

CleanSpace[®]



INVESTOR PRESENTATION

NOVEMBER 2020 | PRIVATE & CONFIDENTIAL

BELL POTTER – HEALTHCARE CONFERENCE



reddot design award

CleanSpace

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CLEANSPACE DESIGNS AND
MANUFACTURES INNOVATIVE
RESPIRATORY PROTECTION
EQUIPMENT (RPE) FOR HEALTHCARE
& INDUSTRIAL EMPLOYERS GLOBALLY



Revenue \$28m FY20, \$55-57m CY20 forecast

- Forecast CY19 to CY20F growth of over 290%



Export sales to 36 countries

- Europe, North America & Asia : 150 distributors



Recurring revenue model large enterprise customers

- Consumables, accessories and spares over 45% of revenue in last 5 years



High Gross Profit and EBITDA Margins

- Highly scalable business model.



Proprietary patented technology

- 6 patent families and 2 trademarks across multiple jurisdictions









US\$6.3bn total addressable market in 2020

- Accessing global healthcare and industry PPE markets

RESPIRATORY PROTECTION MARKET

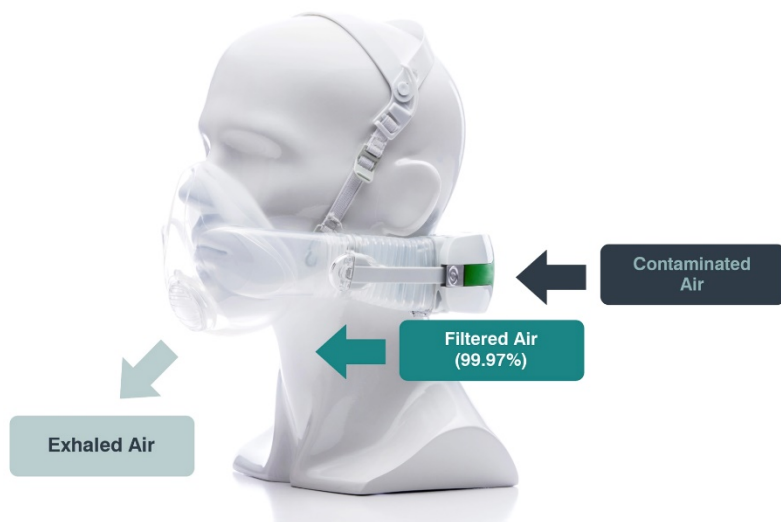
CLEANSPACE OPERATES ACROSS A BROAD RANGE OF REGULATED PRODUCT CATEGORIES

Other: Dust Masks & Surgical Masks		NEGATIVE PRESSURE MASKS		POSITIVE PRESSURE MASKS	
		Air Purifying Respirator (APR)		Powered Air Purifying Respirator (PAPR)	Self Contained Breathing Apparatus (SCBA), Air Line
Disposables	Disposables	Disposables	Half / Full Face	Full & Half Face	Full Face
					
No protection	No protection	10	10 (half) or 50 (Full)	25 (hood) or 1,000 (Half/Full)	1,000 to 10,000
Retail	Healthcare	Healthcare / Industry	Industry	Industry	Industry

A CLEAR COMPETITIVE ADVANTAGE

A HEALTHCARE TECHNOLOGY THAT PROVIDES HIGH PROTECTION & LOWER COST; DISPLACING BOTH DISPOSABLE MASKS AND BULKY PAPRS

PROPRIETARY AIRSENSIT™ TECHNOLOGY



OUR TECHNOLOGY

- Neck mounted compact design. Lightweight and small
- Breath responsive. Pressure sensors and algorithm continuously pressurise the mask through the breath
- Specialists in airflow control sampling, monitoring and adapting 100 Hz
- Micro-turbine toroidal motor: quiet, long wear, efficient), 26,000 rpm, high pressures and flows
- Lithium polymer smart battery technology: Light, long run time and fast re-charge

CLEANSPACE



- ✓ **High protection**
- ✓ **Lower cost**
- ✓ **Reduces heat stress**
- ✓ **Reusable**
- ✓ **No hoses or belts**
- ✓ **Light, small & easy to use**
- ✓ **Mobile & portable**
- ✓ **Fast disinfection time**

TRADITIONAL RESPIRATOR OFFERINGS

DISPOSABLES



- ✓ Light & simple
- ✗ Low protection
- ✗ Low compliance
- ✗ Moisture/CO2/heat problems
- ✗ Breathing resistance
- ✗ High disposable costs
- ✗ Stockpile & supply constraints

TRADITIONAL PAPRS



- ✓ High Protection
- ✓ Reduces heat stress
- ✓ Reusable
- ✗ Heavy, bulky & complex
- ✗ Poor PPE compatibility
- ✗ High costs
- ✗ High inventory
- ✗ Slow to disinfect

OVER 1000 BLUE CHIP EMPLOYERS USING CLEANSPACE RESPIRATORS

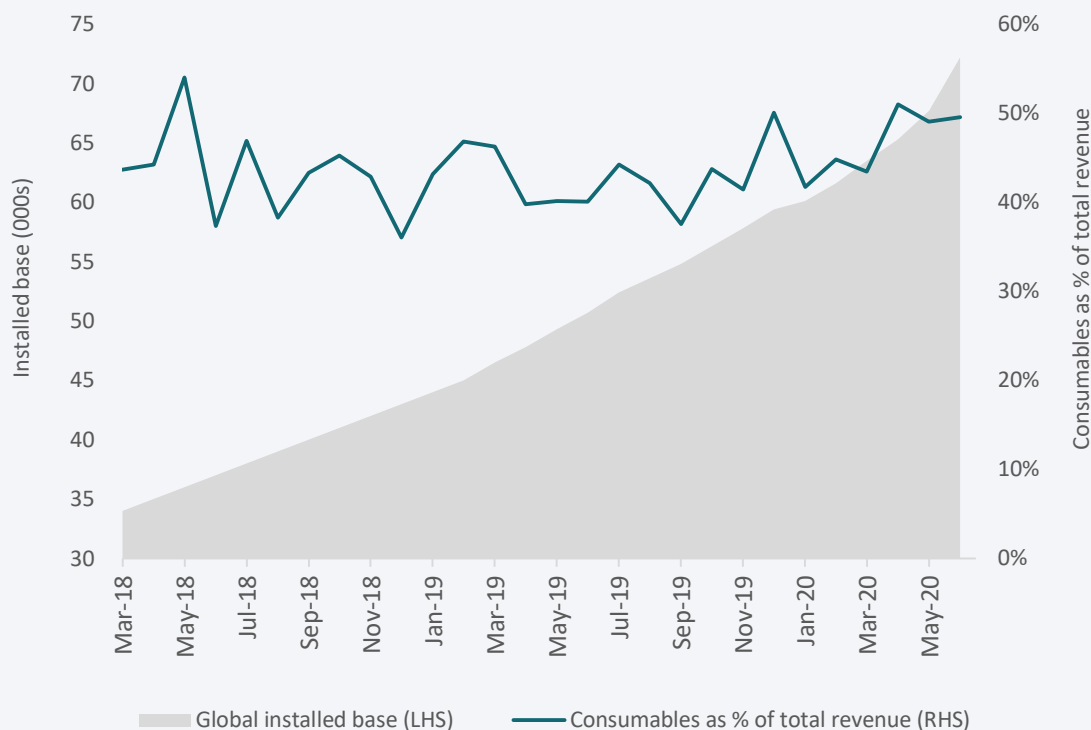


- CleanSpace has a growing installed base of units across **healthcare and industrial enterprises** in multiple geographies
- A diverse end customer base, including large enterprise healthcare and industrial clients such as **Boral, Arcelor Mittal, Sutter Health and Singhealth.**
- Employs a **‘land and expand’** strategy; the strategy is built around enterprise customer conversion through site trials; expand across site, then site-to-site and then organisational wide adoption.
- Site trials establish enterprises’ experience of the performance and the cost benefits of the products first hand, so safety and operations managers can introduce the products to other parts of the organisation.
- CleanSpace embeds the product use by leveraging a scalable customer engagement program comprised of direct technical support, web-based training and deployment, online training videos and other product materials.
- CleanSpace respirators are typically purchased and used over the long-term, with early customers having used the products for over 7 years.

GROWING RECURRING REVENUE STREAM

GROWING INSTALLED BASE (>70K UNITS GLOBALLY) IN HIGH USE CLIENTS DELIVERS RECURRING REVENUES

MONTHLY INSTALLED BASE AND CONSUMABLES REVENUE %



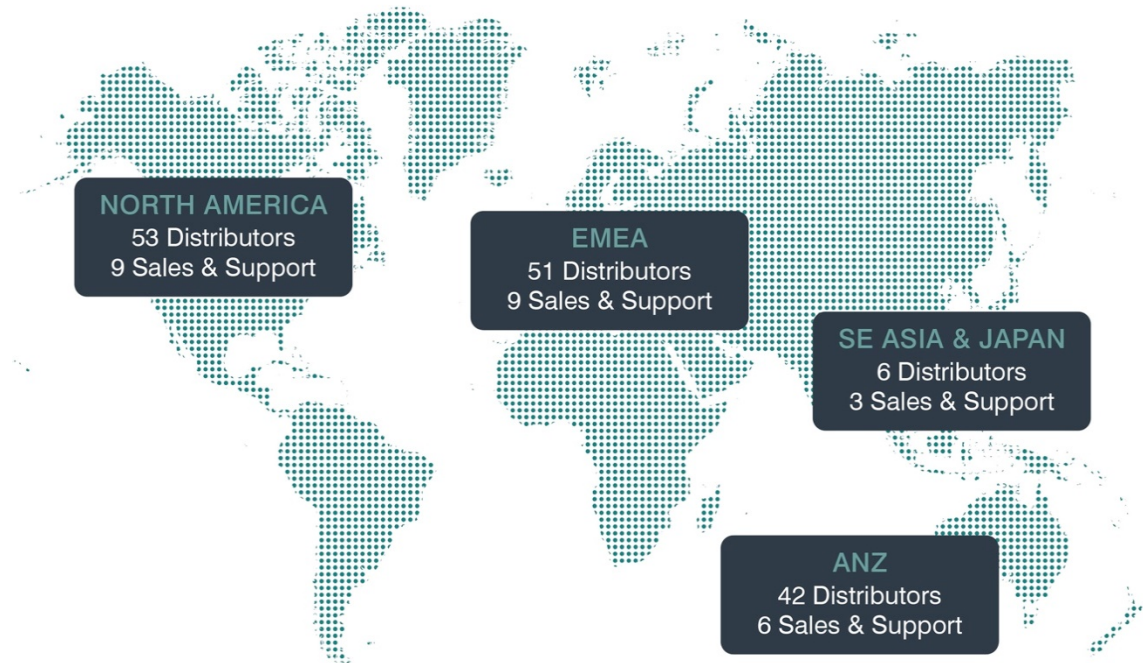
- Use of the respirators requires customers to purchase proprietary consumables, accessories and spares that are specifically designed and approved to work with CleanSpace respirators over the course of the respirators' use life.
- This model generates a recurring revenue base.
- Historically approx. 45% of its revenue is through the sale of consumables, accessories and spares.
- On average, accessories and consumables have higher margins than respirators.
- Recurring revenue from healthcare and industrial end user enterprises.

ESTABLISHED GLOBAL SALES NETWORK

REGIONAL SALES TEAMS, DISTRIBUTORS AND PARTNERS ESTABLISHED CLEANSPACE AS A SAFETY EQUIPMENT PROVIDER WITH A MULTINATIONAL FOOTPRINT

DISTRIBUTION PARTNERS

- Industrial (100%) and in some healthcare markets (SE Asia and Europe)
- Purchasing arrangements with MROs, PPE and safety equipment specialists and sector specialists (i.e. in welding, lab and pharmaceutical).
- CleanSpace leverages its distributors network for their market reputation, sales teams and customer relationships to execute their product sales plan
- Ongoing strategy for expansion of the distribution network to cover new industry sectors and new geographies



DIRECT SALES

- CleanSpace has set up direct sales models for healthcare in North America, Australia/NZ, UK and some countries in SE Asia
- Direct sales have a higher margin than sales to distributors.

150
Distributors
Globally

Exports to
36
countries

RELIANCE ON DISPOSABLE MASKS LEAVES FRONTLINE HEALTHCARE PROVIDERS & STAFF EXPOSED

Outbreaks (like SARS and COVID-19) expose life-threatening vulnerabilities in global supply chains in disposable masks

Both developed and developing countries are left with mask shortages leaving already struggling healthcare systems unable to protect their staff.

Governments have been caught paying large sums for damaged or counterfeit masks or receiving no product at all.

With disposable masks, a high proportion of workers are unable to achieve a reliable fit (up to 40%)

Australian made, CleanSpace is a reusable respiratory protection program suitable for hospital or community use for routine and scalable during pandemic preparedness. CleanSpace respirators ensure continuity of operations and staff confidence to do their job.



LEAN MANUFACTURING AND CONTINUOUS IMPROVEMENT

SYDNEY MEDICAL PRESINCT

HEADQUARTERS: Corporate. Back Office. Tech Support and R&D

Building a strong commercialisation and customer-focused sales culture, and operations and infrastructure to support a global business.

CleanSpace Sydney production operations

- assembles, tests and packages all its products
- run under ISO9001 accredited quality management system (QMS) with lean manufacturing (6s) and continual improvement programs in place
- ensures continual review of the operations and supplier network for process efficiencies and cost reduction to meet production targets (outputs). With changes implemented to achieve higher margins and scalability
- co-location of manufacturing with head office and the design team facilitates integrated and lean commercialisation programs; a continuous improvement program; and increased agility and ability to respond to opportunities and threats.
- Recently established new facility has \$100m of production capacity (commencing October)

PRODUCT AND MANUFACTURING ACCREDITATIONS

- Certified and audited Quality Management System:
- ISO 9001 (International)
- CE Mark (Europe)
- Intrinsically Safe (International & North America)
- CDC-NIOSH (North America)



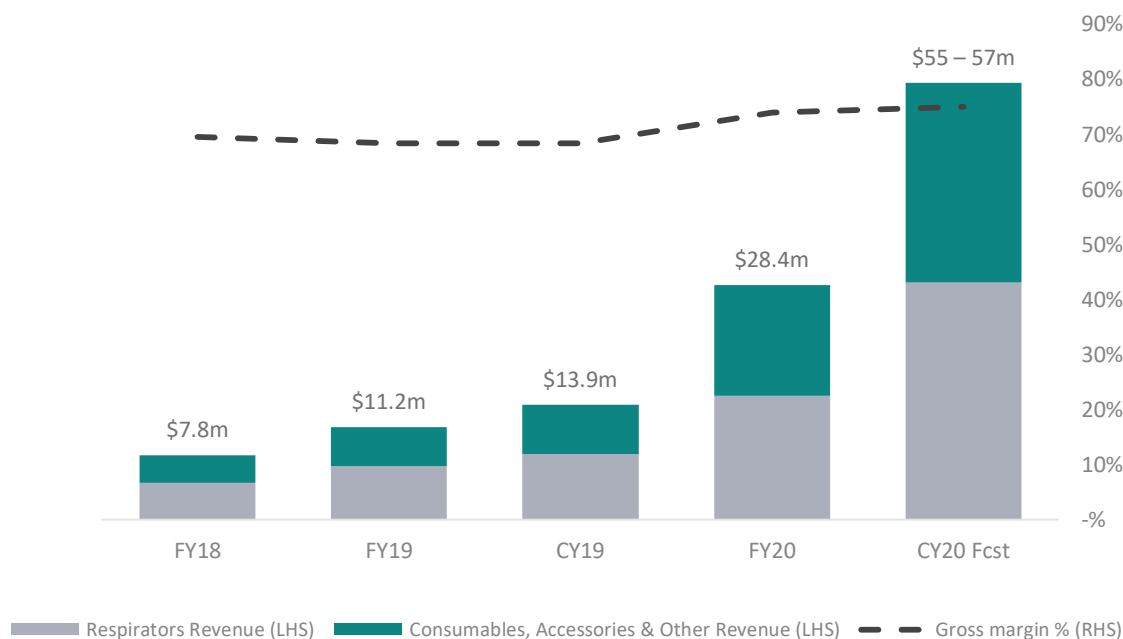
FINANCIAL INFORMATION



CLEANSPACE FINANCIAL OVERVIEW

CLEANSPACE HAS ACHIEVED STRONG YEAR-ON-YEAR REVENUE GROWTH AND CONSISTENT GROSS MARGINS

CleanSpace pro forma revenue (\$millions) and gross margin % (A\$m)

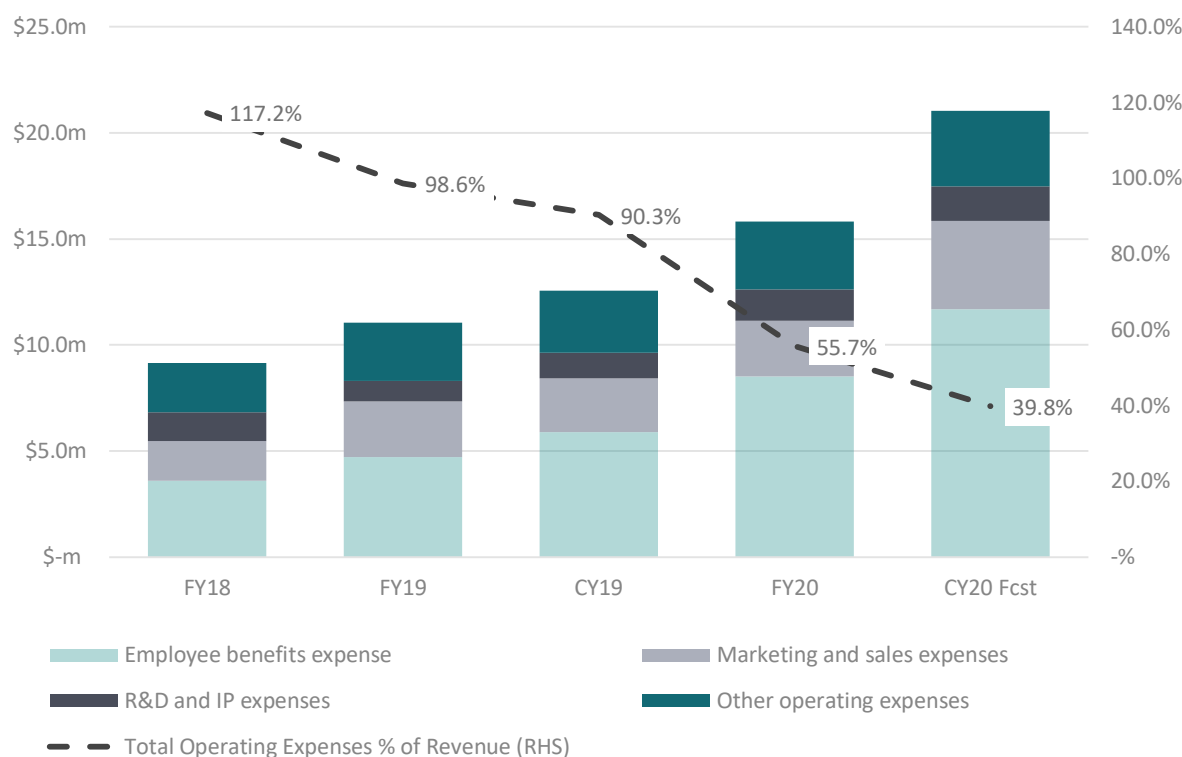


- CleanSpace has achieved strong year-on-year revenue growth since FY18, driven by both growth in respirator sales and growth in consumables, accessories and other revenue
- Forecast CY19 to CY20F growth of over 290% to \$55 – 57 million (guidance updated 12 November 2020)
- Increased diversification in geography and industry sectors, with growth in all markets and entry into multiple new markets in FY20 and CY20F to date
- Revenue growth in FY20 and CY20F driven by higher demand for PPE, specifically respirator demand from healthcare providers in the context of COVID-19
- 74% gross margin in FY20; 75% gross margin forecast in CY20* supported by a higher proportion of healthcare sales (direct sales channels)

* As per prospectus dated 29 September 2020

CLEANSPEACE HAS A SCALABLE OPERATING MODEL

Operating expenses (\$ millions) and as percentage of revenue (%) – FY18 to CY20F*



- All of CleanSpace's expense categories have decreased as a % of revenue between FY18 and CY20F
- Reflecting the operating leverage in CleanSpace's business model, which improves as revenue growth is achieved year-on-year
- All expense categories are forecast to increase on an absolute basis in the forecast period, however, will decrease as a % of revenue
- Employee expenses are expected to remain CleanSpace's largest expense category driven by increased staff headcount
- In FY20 Marketing and sales expenses benefitted from from inbound sales inquiries as the COVID-19 pandemic generated significant demand for respiratory protection. In future periods it is anticipated that additional sales and marketing spend will be required to service the larger installed base, increase product awareness and acquire new customers

* As per prospectus dated 29 September 2020

NEXT GENERATION PROTECTION

