

Mosquito Steve All-Natural Mosquito Repellent

What makes us unique, makes you safe.

December 2017





Not just the safest –
The most effective!



- Mosquito Steve has developed the most effective mosquito repellents available.
- They are not just more effective than natural repellents they perform better in hundreds of fields tests* than the DEET-laden chemicals.
- Mosquito Steve repellents are all natural and safe around kids and pets. Our repellents do not beneficial pollinators – they don't KILL anything!
- The demand has been proven as we have grown sales by 3000% since 2013.

*Most DEET products break down in 45 minutes with the exception of Deep Woods OFF, which begins breakdown at 2 hours. Our products last longer than three hours and before they begin to break down.



The Mosquito Repellent Industry is Failing Us



- DEET and permethrin are increasingly recommended throughout the U.S. to combat mosquito-borne diseases like West Nile virus yet it is no not recommended for infants or small children.
- When registering a product, like the leading mosquito repellents, the EPA does not evaluate the possible synergistic effects that may be caused by chemical interactions.*
- Pyrethrins and Permethrin kill fish (warning printed on the label) and Permethrin is even known to be fatal for cats.
- Mosquitoes have been building resistance to these products and they are not as effective as they once were. In recent studies it took only three hours for the mosquitos to become desensitized to the DEET-based repellent. Even the CDC director admitted the pesticides were “not working like they hoped they would.”



The Market Opportunity is Growing.



- According to the WHO, mosquitoes are one of the deadliest animals in the world due to their ability to carry and spread disease to humans.
- These diseases cause millions of deaths every year. Every 30 seconds a child dies of malaria.
- In 2015 malaria alone caused 438 000 deaths. The worldwide incidence of dengue has risen 30-fold in the past 30 years, and more countries are reporting their first outbreaks of the disease.
- More than half of the world's population live in areas where this mosquito species is present. These areas require sustained mosquito control efforts are important to prevent outbreaks from these diseases.
- Vector-borne diseases account for more than 17% of all infectious diseases, causing more than 700 000 deaths annually.
- More than 3.9B people in over 128 countries are at risk of contracting dengue, with 96M cases estimated per year.
- Malaria causes more than 400 000 deaths every year globally, most of them children under 5 years of age.

Many of these diseases are preventable through informed protective measures.



Market by the Numbers



- Mosquito control is a small, but growing segment of the pest management industry with significant opportunity for growth if marketed properly.
- In 2017 55 percent of Pest Management Professionals offered mosquito control vs. 38 percent in 2014 — but revenue for this service is on the rise as well*
- Spray on topical repellents: \$1 Billion.
- Yard Spray Treatments (New Category): \$200mm.
- Misting Refills, systems and control boxes: \$165mm. We have leading edge technology that could quadruple this category.
- Municipalities: \$400mm.
- Agriculture and Ranching: \$2b.
- Tabletop Misting: \$15mm first year...add \$12mm each year for three years.

*according to the PCT 2017 State of the Mosquito Control Market survey.



Independent Validation



- Houston Entomologist Dr. Jeffrey Tucker: “You have discovered the Holy Grail!”.
- Dr. Tucker conducted field trials on new products with Mosquito Steve between 2007 and 2014 and contributed to our field trial protocol documentation.
- Dr. Jeff Seabrook, NTX Entomologist observed and verified more than 100 field trials with Mosquito Steve from 2006 to 2010.
- Dr. Ray Thompson, founder of Innovative Pest Management Associates, Inc. (IPM Associates) observed field trials and wrote stellar report in 2013 on Mosquito Steve Spray On Repellent.

The Market is Ready for Organic Products – But they have to WORK!

The face of the natural products industry is changing as it grew to \$141 billion in sales in 2016*

- Field Tested vs. Laboratory Tested
- EPA Exempt- No Regulatory Barriers
- Patent on Topical
- Our toxicology Reports are stellar!
- Hundreds of field trials to prove we are better

Our natural products BEAT
the toxic chemicals in
hundreds of field tests!

Isolated test spray on all over with New Mosquito Steve		92 degrees very humid and slight wind gusts to 1.2 mph						
<u>Saturday, June 30</u>	2 minute count	Bennington	Spot A	Spot B	Spot C	Total	Efficacy	
Pre Count (7:05 pm)				27	33	42	102	
Immediately after application	Mosquito Steve product			0	0	0	0	100.00%
15 Min	GVSR061412-1			0	1	0	1	99.02%
30 Min				0	0	0	0	100.00%
45 Min				0	0	0	0	100.00%
1 HR				2	1	0	3	97.06%
2 HR				4	0	2	6	94.12%

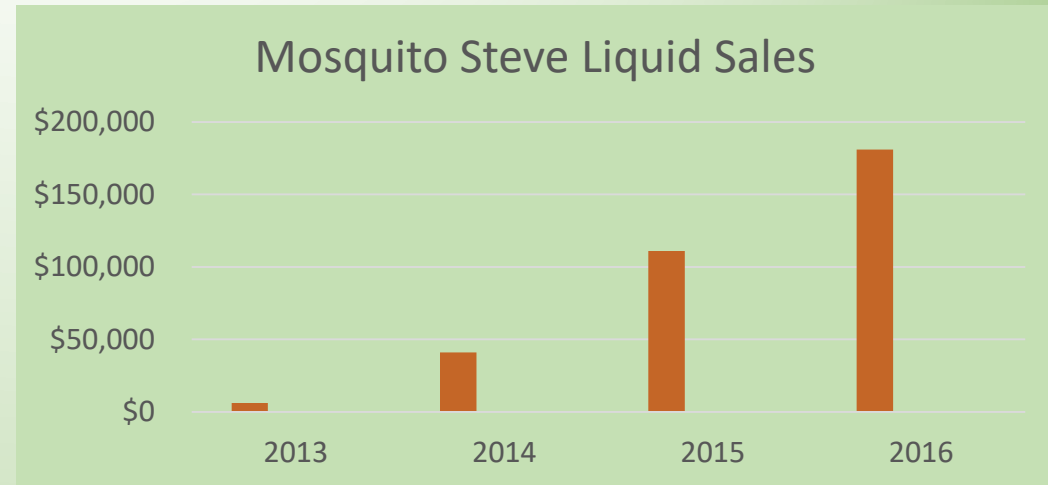
Sample data from 2013 trial.

Consumer and Commercial Products

- Personal Body Sprays \$6.99 - \$9.99 Retail
 - What makes our personal sprays unique is that we have conducted hundreds of field trials researching natural products and comparing them to brand name products. We have always had a higher standard for efficacy and quality. Our goal has always been to have the very best product, not just the safest.
- DIY Yard Sprays \$34.99 - \$189.99
 - The same repellents our commercial partners use but conveniently packaged for the backyard gardener or DIY'er.
- Misting Systems `\$1599 & up (Refills \$170.00)
 - We were the *first* company in Dallas to install Mosquito Misting Systems, so we know more about what it takes to eliminate mosquitoes from your yard than anyone.
- Monthly Yard Treatments Priced by Square Foot
 - Using our proprietary mosquito repellents, professionals will spray your yard two to three times monthly to eliminate mosquitoes where they hide.



Sales 2013 - 2016



NOTES:

- Commercial sales comprises approximately 92% of sales in 2016, 90% in 2015.
- 2017 on target to eclipse \$200,000.
- Contract sales from MosquitoNix will continue 2018.
- Retail sales have been limited to North Texas while commercial sales cover Houston, Atlanta, South Carolina, South Florida.



Funding and Cash Flow



- \$80,000 to date – 4 on cap table
- Seeking Growth Funding: \$2M
- Minimum Investment \$125K
- Multiple Exit Strategies

Milestones:

- Over 3000% growth in annual sales since 2013
- Over \$600,000 in Revenue Since First Selling Season of \$6000
- Dozens of New Partnerships, including MosquitoNix and Green Army signed in 2017

Key Financials and Projections

	Year 1	Year 2	Year 3	Year 4	Year 5
Gross Revenue	\$2,291,200	\$13,998,545	\$44,189,500	\$95,551,200	\$194,548,000
COGS	1,0164,524	9,079,880	21,665,634	38,082,972	78,150,210
Gross Margin	1,126,676	4,981,665	22,523,866	57,468,226	116,397,790
Operating Expenses	1,992,194	3,646,483	11,866,646	15,197,216	21,875,440
EBITDA	(865,518)	1,272,182	10,657,221	42,271,010	94,522,350

Assumptions:

- Customer base through big box retailer on Patio Mister from approximately 20,000 in year two to 200,000 by year 5 is conservative. (Walmart said they would sell millions per year)
- Retail Patio Mister Sales boosts Spray On Repellent Sales in each store



Marketing and Growth Strategy



Today's customers are looking for results-oriented protection through a variety of channels including trusted providers, social media, radio and fence talk.

Our marketing efforts focus on growing, both by word of mouth but also by building our strategic partnerships.

Funding/investment will allow us to immediately create and implement a social media strategy that raises the awareness of Mosquito Steve across the globe, driving both direct sales and strategic partnerships.

In 2016, we did dozens of radio and television interviews across the country. We know consumers want more information about mosquitoes, Zika and West Nile Virus. We can capitalize on this nationally as we have been, and expect to be, contacted by BBC TV, Good Morning America and others.

Promoting our field trials always gets good response. The more of our story we are able to tell the better. Most commercial and B2B sales teams have no idea how well their products works -- especially compared to other products! We Do!



Innovation and Research



Over a decade ago a buyer at Walmart said they could sell millions of patio misters, but only if we could do it for under \$50.

The Mosquito Steve patio mister prototype was designed after years of trying to find a technology that would be inexpensive and effective.

This small mister will cover a 10'x 10' area for 4 to 5 hours with one 90 second spray. Simply filling a niche...a big niche!

You can have dinner outside with no mosquitoes or flies!!!
Refills (highest margin product we sell) would be about \$14.99 for 10 days supply.

A larger system, would cover an acre for up to 12 hours. We expect that one to retail for \$400 to \$500. Refills here are about \$30.

A commercial version would cover up to 2 acres, for about \$800-\$900. Refills would be \$60 for the larger.



Competition



- Currently, no natural products, other than Picaridin have performed well in testing.
- But even Picaridin, does not come close to the effectiveness of Mosquito Steve. We are more effective than Deep Woods OFF!
- New EPA laws are limit misting and spraying Pyrethrum. They recently ruled that there will be no spraying near bee pollination zones.
- Most industry experts believe the chemicals will be over-regulated or outlawed in the next five years. Mosquito Steve will be perfectly perched to lead the market.
- There is no reason for commercial and municipal customers to wait...Mosquito Steve products are already better than the chemicals!



Investment



Currently Seeking: \$2,000,000 for Series A Preferred Units equaling 49% of the Mosquito Experts LLC and 15% of Mosquito Steve LLC. (*Minimum investment \$125,000 for 1% Mosquito Experts LLC and .5% of Mosquito Steve LLC.*)

This investment will allow for a 18 month runway to scale commercial across the Southeast, East Coast and some of the Midwest.

Use Of Funds:

- Production of Portables, Commercial Sales Salaries, Alternate insect product introductions
- Inventory Float: HSN, Retail
- Patio mister, portable mister, fly spray, spider repellent, ticks, bed bugs
- Marketing, Advertising, PR, Web Site, Social Media: National Brand Launch
- Other Operating Costs: Office/Admin, sales materials, trade shows

Exit: Bayer, Dupont, SC Johnson, Spectrum Brands- heavy consolidation in the industry growing.