OmniOff

Healthy Non-Stick Cookware

2012 Business Plan
University of Washington

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Health Effects of Teflon™ Non-Sticks

- *Cancer*
- *Arthritis*
- *Thyroid Disease*
- *Flu Symptoms*
- *Also Fatal to Birds*

SUMMARY

At OmniOff, we utilize material science innovations to create non-toxic, non-stick cookware that is 100% stainless steel with **no** coatings, making it 100% safe for health-conscious chefs.

PROBLEM

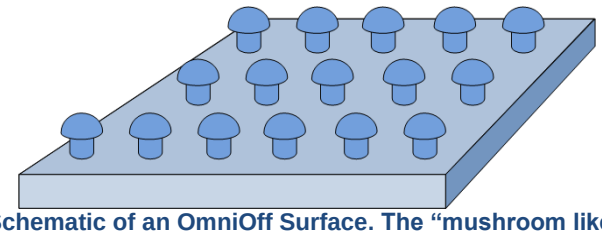
- While in use, a normal Teflon™ non stick pan releases two harmful perfluorinated chemicals, abbreviated PTFE & PFOA.
- The EPA has mandated that PFOA be eliminated by 2015.
- Current alternatives to Teflon™ coated non-sticks do not satisfy the market due to ease of use, durability, and/or effectiveness.

SOLUTION

At OmniOff, we have utilized our innovations in material science to design an affordable non-toxic, non-stick surface for cookware. Our process produces a 100% stainless steel pan—there is **no coating**—making it 100% safe for health-conscious chefs.

"Until 'green' skillet technology improves, we're sticking with traditional non-stick or a well-seasoned cast-iron pan."

–Cook's Illustrated



Schematic of an OmniOff Surface. The "mushroom like" reentrant stainless steel microtexture produces our non-stick properties.

Cost Comparison of 10" Fry Pans

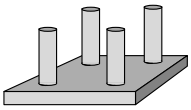
OmniOff Pans	*$95*
Stainless Steel Pans	*$90*
"Green" Pans	*$100*
Low End Non-Stick Pans	*$30*

The secret is on the surface. OmniOff's IP allows us to restructure the metallic surface of a pan such that it repels liquid, theoretically even better than Teflon™ non-stick coatings. Moreover, our surfaces have a beautiful opalescence, providing a distinctive look that will make our brand stand out in the marketplace. Because our proprietary process (see simplified schematic on the next page) does not require expensive chemicals and the process steps are easily automated for production, it is an affordable alternative to other non-stick pans currently on the market.

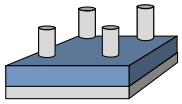
MARKET NEED AND OPPORTUNITY

Now is the right time to launch the OmniOff product line. The EPA has mandated that PFOA be eliminated from cookware coatings by 2015, meaning that the market is in flux, with new non-stick alternatives needed in

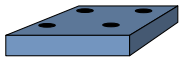
The OmniOff Process



Step 1. Create the master mold.

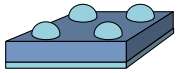


Step 2. Form an adhesive layer around the mold.

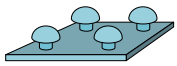


Step 3. Remove adhesive.

Step 4. Buy normal stainless steel pans from a contract manufacturer.



Step 5. Apply adhesive to the pan, and grow microstructures.



Step 6. Remove adhesive layer.

Step 7. Repeat steps 5 and 6 to surface additional pans.

the next three years. Additionally, cookware sales volumes are linked to the housing market. As we begin to exit the housing recession, the demand for cookware will increase. Socially, more and more consumers have become concerned with the presence of harmful chemicals in their cookware, leading to an increase in the demand for safe alternatives.

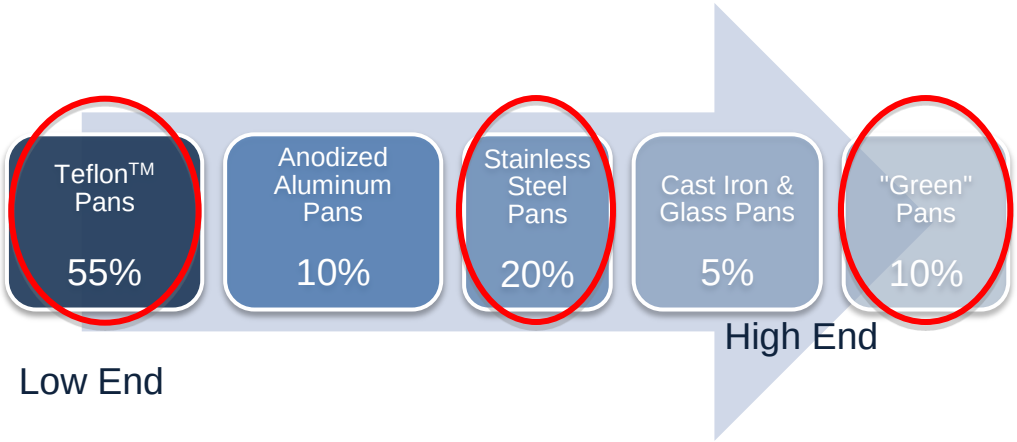
Competition in Non-Sticks

Currently, the options for non-stick cookware are based around the coating industry. The possible types of non-stick coatings are:

- **Traditional PTFE/PFOA**
  - Contained in Teflon™ pans. Established as a health risk at high temperatures, to be eliminated by 2015
- **Non-PFOA**
  - Advertised as a "green" coating, but still includes PTFE, which is also a health risk.
- **Ceramics & Silica-Based**
  - Also advertised as "green" coatings, but consumers are not impressed by their performance.

Traditional Teflon™ pans make up the low-end of the cookware market, while non-PFOA coatings and ceramics & silica based coatings make up the high-end "green" side of the market, offering supposedly healthy solutions that are not as effective as their Teflon counterparts.

Cookware Market Segments



OmniOff will appeal to customers that are searching for a healthy alternative to non-stick Teflon™ pans and are willing to pay the premium for an effective, durable solution. That describes:

- **The Stainless Steel Market:** Chefs with disposable income looking for a quality pan and are not willing to take any risks with coatings, and thus buy stainless steel pans.
- **The "Green" Pan Market:** Chefs with disposable income who are looking for a non-stick solution that will not put their health at risk.
- **Partial Low End Non-Stick Market:** Customers who have recently become aware of the health risks associated with their Teflon™ pan. (We believe this will account for about 20% of the market in the near future.)

Intellectual Property

What IP does OmniOff need a license for?

The Toadstool geometry is protected by a patented held by MIT. We are currently working with MIT to secure a partial license for the cookware market.

What is patentable about OmniOff tech?

OmniOff's manufacturing process is completely patentable, as these structures have never been put on a metallic surface before, and the process for doing so is completely new.

What is the status of that IP?

The provisional patent is currently in progress.

This addressable market accounts for 50% of the total cookware market or $1 billion per year (more than 13 million households). We do not believe we can attack the cast iron and glass market because, historically, is has had a very devoted customer base. Nor can we attack the anodized aluminum market, as those customers are commonly professional chefs who require a cost effective, dish-washer safe non-stick solution that the OmniOff brand cannot yet guarantee.

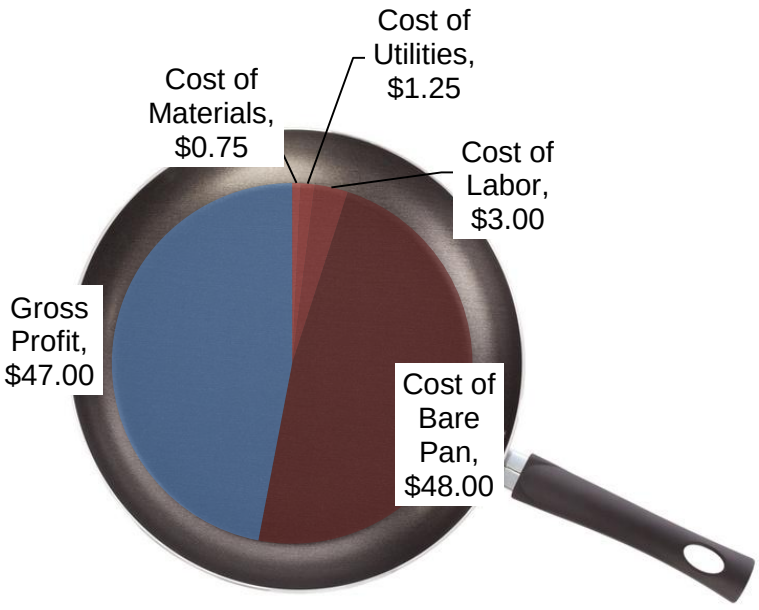
Customer Description

OmniOff's target customers are health-conscious, well educated, urbanites 25-35 years old. This age range tends to buy the most pans in the cookware market. Members are just starting households and have the disposable income to upgrade to better pans. This market segment is willing to pay a premium for a high performing, non-stick pan that is healthy to use. Currently, a stainless steel pan with a ceramic coating commands **a premium of at least $20 dollars** even though these pans tend to lose their non-stick qualities quickly.

Cost of an OmniOff Pan

OmniOff's solution is a cost effective one, because it doesn't add significantly to the cost manufacturing. This means that buying plain stainless steel pans from a contract manufacturer is a financially feasible option.

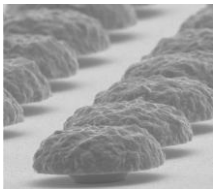
Cost Breakdown of an 10" OmniOff Frying Pan



However, OmniOff will not just sell 10" frying pans. Non-stick 5.5 qt. Dutch ovens, 2 qt. sauce pans, 4 qt. sauce pans, and 12" frying pans will also be available.

Traction

Prototype Complete



Watch this surface cook an egg at the Environmental Innovation Challenge!

UW Science and Tech. Showcase Grand Prize

Judged by Seattle Professionals and Entrepreneurs, $1000 prize!

Investor Interest

Keeler Investment Group initially approached mentor Dr. Dan Schwartz with the market need.

$2,500 of Prototype Funding

Awarded by the EIC committee

GO TO MARKET

The OmniOff value proposition is a unique brand of non-toxic, non-stick cookware for consumers with a lifestyle of health and sustainability.

Initially, we will build a local brand in Seattle, offering free pans to kitchens providing cooking lessons, attaining testimonials from local gourmet chefs, attending national home & garden shows, and spreading brand awareness by giving out merchandise, such as aprons, at farmer's markets and area cooking classes. After we have secured 5% of our target Seattle market, we will leverage our success with national high-end distributors like Williams & Sonoma, Sur la Table, etc. in order to begin national distribution. We will continue to spread brand awareness by attaining features on national cooking shows (i.e. the Food Network), and consumer-trusted cooking magazines (i.e. Cook's Illustrated).

Once we have secured 5% of the national market, we plan to sell both the brand and cookware technology as a package to a major cookware manufacturer such as All-Clad, Cuisinart, Caphalon, or Meyer.

FIVE YEAR FINANCIAL FORECAST

Year	Goal	Operating Cost	EBIAT
2012	Begin R&D	-$334,000	-$334,252
2013	Complete Product	-$1,119,000	-$1,119,000
2014	Capture 5% of Local Market	-$2,226,000	-$55,208
2015	Capture 1% of National Market	-$3,691,000	$4,298,000
2016	Capture 5% of National market	-$6,113,000	12,194,000

2012 NET PRESENT VALUE*: **$11,350,000**

*Based on projections to 2018

TEAM

Chief Executive Officer, Kathryn Cogert is a successful Social Entrepreneur with experience as Chief Relations Officer at the Biodiesel Cooperative. Her 5-minute pitch won the Cooperative 2nd place at the Social Innovation Fast Pitch in 2011.

Chief Operations Officer, Grant Williamson has become an experienced manager by working as Chief Operations Officer at the Biodiesel Cooperative and within the Supply Management Group at Lam Research Corporation.

Chief Financial Officer, Chris Fryday is an experienced financial planner and record keeper due to his 5 year tenure as a branch manager at Wells Fargo.

Chief Marketing Officer, Jack Hogin knows how to sell. His 10 years of experience leading environmental projects make heading the OmniOff market strategy a natural next step for him.

Chief Technical Officer, Mike Siedlik has the ideal background to work with Omnioff, with experience in both electrochemistry and masking at both Micron and in the Schwartz research group.

Chief Research Officer, Nick Wang is a successful technical agent. His time as the Lab Director at the Biodiesel Cooperative makes him ideal to lead our research effort.

ADVISORS

Dan Schwartz is a key technical resource for OmniOff. He is responsible for the electrochemical materials and interfaces laboratory which uses a foundation in electrochemistry and chemical engineering to tackle problems in the synthesis of functional materials, nano/microfabrication, and energy technologies.

Shelly Whelan & Brock Mansfield focus on early-stage investments on behalf of Keeler Investments group. As ‘hands-on’ venture capitalists, they continue to support and promote socially sustainable economic growth in the Seattle area through their support of projects like this one. They have proven an invaluable resource to the OmniOff team due to their advice on all matters from market strategy to product development.

Sandy Salzberg is the President of Shasta Beverages Inc., a subsidiary of National Beverage Corporation. Prior to that, from 1988 to 1991 Mr. Salzberg served as Area Vice President with PepsiCo Frito-Lay Snack division. His experience in marketing has made him an invaluable resource to OmniOff.

THE ASK

Omnioff needs $1.62 million of capital for its research and design phase, which will last for the first 2 years. During this phase we will optimize the surface structure and develop the manufacturing process including designing the machine. Below is the breakdown of costs for the first 2 years.

Research and Development Budget for first 2 years	
Equipment	
Machine Rental Time	$120000
Manufacturing Machine	$500000
Potentiostat	$50000
Digital Goniometer	$50000
Vacuum Oven	$20000
Laboratory Oven	$5000
Labor and Administration Costs	
Four Employees	$384000
Administrative Fees	$12000
Facilities	
Building Space	$150000
Construction Costs	$38000
Miscellaneous	
Lab and Office Supplies	$250000
Literature Research Budget	$41600
Total Ask	**$1.620,000**