

CEO's Perspective



invest

Providing small craft simulators to improve safety on the seas

Virtual Marine Technology Inc. (VMT) manufactures and markets simulation-based training tools for small marine craft. Based in St. John's, Newfoundland, with offices in Victoria, BC, the company emerged from Memorial University. VMT brings to market new technology designed to improve the safety and performance of small boat operators.

The primary targets for our simulation training are survival craft and the fast response craft used by police forces, coast guards, navies, shipping fleets, and the offshore oil and gas industry. Our simulators provide a safe, fast, and cost-effective means to supplement on-board training. VMT also provides consulting services to help clients integrate and make the most effective use of simulation in their training programs.

The small-craft simulation space is virtually untapped and represents a significant worldwide market. VMT is currently the only vendor of a simulator for launching lifeboats from a ship or oil rig. Simulators developed for large vessels use very different mathematical models and cannot be used to accurately simulate small boats. VMT has secured an exclusive worldwide license for the small-craft simulation technology developed by Memorial University. Years of research and mathematical modeling, conducted at the University and at the National Research Council's Institute for Ocean Technology, laid the groundwork for this simulation technology. The National Research Council is one of the few places in the world doing research on how small marine craft behave.

VMT is in the process of transitioning from startup to commercial operations. Ninety per cent of our revenue is expected to be export-driven. A recent investment by GrowthWorks Atlantic Venture Fund has provided funding to support our international marketing efforts. Our ability to penetrate the market has also been accelerated through our participation in the ocean technology cluster in St. John's. The local cluster, OceansAdvance, and its emerging marine-technology companies have shared valuable advice and facilitated our access to international distribution networks.

Company Facts and Statistics

Year founded:	2004
Number of employees:	15
Product:	Marine simulation training
Website:	www.vmtechnology.ca
Atlantic Venture Fund's initial investment:	September 2008
Amount invested to September 30, 2008:	\$1.1 million

As our marketing efforts ramp up, our product scope continues to evolve. Our next generation of simulators will include additional features designed to appeal to our target market. A new project is extending our simulation training to free-fall lifeboats. Live practice in launching these boats is expensive and presents an element of danger. Our new product will look to deliver the same safe, cost-effective training capability to these boats as VMT provides to other survival and fast response craft.

Captain Anthony Patterson, President & CEO

Commissions, trailing commissions, management fees and expenses all may be associated with investments in retail venture capital funds (RVCs). RVCs are not guaranteed, their values change frequently and past performance may not be repeated. Please read the prospectus of GrowthWorks Atlantic Venture Fund before investing. This document contains "forward-looking" statements and information obtained from third parties. Actual results may differ from those implied by such statements or information and neither the Fund nor its manager assumes any obligation to update such statements or confirm the accuracy of such information. Effective December 16, 2005, the Fund completed a merger by purchasing the assets of Workers Investment Fund Inc. in exchange for Class A shares (Balanced Series) of the Fund.