

Everpure 4SI... slime reduction and scale protection in a compact size

QUOTES FROM HVAC FORUM

- "I cringe every time I get ice in a restaurant. Even after cleaning them some of the stuff still shows on the tubing and plastics and will not come off. I feel sorry for the ppl in the nursing homes and hospitals that have no choice but to consume this stuff constantly." 73Stingray
- "This field has always been great for my weight. I lose my appetite on average at least 5 times a day" coolingitrite
- "Local convenient store chain that does not do maintenance but only calls us when something doesn't work. This picture doesn't really show how bad it was.
 Underneath, where the water probe and pump are, was more thick slime than I've ever seen." – GJ-HVAC/R
- "As long as I keep it clean and replace the filters, it 'runs like a Deere'.
 AND BESIDES, IF I DON'T, I HAVE TO ANSWER TO A BUNCH OF P***** OFF GUYS ABOUT CRAPPY TASTING ICE....NO THANKS." kitchenfixer

RESTAURANT/C-STORE PROBLEM STATEMENTS

- Mold or fungus grows on surfaces that are exposed to moisture and warm temperatures, creating slime. Bacteria can be introduced through the air, through water or through touch.
- Slime can cause an objectionable taste, odor and color of ice.
- Ice machines and ice bins are not properly sanitized or often enough.



SOLUTIONS FOR THE WAR ON SLIME

- Provides particulate reduction and scale inhibition, and also can help to reduce slime in ice machines and ice bins. Allows chlorine disinfectant to pass through.
- Features Fibredyne® Media, 0.5 micron
- Certified to Standards 42 (Particulate Class I) and 53 (Cyst Reduction)

- Flow Rate: 3.5 gpm
- Particulate and Scale Inhibitor Capacity: 25,000 gal





- Flow Rate: 2.0 gpm
- Particulate and Scale Inhibitor
 Capacity: 15,000 gal
- Available Now!

END USER VALUE PROPOSITION

The 4SI is for restaurants and c-stores that:

- Have or may have potential for bacteria growth and scale buildup in ice machines
- Want to reduce the frequency of ice machine sanitizations
- Have limited space for filtration
- And want a simple and cost effective solution for better quality ice, reduced heath violations, and lower service costs.

DEALER VALUE PROPOSITION

The 4SI is for sales and service dealers who want a solution for ice machine slime that:

- Has a strong value proposition for their customers
- Is priced competitively
- Provides differentiation from competitive systems
- And is sized to fit in a limited space.

The 4SI is also for service dealers that want a solution for ice machine slime that is:

- Easy to install and maintain
- And brings recurring revenue through regular replacements.

WHY END USERS NEED THE 4SI

- The market believes chlorine will help to reduce the growth of bacteria and slime in ice machines, which can affect the quality of the ice, and cause a violation from a health inspector.
- Provides benefits beyond slime reduction:
 - Submicron reduces cysts that can cause water-borne diseases
 - Fibredyne media provides superior dirt reduction, which helps to reduce clogging of screens, valves and tubing, and improves clarity of the ice
 - Scale inhibitor helps to prevent scale damage, reducing service costs and ice machine downtime
- Can retrofit to existing QC heads, minimizing disruption to the operation and installation cost of installing a new system.
- Own staff can replace, reducing service costs (no need to open sump).
- Doesn't have the risk of UV breakage, which can cause temporary evacuation of the kitchen and special clean up procedures.
- It is sized to fit in a limited space, such as inside a cabinet or behind a countertop ice machine.

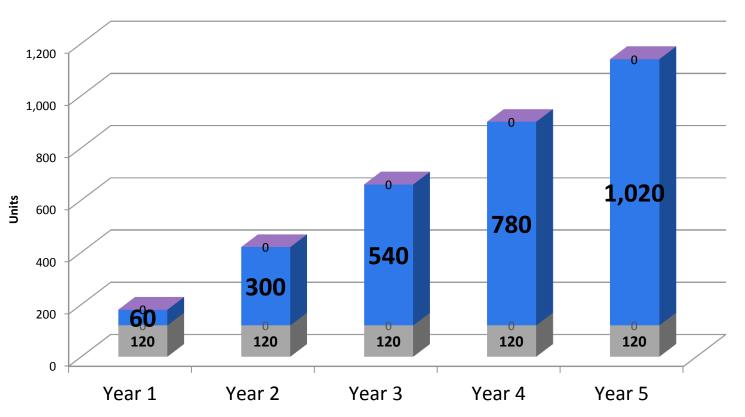
WHY DEALERS WANT TO SELL THE 4SI

- Backward compatible: the 7SI and 4SI fit any previous Everpure QC head, as far back as 30 years. As a result, the dealer's customer has a lower up front investment, increasing the potential for the dealer to make a sale.
- Provides value to customers beyond slime reduction, including cyst protection, particulate removal, and scale protection, increasing the potential for a sale.
- Easier to explain, install, and maintain than some alternative products for slime reduction, such as UV and Ozone. Safer to handle than UV products for ice machines.
- Shorter than the 7SI, so easier to accommodate customers with limited space.
- Provides a recurring income through replacements.

DEALER ANNUITY OF THE 4SI – 10 SYSTEMS/MONTH

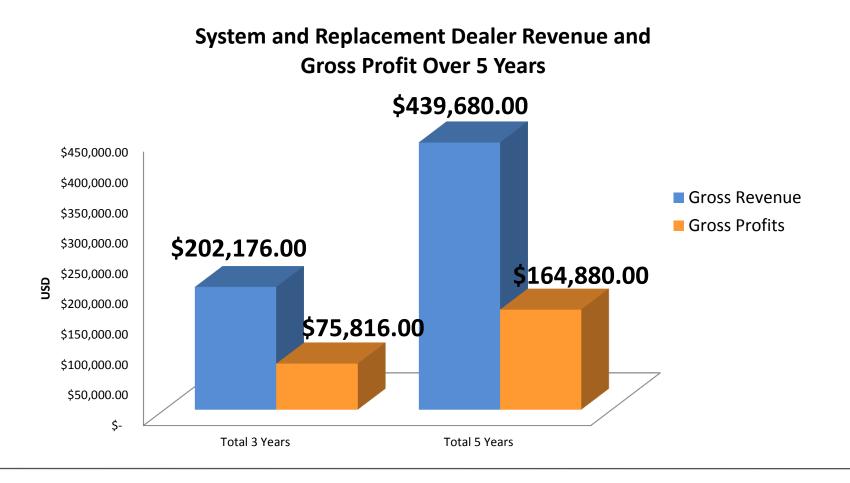
• If 10 QC7I Single – 4SI systems sold per month: **2700** 4SI Cartridges sold by end of Year 5

System and Cartridge Unit Sales Per Year



DEALER ANNUITY OF THE 4SI

- Systems and Replacements
- Based on 0.5 discount and 20% markup



DEALER ANNUITY OF THE 4SI – REPLACEMENTS

- Replacements only 10 systems sold per month
- Based on 0.5 discount and 20% markup





CASE STUDY

- <u>Problem</u>: a hospital in Georgia was experience black particulate in nugget ice. It was traced to slime growth inside the ice machine. Hospital has 21 ice machines.
- <u>Solution</u>: Insurice and 4CB5-S cartridges were replaced by the 7SI, which eliminated the problem. The change was driven by the facility manager.
- Only issue was the 7-size can didn't fit under the counter where the 4CB5-S cartridges were being used. The heads had to be moved to behind the ice machines. This would not have been an issue had the 4SI been available.





Healthcare and the 4SI



ASHRAE STANDARD 188

- ASHRAE Standard 188: Prevention of Legionellosis Associated with Building Water Systems outlines new standards that require facility managers to:
 - Implement stronger safeguards.
 - Conduct annual risk surveys of their buildings, including testing of water system and monitoring water filter systems.
 - If a risk is found, facilities must provide a HACCP prevention plan
- ASHRAE 188 places responsibility for water safety on everyone associated with design, construction, installation, ownership, operation, management, and maintenance of a building's water system.
- One specific risk factor in the standard is "incoming potable water containing less than 0.5 ppm residual halogen such as chlorine".

HEALTHCARE PROBLEM STATEMENT

Without municipal water chlorine disinfectant in the ice machine, healthcare facilities will have a risk factor for Legionella disease per ASHRAE Standard 188, and they will have to report this to the HCAAP and provide a prevention plan.



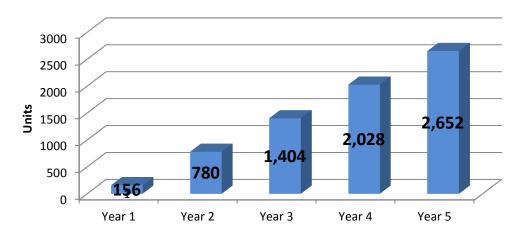
HEALTHCARE VALUE PROPOSITION

The 4SI provides a simple, cost effective solution for tight spaces, that allows healthcare facilities to eliminate a Legionella risk factor, making it easier to maintain adherence to ASHRAE Standard 188. It also provides scale protection and particulate removal, reducing service costs on ice machines.

HEALTHCARE

- In 2011, \$28M spent on ice maker/dispenser combination systems*. Equivalent of over 8000 units sold (w/average price \$3500)
- 5,724 hospitals in the U.S.**
- One hospital building in FL has 26 ice machines. If the dealer purchases at 0.5 discount, and discounts 20% to hospital, changing 2x/year, the dealer would:
 - Sell 234 cartridges by the end of year 5
 - Earn \$18,608 in revenue by end of year 5
 - X 10 Hospitals = \$180,608.00
- Converting one hospital per month, with 26 ice machines in each, the dealer would sell a total of 7020 cartridges.

Replacement Cartridge Unit Sales By Year



PENTAIR

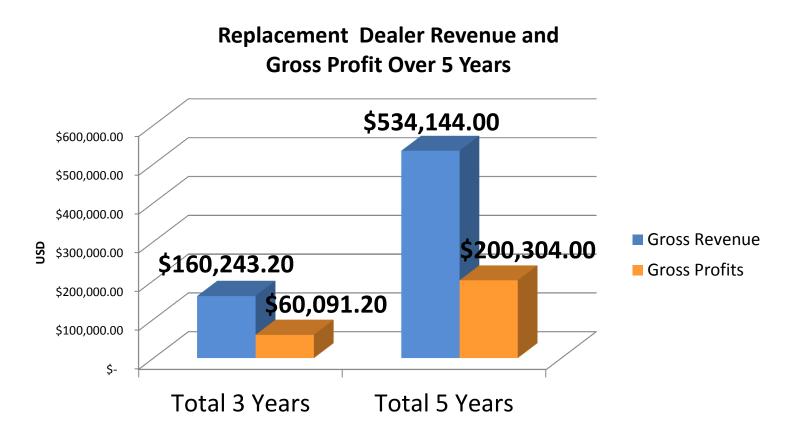
NEW PRODUCTS 2014

^{*} NAFEM Shape of the Industry, 2012

^{**} AHA, 2011

DEALER REVENUE FROM ONE HOSPITAL PER MONTH

- Replacement only
- Based on 0.5 discount and 20% markup.



N.A. 2014 LIST PRICING

| | Part # | List Price (USD) | | |
|------------------------|-----------|------------------|--------|--|
| | | | | |
| 4SI Cartridge (1-pack) | EV9606-51 | \$ | 99.40 | |
| | | | | |
| 7SI Cartridge | EV9606-01 | \$ | 214.00 | |

| Configured Systems | List Price (USD) | | |
|--------------------------------|------------------|---------|--|
| Insurice Single - 4SI | \$ | 373.40 | |
| | | 476.40 | |
| Insurice Single PF (10") - 4SI | \$ | 476.40 | |
| Insurice Twin PF (10") - 4SI | \$ | 686.40 | |
| Insurice Triple - 4SI | \$ | 758.40 | |
| Insurice Triple PF (10") - 4SI | \$ | 888.40 | |
| Insurice Quad - 4SI | \$ | 1076.40 | |
| Insurice Quad PF (10") - 4SI | \$ | 1179.40 | |

WHO TO TARGET WITH THE 4SI

The 4SI is ideal for locations where:

- There is a need to reduce bacteria growth inside the ice machine, or the potential for bacteria growth
 - Restaurants that do baking on-site
 - Taverns, bars, nightclubs, and bowling alleys that serve beer
 - Micro-breweries
- Hospitals and healthcare facilities that have to meet ASHRAE Standard 188
- Operations that want to maintain the recommended EPA levels of chlorine inside their ice machines to help reduce the potential for customers contracting Legionella disease:
 - Casinos
 - Resorts
 - Hotels
- Locations where space for filtration is limited, or water usage for ice does not require a 7SI



Competitive Comparison

4SI COMPARISON TO THE 3M HF60-S-SR5



HF60-S-SR5 is featured in the DF260-CL-CC System



| Advantage | Everpure 4SI | Features/Benefits | 3M HF60-S-SR5 | Advantage |
|-----------|---|-------------------|--------------------------------------|-----------|
| | 2.0 gpm | Flow Rate | 3.34 gpm | ✓ |
| | | Particulate | | 1 |
| | 15,000 gallons | Capacity | 19,000 gallons | <u> </u> |
| | 0.5 | Micron | 0.2 | |
| ✓ | Fibredyne w/No Carbon | Media | Polypropylene | |
| ✓ | Polyphosphate | Scale Inhibition | Siliphos? | |
| | 14.5" H x 4" D (36.83cm H x 10.2cm D) | Dimensions | 15" H x 4.5" D (38.1cm H x 11.4cm D) | |
| ✓ | NSF 42 Nominal Particulate Reduction Class I and NSF 53 Cyst | | NSF 42 Nominal Particulate | |
| | Reduction | Certification | Reduction Class I | |
| ✓ | \$99.40 | List Price | \$194.65 | |

ICE WAND™

- Also branded:
 - Selecto's SlimeGuard
 - Scotsman's Aquabullet
 - Chemco's "The Inhibitor"
 - Nu Calgon's Ice Guard.
- One function: inhibit growth of mold and slime in ice machines
- Media: Ceramic pellets coated with copper, silver, manganese and zinc.
 Apyron Technologies supplies the media. Website:

www.apyron.com/icewand/brochure.htm

- Immersed directly in water sump
- Replacement schedule:
 - every 3 months in cuber of <1,200 lbs.
 - Every 6 weeks in cuber of >1,200 lbs.
- Dimensions: 1 ¼" diameter, and 7 ¾" long



ICE WAND COMPARISON TO THE 7SI/4SI

- Recommended replacement: 3 months, but could be as often as 6 weeks (9x per year).
- Does not include particulate removal or cyst reduction
- Must be placed in the ice machine sump
- No easy way of knowing if expired
- Website states "In certain areas where the water contains sulfides, the Ice Wand requires additional water treatment to work effectively." Metals in Ice Wand can react with sulfides to cause staining inside the ice machine. Examples of sulfides include Hydrogen Sulfide Gas and Iron Sulfide, usually found in well water.

FRESH-AIRE ICE COMPARISON TO THE 7SI/4SI

Requires black vinyl or reflective tape to protect plastics

 More than one unit may be required (sump, ice production tray, bin)

Requires power supply

Only kills microbes on surfaces directly exposed to light

• Lamp is very fragile, easy to break

 Lamp can stop providing germicidal effectiveness even it is still lit

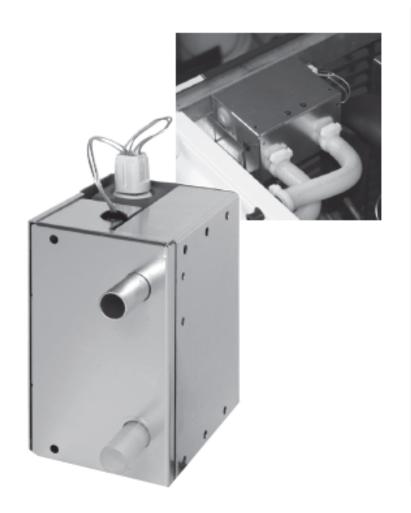
 Lamp replacement "should only be attempted by a trained technician"

• UV emits ultraviolet radiation that can cause eye injury

• \$240+ for system, replacement lamp \$90+ (one year life)



MANITOWOC LUMINICETM



Standard Features

- Reduced Yeast and Bacteria Growth proven by independent lab testing to inhibit the growth of yeast and bacteria for a cleaner foodzone.
- Easier Cleaning reduced slime build up speeds the regularly scheduled cleaning process.
- Space Saving Design device mounts inside the Indigo
 Series ice machine preserving space clearances in tight areas.
- Easy to Use no chemicals to add or maintain. Only a simple
 UV bulb change is recommended once a year to maintain
 effectiveness. Note: bulb change reminders can be programmed
 into the Indigo display.

Warranty

- 3-year warranty covering all parts and labor from the date of original installation (UV bulb is excluded from this warranty).
- UV Bulb replacement part warranty 90 days.

OZONE FOR ICE

- Ozone is a colorless to light blue gas with a sweet odor.
- 3000x more powerful than chlorine, 50x more powerful in its oxidative property
- Ozone oxidizes the cell walls of bacteria, killing the bacteria.
- Ozone given off into air inside the machine, controlling air-borne bacteria,
 sanitizing and deterring bacteria growth inside the machine
- Ozone-treated water forms into ice cubes, also have ozone on outer layer.
- While undergoing reaction, reverts to oxygen
- Examples:
 - Franke Ice Safety Solution
 - Tru-Pure Ozone
 - IDS Ice Machine Disinfection Unit

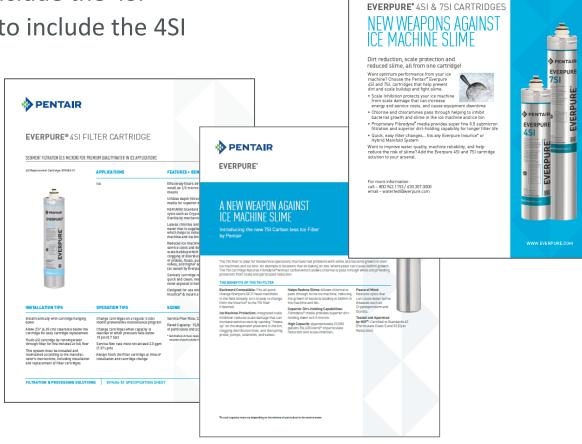


OZONE COMPARISON TO THE 7SI/4SI

- 3.79 liter only (1 gpm)
- Most models must be paired with mechanical and chemical filtration
- No NSF
- Franke model is for cubers only, not for flakers and nuggets
- Requires power

MARKETING SUPPORT

- Spec Sheet
- I/O guide
- Updated 7SI brochure to include the 4SI
- Updated 7SI Selling Guide to include the 4SI
- Healthcare Sales Sheet
- PR
- Update Website
- Update Pentair Library
- Autoquotes
- KCL
- Everpuresizing.com



PENTAIR

4SI CO-BRANDED

Follett Co-Branded

Cobranded Cartridge and systems





Scotsman Co-Branded

Cobranded Cartridge and systems
Will replace current AquaPatrol Line

