Confidential Subject Matter
U.S. Patent No. 12,227,216 B1

Prospectus- HOW 2 Platforms- Superior Commercial Cleaning Tool Plus IoT & AI Productivity Breakthrough

Highlights

- **❖** \$500,000 Investment
- ❖ \$30,000 each for the first 7 months
- **❖** \$210,000 in final month
- **❖** \$100,000,000 NPV
- **❖** 200% IRR

Ctrl+Click on any of the links below to jump to different sections of this prospectus.

Summary

HOW 2 Platform – Dozen Value Propositions

- 1. **Superior Cleaning**
- 2. Internet of Things/AI
- 3. Hand Soap
- 4. Savings
- 5. **Sustainability**
- 6. **Dispenser**
- 7. Computer Control
- 8. Sanitizer
- 9. Simplicity
- 10. Flexibility
- 11. Safety
- 12. Applicator

Business Plan

Phase 1- Test Market

Phase 2- Injection Molded Launch

Phase 3- Brand Extensions

Patent

Financials

Marketing Plan

Investment Needed



Summary- The Sanitary Supply Industry has seen little progress over time. Wall-hung dispenser systems have existed for over 40 years, with minimal changes in the past 25 years. Applicators have not improved in 20 years. Flat mops are a recent innovation but are unsuitable for heavily soiled areas such as restrooms and kitchens. Most hand cleaning still relies on traditional tools like mops, buckets, and spray bottles.

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Although the tools remain unchanged, the industry's needs have evolved. The industry requires a significant advancement akin to the smart phone revolution. The HOW 2 Platform presents a potential breakthrough for this industry. Essentially, the HOW 2 Platform is similar in size to a mop bucket, but it includes a small water tank and three formulated solutions that are diluted and mixed as they are sprayed onto surfaces or filled into containers. The Platform is equipped with four pumps, a battery, and a computer.

This prospectus presents the HOW 2 Platform, featuring various models and five HOW 2 Solutions. The platform measures 20" x 18" x 16" without the handle, and 32" high with it.

Enabled with AI, the HOW 2 Platform records and transmits every step of the cleaning process to the cloud, logging detailed data such as solution usage, personnel, location, time, and method. This data is analyzed for insights previously unavailable in the industry.

The business plan projects a Net Present Value of over \$100 million in ten years from an estimated \$500,000 investment, with an IRR of 200%, driven by unique and valuable data that enhance industry management through AI/ML tools. HOW 2 Platforms has secured a patent for this technology.

Please, review the information we have on our website at <u>HOW 2 Platforms</u>. There is a short video here that describes a <u>Subscription</u> option that should be very attractive to the industry and is very profitable. There are short videos for training such as this one for the <u>iClean Smart+Platform</u>. There will be many more of these added as needed.



There are substantial brand extensions to this concept that could further increase value. One example is a small, hand-held version that would be targeted at home cleaning companies and possibly even homeowners.

HOW 2 Platform – Dozen Value Propositions- The Platform has a dozen "value propositions" involving improvements on current technology and providing support that is non-existent today. The following is a list of these value propositions. Here are two videos that summarizes the propositions at different detail levels with detailed graphics.

3 Minute Value Proposition Video

12 Minute Value Proposition Video

- 1. Superior Cleaning- Cleaner Restrooms is a Primary Target
- 2. IoT- Who, What, Where, When Documentation
- 3. Hand Soap- 90+% reduction in Hand Soap Costs
- 4. Savings- Labor, Equipment & Solutions Savings
- 5. Sustainability- 90+% Reduction in Fuel & Packaging
- 6. **Dispenser- Eliminates the Wall Hung Dispenser**
- 7. Computer Control- Exclusive to HOW 2 Platforms

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- 8. Sanitizer-Smart Germicidal Control
- 9. Simplicity-Simple Training and Operation
- 10. Flexibility- More Applications in More Facilities
- 11. Safety- Safe Chemistry, Equipment, Tools and Results
- 12. Applicator- Eliminates Mops, Buckets & Spray Bottles

First, let's go over the dozen value propositions individually to show the superiority the HOW 2 Platform exhibits over current practices in a dozen major ways.

1. Superior Cleaning- Focus on the five elements of janitorial cleaning

- a. Chemistry- never has the cleaner had so many options, at the fingertip, of the right product for the application, plus water rinse.
- b. Fluid Quantity- a spray bottle only dispenses 1/30 of an ounce per squeeze. The Platform provides one ounce per second. For surfaces such a showers, the greater volume takes all the labor out of the job.



- c. Time- damp mopping and spray-and-wipe are the most common methods of cleaning. Neither provide any dwell time. The Platform naturally provides the dwell time for better cleaning.
- d. Mechanical Action
- e. Removal

2. IoT- Who, What, Where, When Documentation

Wi-Fi, Bluetooth and flash memory are now on the Platform. This is all that is needed for the Platform to collect data and transfer it to the cloud for analysis. We are developing a database that is now analyzing data and providing useful documentation. This will continue to improve without need to upgrade the Platforms.

Existing competitive software can only effectively keep track of where the janitor is. We can document work being done and whether it is being done sorrectly. There is



whether it is being done correctly. There is no other way to do this.

3. Hand Soap- 90+% reduction in Hand Soap Costs

This may be the most important of the 12 value propositions. By making hand soap dilutions directly into the dispenser, we can:

i. Eliminate empty dispenser complaints

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- ii. Dramatically improve a facilities sustainability record
- iii. Reduce a major source of costs by 90+%.

4. Savings- Labor, Equipment & Solutions Savings

- a. Equipment Eliminated
- b. Low Use Cost Solutions
- c. Labor Savings

All of these factors reduce costs. However, the biggest factor is labor savings.

5. Sustainability- 90+% Reduction in Fuel & Packaging

The HOW 2 Solutions are typically much more concentrated than competitive products which eliminates 90+% of packaging and transportation freight. Competition cannot use more concentrated products because they use aspirators that can't proportion in the range we can using pumps.

While competitors talk about sustainability, they are simply replacing ingredients made 100% from fossil fuels to ones that partially use agricultural products which are, of course, made from fossil fuels, and block the land from being used for food production. Those products actually accomplish only harm.

6. Dispenser- Eliminate the Wall Hung Dispenser

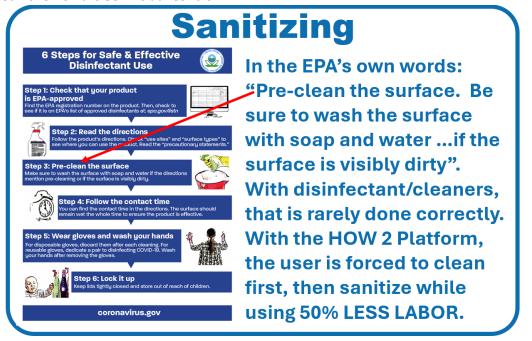
- a. The Ecolab dispenser shown has been in use by them for over 25
 years. I was the project manager. It is typical of the dispensers in use
 today.
- b. Each must be installed by hanging on the wall, inserting eight metering tips, connecting to the plumbing and training.
- c. The Platform eliminates the installation, has three times the solution options, eliminates all costs associated with dispensing including labor costs, provides better results and more accurate dispensing.
- d. Here is a link to a 3M dispenser that highlights how inaccurate these tools are. The 3M dispenser is better, but not nearly as good as a Platform. 3m-chemical-management-systems-brochure.pdf



7. Computer Control- Exclusive to HOW 2 Platforms

This is the heart of our patent and provides many benefits. The HOW 2 Platform can add materials together seconds before they are applied onto surfaces. These can be incompatible materials that are synergistic in the use solution. This will open many opportunities for brand extensions into carpet care, disinfection and other areas.

8. Sanitizer- Smart Germicidal Control



The industry uses "disinfectant cleaners", even though they are ineffective at either disinfecting or cleaning, simply because they are convenient to use. Once we are established, we can very effectively sell against these products.

9. Simplicity- Simple Training and Operation

- a. QR codes on every Platform leading to training videos on our website.
- b. A 12 key keypad is all the user needs to learn to operate the Platform
- c. Flat spray is built into the wand. There are only two other tools to replace current complexity.
- d. The platform and the handle storage tubes supply all the storage needed for most cleaners.
- e. The Platform can be "installed" and the user trained in less than 15 minutes.

10. Flexibility- More Applications in More Facilities

Virtually anyplace a mop and bucket or a spray bottle is being used, a HOW 2 Platform will clean better using less labor.

11. Safety- Safe Chemistry, Equipment, Tools and Results

This is from our video presentation.

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12. Applicator- Eliminate Mops, Buckets & Spray Bottles

The mop, bucket and spray bottle have been around for around 100 years without improvement. The disadvantages of each are well known, but nothing has been introduced to replace them until now. There is built up demand in the industry for something better.

Video Support- Go to this page at HOW 2 University to an example of the videos that we are producing to support sales and training. These videos will only improve over time as we collect on-site videos. iClean Smart+ University | HOW 2 Platforms

Business Plan

Phase 1- Phase 1 is currently just getting started. It is a market test using the existing rotomolded Platform and 1 pt. F-style bottles. This Platform uses three Solutions (products) to make use solutions in ten different blends, plus a water rinse.

One of the Solutions (Solution A2 for antimicrobial) is a currently registered quaternary sanitizer/disinfectant; however, we use it only as a sanitizer currently. It is used at a lower concentration than virtually any product currently on the market.

From the other two Solutions, the HOW 2 Platform will make the additional ten product solutions. The current formulations range from glass cleaner, APC, restroom cleaners and hand soap. More options will be added to additional Platforms in the future.

Solution B2 (for booster) is based on citric acid and glycol ether solvent.

Solution C2 (for cleaner) is a 100% active mixture of a blend of ethoxylated alcohols and solvents.

Solution D2 contains all the elements of B and C and is 90% active.

Solution H2 is an 80% active hand soap that can be diluted 20-50:1 with water to make a very sustainable and affordable hand soap. This Solution is used in the iClean Smart+ and the Clean

Smart+ to provide 90% improvement in cost and sustainability for hand soap plus all the other benefits of the Platform for normal cleaning.

This market test is expected to last until the end of 2025. Because most sales will be subscriptions, the market test will be cash flow negative until the last few months.

During this phase, we will design and build the molds for the Phase 2 Platform.

Phase 2- This phase will begin as soon as we have completed our current limited marketing test. This phase will convert the HOW 2 Platform to an injection molded frame (initial design image to the right). The primary drivers of this are:

- Increased capacity to 100,000 units per year or more.
 That could exceed \$40 million per year in equipment sales alone. The NPV of each subscription sale will be around \$2000.
- 2. Lower costs- The current units cost around \$200. An injection molded Platform could cost as little as \$110.
- 3. Improved serviceability.



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4. Improved functionality including a built-in work tray on the top.

We estimate the capital costs will be around \$500,000.

Phase 3- Because the pumps are all independently controlled, the HOW 2 Productivity Platform can literally "formulate" product two seconds before it hits the soil. This creates many additional opportunities. One of these is the use of hyperactivated hydrogen peroxide. Hydrogen peroxide needs to be hyperactivated to reach its highest effectiveness. Once hyperactivated, hydrogen peroxide is only stable for a short time. This means that the HOW 2 Platform can produce:

- Carpet pre-spray that will leave the carpet looking cleaner and brighter than ever before.
- > Restroom cleaner that will whiten grout and de-odorize better than any other product.
- Possibly disinfectant that performs as well or better than the harsh disinfectants used today. This will require an EPA registration for the equipment. Note: registering equipment is easier than registering products with the EPA. This is by no means certain but would be a giant leap in disinfection if we accomplish it.

Phase 3 will focus on these three application areas with a three or four-concentrate system using activated hydrogen peroxide.

Patent- The HOW 2 Platform is now patented, U.S. Patent No. 12,227,216 B1. We received every claim made in the original application. This patent seems exceedingly strong. We will probably file for an additional patent within a year to cover the software and hardware used for the IoT features.

System Costs- There is a detailed work sheet available that itemizes part costs. These costs (initially around \$200) are low compared to competitive units, which should assure market penetration. The prices can be set high enough to ensure substantial profitability. There are many cost reduction opportunities that will occur going into phase 2. At that point, costs should be around \$110. The actual current costs and projected costs after three years are detailed on the spreadsheet. The initial units will be built with rotomold and machined parts. With higher volume, automated manufacturing and injection molding tools, there is a clear plan to get costs around \$110. Ultimately, the HOW 2 Platform could cost as low as \$80. There will be about 50 parts spread across about 30 individual part codes.

HOW2Platforms.com The company name is HOW 2 Platforms. The internet domain HOW2Platforms.com is the company website. The name and domain were selected to support the following marketing positions.

- A platform is a generation beyond dispensers, simple applicators or "systems".
- > HOW is an acronym for Help On Wheels.
- The company is the authority on "HOW 2 Clean".

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- ➤ HOW 2 uses higher technology to provide greener products with higher performance, lower cost, and labor savings.
- ➤ HOW 2 goes beyond delivering use solution and becomes part of the user experience. It is as personal as a smart phone to the cleaning professional.

Applications- The chart below shows a partial list of the applications where HOW 2 fulfills needs unmet presently.

		Application				
	Floors,				Many	Limited
	With		Bath &	Large	Spray	Storage
Account Type	Drains	Restroom	Shower	Equip.	Bottles	Space
Supermarkets/Large Retail	✓	✓		✓		
Restraurants	✓	✓		✓	✓	✓
Convienience Stores	✓	✓				√
Schools	✓	✓	>	✓	✓	
Fast Food	✓	✓		✓	✓	✓
Office Buildings	✓	✓			✓	✓
BSC's	✓	<	>	✓	✓	✓
Hotels	✓	<	>		✓	
Repair Shops	✓	<		✓		✓
Small Retail	✓	✓			✓	√
Industrial	✓	<		√		

Floor Cleaning- Damp mopping in the conventional manner **does not clean!** It simply redistributes the dirt and contaminates any previously clean areas. Wet mopping is an improvement if the mop water is replaced **constantly.** Flat mop cleaning with disposable heads reduces recontamination and cross contamination but doesn't clean any better than damp mopping. Clearly, the industry needs something better.

The How 2 Platform is the next advance in floor cleaning technology. With HOW 2, uncontaminated use-solution is sprayed directly onto the floor. Where available, a floor drain and squeegee are used. Most public restrooms and kitchens are equipped with functional floor drains. What are the advantages?

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- Easier to follow EPA requirements for dwell time
- No trips back to the janitor closet for refills
- ❖ Vastly superior dirt removal
- Ability to use a two-product approach- clean then sanitize- with no additional labor per EPA/FDA/CDC guidelines

The HOW 2 Platform is clearly an advance in floor cleaning technology and is a platform for launching future advances. The Platform is an application device that supports innovations that improve cleaning performance and productivity.

Internet Capabilities- The basics of any IoT device have just been added to the Platform- Wi-Fi and Bluetooth. The Platform location is determined by vicinity with BLE Beacons. The HOW 2 Platform does not need a lot of software or processing power. The Platform transmits data for each operation. The data includes location, product used, time start, and time stop-simply where, when and what. Platforms are doing all this today. The Platform has flash memory adequate to store all of this data for the lifetime of the Platform if needed.

We are now developing the first database that will analyze this data providing many useful outputs.

As an example, large national chains would know which units did not clean all the restrooms that morning or which kitchens still have dirty floors.

Any building service contractor would know where their people are, what they are doing and when they will need more supplies.

Customers could be billed similarly to mobile phone customers. They would pay a flat fee for equipment, products and data support. If they use excess product, that could be billed as an exception. This would be very attractive to chain accounts and no competitor could offer such a service. This is only possible with the advanced features of HOW 2. With the lower cost injection molded system, subscription rates of \$50/month appear possible in some account types.

Here are the benefits related to this functionality:

- 1. Real time, detailed documentation of task completion
- 2. Status information of cleaners including location and productivity information
- 3. Automated inventory control
- 4. Automated billing, including subscription options such as flat monthly rate for equipment and unlimited product. These subscriptions could be very profitable.

Financials- A spreadsheet is available that provides complete financials. This spreadsheet includes a 12-month Phase 1 maximum capacity of 100 rotomold units per month. The spreadsheet includes data for a total of 10 years with the \$110, injection molded Platform used

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for the last nine years. The spreadsheet allows flexibility inputting data to consider additional scenarios. One thing is clear- HOW 2 will be very profitable. Based on very reasonable assumptions, the spread sheet shows:

- Free Cash Flow positive from the 1st month with no subscription sales.
- With all subscription sales, the free cash flow would be moderately negative for only a few months.
- ➤ Monthly free cash flow of over \$200,000 after 24 months.
- Considering ten years with a discount rate of 10%:
 - NPV for the investment is over \$100 million,
 - o The IRR is ≈200%

Obviously, there is plenty of cash to pursue the other brand extensions that are not included in these estimates such as the Carpet Platform, the Residential Platform, and the Disinfectant Platform.

This can be a very profitable system. The numbers stated above are based on very reasonable sales estimates. The spreadsheet is designed for the user to explore other sales and cost possibilities. If you want to make changes in the assumptions, make changes in the yellow cells and the changes will be reflected in the entire spreadsheet. Our production capacity can match any sales projection within a very few months. Even dramatically lower projections of sales results in a healthy company. The plan is very scalable. Here is a section of that spreadsheet with the annual free cash flows for the subscription version:



The last page of this prospectus is the current balance sheet. There is a total debt of \$320,000 and a negative equity of \$120,000. The debt is based on five years' development costs, capital tools and inventory. The debt is held by James and Mary Decker and will not be collected until there is substantial free cash flow beyond corporate needs.

Marketing Plan:

The market for janitorial equipment and chemical products is more than \$7 billion in the U.S. alone. These products are used by the 3 million janitors plus other cleaners. The market for HOW 2 Platforms should be at least one per 3 janitors or 1 million platforms in the U.S. alone. The business plan calls for selling only 20 platforms in the this month and 8000 per month in the 120th month. A life expectancy of 36 months/Platform is built into the spreadsheet. This represents a market penetration of only 18% of only the U.S. at the end of the period. The business plan with only growth funded by \$500,000 capital invested, is very attractive.

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Marketing Focus- Since current distribution companies lack interest in a system that literally makes the market smaller and complicates their business by bringing in new services such as IoT documentation, we do not expect distributors to drive this business. We intend to do what the market leaders such as Ecolab do- sell to national accounts with many dispersed facilities. These companies benefit from the <u>Value Propositions (how2platforms.com)</u> that we bring to the market.

Target Markets- The facility managers, particularly those with heavy hand soap use, will gain the biggest advantage from the HOW 2 Platform. Retail accounts such as big box stores, restaurants, and convenience store/fuel stops are the primary initial markets. Schools are another key, early target. Other target markets will be added based on our on-going experience.

Design Features- These are the key features improvements we see during the second year.

- 1. Injection molded construction and automated production providing a cost of around \$110 per platform.
- 2. 1000 ml bag packaging with automatic connection when canister is latched in.
- 3. One additional pump will be available for greater chemistry flexibility.
- 4. Reduced size with 1.25-foot cube target with handle removed.
- 5. Advanced pump design and automated feedback guaranteeing precise dilution vastly better than aspirators. The precision will be documented, defendable and published vs aspirators.
- 6. Library of training videos connected to wide assortment of application tools.
- 7. Hydrogen peroxide system for carpet and possibly disinfection.
- 8. Software off platform to support BSC, hotel, hospital, fast food, and school markets. This software will support work management, automated inventory and re-order.
- 9. As low as \$50/platform/month subscription program. This could be the monthly rate including maintenance and unlimited product. The unlimited product will be based on type of use defined in contract.
- 10. Monthly automated reports summarizing use of each platform.
- 11. Real-time feedback to account as needed.

Investment Needed:

The above plan represents our expectation with \$500,000 outside funding. We currently value HOW 2 Platforms at \$2 million based on IP and sales prospects. We feel we can achieve the plan with an immediate investment of \$30,000 per month for the next 7 months. This will allow us to implement the IoT, make other design improvements and finance the initial design. The investor will basically own an option to make all investments after the first and can stop investing additional funds at any time. We will need a final investment of \$290,000 in the 8th month. This would make it possible for us to launch the injection molded version early in the second year.

The investor would receive equity based on the investment relative to the \$2 million starting valuation. This would result in the investors owning 20% of the company.

For any questions or additional information, please contact:

Jim Decker

HOW 2 Platforms

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Jim.decker@how2platforms.com

We can have a video conference at any time at your convenience.



Balance Sheet

As of December 31, 2024

	Tota
ASSETS	
Current Assets	
Bank Accounts	
Business Checking ^{sм} (9439)	2,913.78
Total Bank Accounts	2,913.78
Other Current Assets	
Inventory Asset	114,489.35
Uncategorized Asset	3,323.81
Total Other Current Assets	117,813.16
Total Current Assets	120,726.94
Fixed Assets	
Machinery & Equipment	61,964.00
Original cost	1,255.00
Total Machinery & Equipment	63,219.00
Rotomold	16,000.00
Total Fixed Assets	79,219.00
TOTAL ASSETS	\$199,945.94
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable (A/P)	179,598.74
Shipping	-178.30
Total Accounts Payable	179,420.44
Total Current Liabilities	179,420.44
Long-Term Liabilities	
Other Long Term Liabilities	139,738.92
Total Long-Term Liabilities	139,738.92
Total Liabilities	319,159.36
Equity	
Equity Opening Balance Equity	1,001.00
Opening Balance Equity	494.00
Opening Balance Equity Owner's Investment	1,001.00 494.00 -77,201.86 -43,506.56