incorrect ingredients
- Demand uncertainties
- Off-spec production/change in specs.
- Labour issues/external events
- Close-outs/insurance settlements

The problem in each of these events is that the producer has limited time to locate end users.

Presently, larger producers employ a dedicated sales team to **pick up the phones** and offer the product up to their 'go-to' buyers. This inefficient process forces food producers to **offer significant discounts** as the product approaches its expiry. Another implication is that perfectly good product could go to waste. A recent report commissioned by the Provision Coalition estimates that 30 to 40 percent of food produced is lost in the value chain at an estimated cost of \$27 billion per year. The report estimates that 18% of this waste is attributed to the production & packaging component of the value chain.¹

¹ "Developing an Industry Led Approach to Addressing Food Waste in Canada", Prepared by: Nicoleta Uzea, Martin Gooch and David Sparling, Commissioned by Provision Coalition, 2014.

Our Approach

Resetfoods.com (RESET) is a real time B2B marketplace. Our core focus is to provide a platform where food Suppliers can instantly connect with Buyers to reallocate quality time sensitive surplus food product. Our platform is a true marketplace where prices and quantity adjust in real time, product is uploaded instantly, alerts are tailored to buyer requirements, payments are instant and transactions are quickly executed.

How does RESET help the commercial Buyer?

RESET provides the commercial buyer exposure to products that they would otherwise not have access to. Our distribution and logistics strategy allows for flexibility in order size and better coordination between Suppliers and Buyers. This will add efficiencies to procurement activities and reduce overall transaction costs.

How does RESET help the Seller?

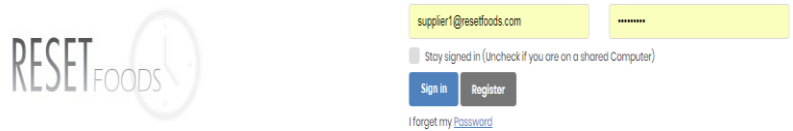
RESET provides a stronger alignment to a larger base of buyers and more efficient distribution channels. A broader pool of buyers will increase profit potential. The distribution channels allow for better coordination, and the ability to achieve faster sales.

Current Status

We have developed three functional platforms representing B2B market places. The first is broad based while the remaining two are well suited for defined networks. All incorporate optimization features that will facilitate the connection of Buyers and Sellers within a "Blackbox" format. Our plan is to lead with a primary user group that will help establish a critical mass of Buyers/Suppliers that we can grow out organically and support the broader platform.

We encourage you to visit www.resetfoods.com and connect with us.

Sample Screenshots



Are you a Supply or Buyer? Please Select Category

Category/Product	Expiry - Min Days remaining	Quantity	Price Range
Dairy/Dry	5	500 lbs	\$558 - \$562
Dairy/Cheese	4	6,500 lbs	\$550 - \$554
Dairy/Cheese	4	900 lbs	\$588 - \$602



Supplier Home Page

Item	SKU	Quantity Available	Code date	Min Price	Description	Product Location	Pool	Delivery window	Price	Buyer	Status	Action
39	buysrp	999	12	\$399	buysrp	370 Progress Ave, Scarborough, ON, M1P2Z4	Buyer Pool 1	2017-09-23 12:00 - 2017-10-26 11:00			Unfilled	
40	preference	222	19	\$222	conf 300	370 Progress Ave, Scarborough, ON, M1P2Z4	Pool 3/Confactory	2017-09-23 12:00 - 2017-10-26 11:00			Unfilled	

Table 1: August 1, 2017

Item	SKU	Quantity Available	Code date	Duration (Hours)	Min Price	Description	Product Location	Pool	Delivery window	Delete
1	<input type="text"/>	<input type="text" value="Quantity"/>	<input type="text" value="0"/>	<input type="text" value="6 Hours"/>	<input type="text" value="\$ Min Price"/>	<input type="text" value="Description"/>	<input type="text" value="Please Select"/>	<input type="text" value="Select one"/>	<input type="button" value="Detail"/>	<input type="button" value="Delete"/>



Item	Product Date	Supplier Type	Category/Product	Price/Lb/lt	Expiry	Quantity	Total Cost	Details	Feedback	Unallocated Balance	Status	Buyer Payment	Delivery Window	Action
6	02 Oct/2017	Wholesaler	Dairy/Various	\$2.40	30+	80,000 lbs	\$144,000.00	<input type="button" value="Detail"/>		48,000	Ink	<input type="button" value="Detail"/>	Tue Oct 10 6:4 pm - Thu Oct 26 04 pm	View Allocation
7	01 Oct/2017	Wholesaler	Confactory/Chocolate	\$1.50	25	1,000,000 lbs	\$1,500,000.00	<input type="button" value="Detail"/>		\$76,445	Ink	<input type="button" value="Detail"/>	Tue Oct 10 6:4 pm - Thu Oct 26 04 pm	View Allocation
8	01 Oct/2017	Wholesaler	Dairy/Various	\$2.30	30+	80,000 lbs	\$18,000.00	<input type="button" value="Detail"/>		0	Ink	<input type="button" value="Detail"/>	Tue Oct 10 6:4 pm - Thu Oct 26 04 pm	View Allocation

POST: Supplier Product

Wholesaler

Category

Products

Expiry

Quantity

Price / unit

Description

Upload Documents

Distribution Restrictions On Off

Distribution Restrictions

Pool1 Pool 100 K/M

Pool2 Pool 200 K/M

Pool3 Pool 300 K/M

Pool4 Pool 400 K/M

Pool5 Pool 500 K/M

Pool6 Pool 600 K/M

Unlimited Distances

Buyer Pool 1

g/m

Delivery window