

Clean Air® Lawn Care

THE NEIGHBORHOOD'S HEALTHIEST LAWN™

Phase Two | Acceleration



Accomplishments From Phase 1: Establishment

1

46 operating territories/**14** states/**3.5M** in national annual revenue

2

Brand positioned **successfully** as **national leader** in solar powered mowing, potential to become **national leader** in organic lawn care

3

Proprietary advantages: **solar system**, **solar sprayer**, **CALC 10-0-2 granular**, **CALC liquid soil builder**

4

Proven, disruptive business **model**



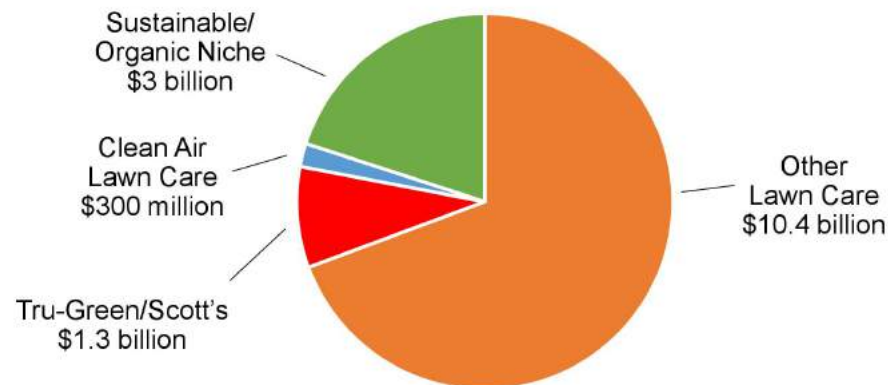
U.S. Lawn Care Overview

\$15-20 billion a year market cap

Tru-Green/Scotts has the **largest** market share at **\$1.3 billion**

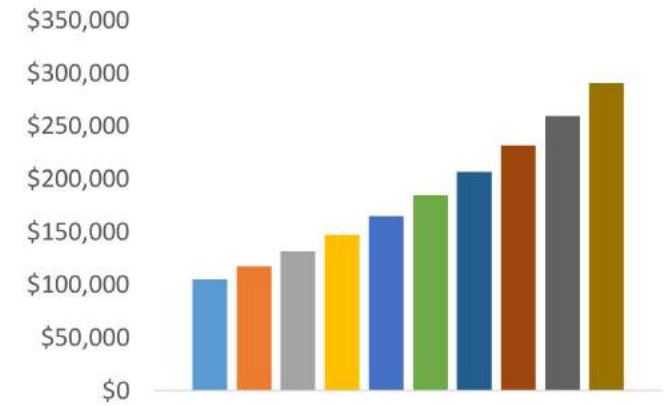
Sustainable/organic niche is estimated at **20%** of the market cap longer term or **\$3-4 billion** a year

Clean Air® is positioned to become **Whole Foods type** company in the **sustainable/organic niche**



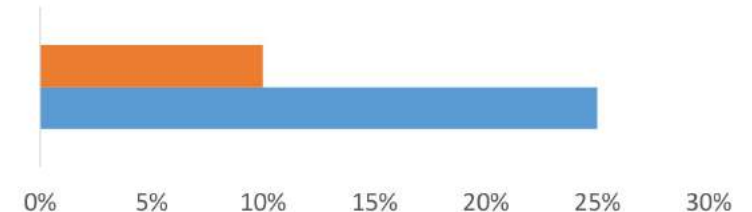
Phase 2: Acceleration

Location Growth Rate | 12% annually to an average of **250K** over the next **10 years** due to **majority young locations**



Location Close Rate | 10% from failures and closures

Location Open Rate | 20-30% established over last **six months**



Location Close Rate

We can now estimate our existing location life is around **10 years**.
We can improve that, but it's a good assumption for now.

The primary reason locations close are:

- 1** Fail within the **first two years** of opening
- 2** Close when the owner moves on and **unsuccessfully transitions/sells** to a new owner



Acceleration Driver #1 - Location Growth Rate

At maturity, our **average location** will grow to around **250K**.

Most locations will hit a scaling wall at **150K-200K**. Some will jump the wall and head toward **1M**.

We cannot guarantee this, but we estimate the **average** should **grow** to **250K** over the next **10 years**.

In **2017** we are at **105K** mostly due to the **majority of our locations being young** in that 10 year life cycle.

Over the **last five years** we have comfortably grown our existing locations at **12% annually**.



Acceleration Driver #2 – Location Open Rate

Over the last **five years** we have opened a **new location** every **two months**.

Over the last **six months** we have **increased our marketing budget**, **added three members to our sales team** bringing total to **four members**, and established a rate of **one new location per month** by **doubling our leads**.

We have added **Wilmington, NC, Wilmington, DE, St. Louis, Seattle #5, Austin #2, and Portland #4**.

It is possible we'll see new locations in **Atlanta, Colorado Springs, Columbus, and San Antonio** in next **two-four months**.

We hope to **double leads again** via **improvements to our marketing results, expertise of new sales team members, and additional shareholder capital**.

We have a lot of real estate to sell | **300-500 open territories**.



Overall Accelerating Growth

1

Keep our location close rate low by **improving opening and transition strategies**

2

Continue to try to growth existing locations at **12%**

3

Continue momentum of new location growth rate from **one per month** to hopefully **two per month** with improved **marketing budget ROI, sales team expertise, and additional shareholder capital.**

