

CORPORATE PRESENTATION - Rapid Insights Conference

CLEANSPACE HOLDINGS LIMITED (ASX:CSX)



CleanSpace designs and manufactures innovative respiratory protection solutions for healthcare & industrial employers globally

Frontline workers must have the highest level of protection. CleanSpace Technology delivers the best respiratory protection available and is positioned to be the new safety standard in healthcare and industry.

MAY 2021

CLEANSPACE AT A GLANCE

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



Best in class category leader: Superior protection, compliance and cost benefits

- Working across Health and Industry markets with accelerated technology adoption from COVID



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 Margins

- Highly scalable business model.



Proprietary patented technology

- 6 patent families and 2 trademarks across multiple jurisdictions

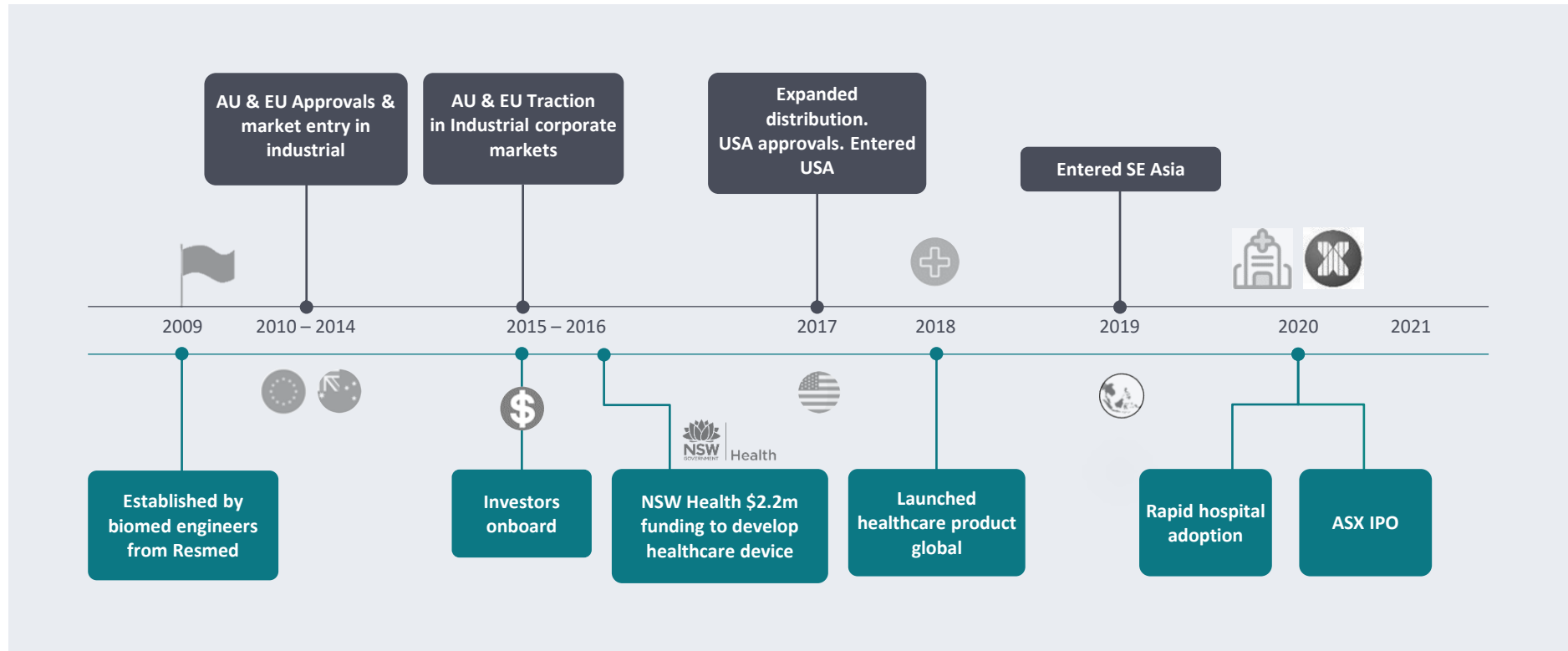


US\$6.3bn total addressable market in 2020

- Accessing global healthcare and industry PPE markets

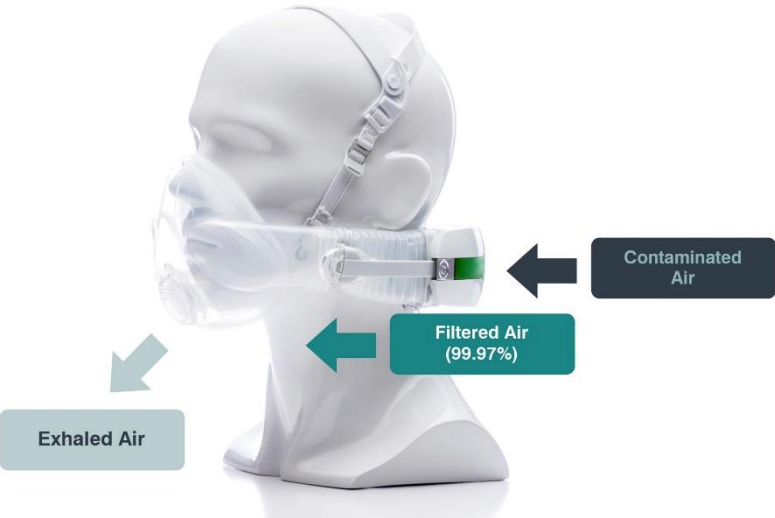


COMPANY HISTORY

CleanSpace has achieved regulatory approvals and opened key markets to build a profitable global B2B business. Recent geographic expansion has driven rapid growth in the installed base.









A CLEAR COMPETITIVE ADVANTAGE

Breakthrough medical device technology that delivers best of class protection for frontline workers at a lower cost; displacing passive N95 masks and cumbersome PAPR alternatives.

PROPRIETARY AIRSENSIT™ TECHNOLOGY	CLEANSACE	TRADITIONAL RESPIRATOR OFFERINGS	
		DISPOSABLES	TRADITIONAL PAPRS
<p>OUR TECHNOLOGY</p> <ul style="list-style-type: none"> ▪ Neck mounted compact design. Lightweight and small ▪ Breath responsive. Pressure sensors and algorithm continuously pressurise the mask though 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 	<ul style="list-style-type: none"> ✓ High protection ✓ Lower cost ✓ Reduces heat stress ✓ Reusable ✓ No hoses or belts ✓ Light, small & easy to use ✓ Mobile & portable ✓ Fast disinfection time 		
		<ul style="list-style-type: none"> ✓ Light & simple ✗ Low protection ✗ Low compliance ✗ Moisture/CO2/heat problems ✗ Breathing resistance ✗ High disposable costs ✗ Stockpile & supply constraints 	<ul style="list-style-type: none"> ✓ High Protection ✓ Reduces heat stress ✓ Reusable ✗ Heavy, bulky & complex ✗ Poor PPE compatibility ✗ High costs ✗ High inventory ✗ Slow to disinfect

RESPIRATORY PROTECTION MARKET

Our unique lightweight design allows CleanSpace to be deployed and utilised across traditionally segmented categories.

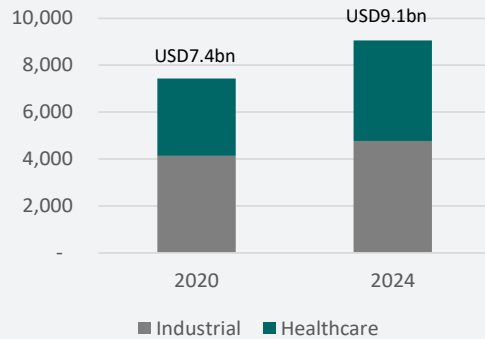
		NEGATIVE PRESSURE MASKS		POSITIVE PRESSURE MASKS		
Other: Dust Masks & Surgical Masks		Air Purifying Respirator (APR)		Powered Air Purifying Respirator (PAPR)	Self Contained Breathing Apparatus (SCBA), Air Line	
		Disposables	Half / Full Face	Full & Half Face	Full Face	
						
Protection factor APF	No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

CLEANSPACE OPERATING FIELDS

CLEANSPACE ADDRESSABLE MARKET US\$6.3BN

Global market opportunity across health and industry sectors

Total RPE Market Size

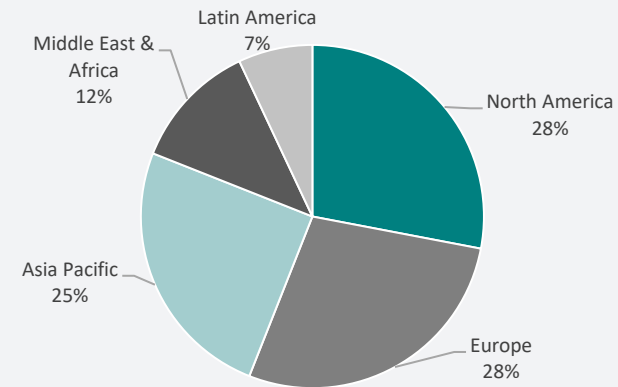


Expected to grow 22% by 2024

“The healthcare PPE industry has witnessed unprecedented global demand for its products during the COVID-19 pandemic. Government stockpiles in some countries quickly proved inadequate as healthcare facilities became overwhelmed with patients”.

Frost & Sullivan, June 2020

Regional Market Split



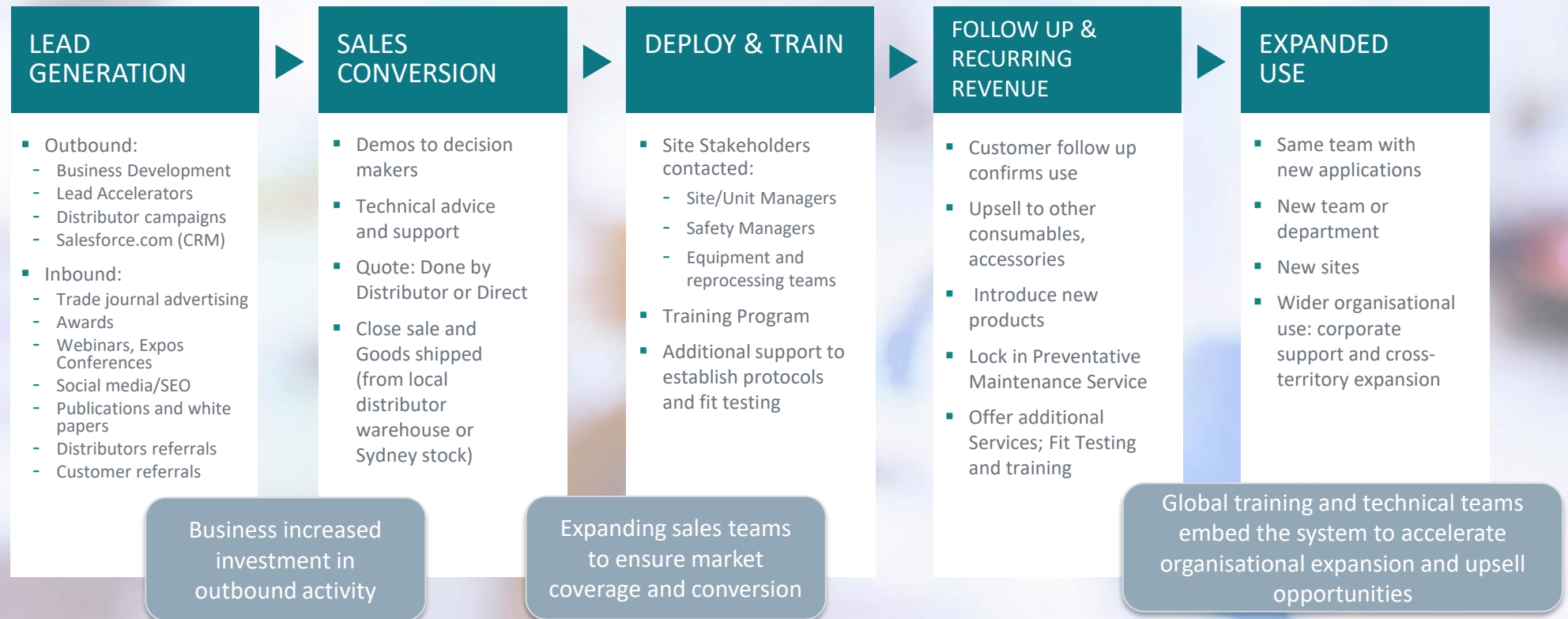
Estimated addressable market \$6.3bn

Trends supporting the RPE market include:

- Heightened risk of respirator outbreaks
- Chronic respiratory disease burden
- Compliance and regulatory obligations
- Employer liabilities

CLEANSPACE SALES CYCLE

Employing a multi-tiered 'land and expand' enterprise strategy. Site trials establish enterprises' experience of the performance and the cost benefits of the products first-hand, so safety and operations managers then endorse and promote the products within the organisation.



HIGH QUALITY CUSTOMER BASE IN LARGE ENTERPRISE MARKETS

- CleanSpace has a growing installed base across industrial enterprises in multiple geographies, the onset of COVID fast tracked geographic sales expansion into healthcare
- A diverse end customer base, including large reference clients such as **Boral, Eurovia, Arcelor Mittal, Sutter Health** and **Singhealth**.
- 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 ongoing services
- CleanSpace respirators are typically purchased and used over the **long-term**, with early customers having used the products for over 7 years.
- Through COVID there has been significant global disruption which has included traditional PPE distribution channels. Healthcare and industrial customers remain committed to CleanSpace technology and continue to use our products.



ESTABLISHED GLOBAL SALES NETWORK

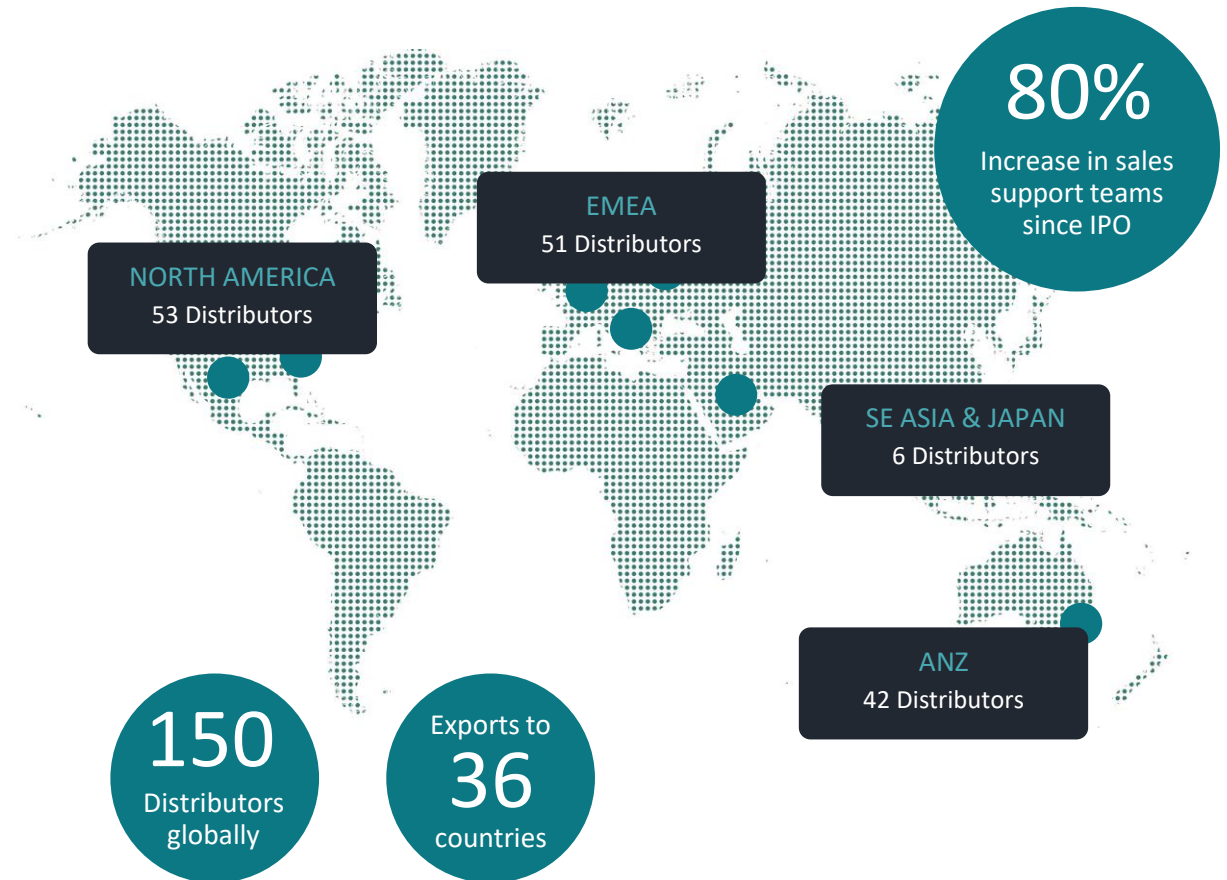
Regional sales teams, distributors and partners established CleanSpace as a safety equipment provider with a multinational footprint

DISTRIBUTION PARTNERS

- Industrial (100%) and healthcare markets (Europe, UK and SE Asia)
- Distribution through large 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 IN HEALTHCARE

- CleanSpace has set up direct sales models for healthcare in North America and Australia/NZ
- Direct sales have a higher margin than sales to distributors

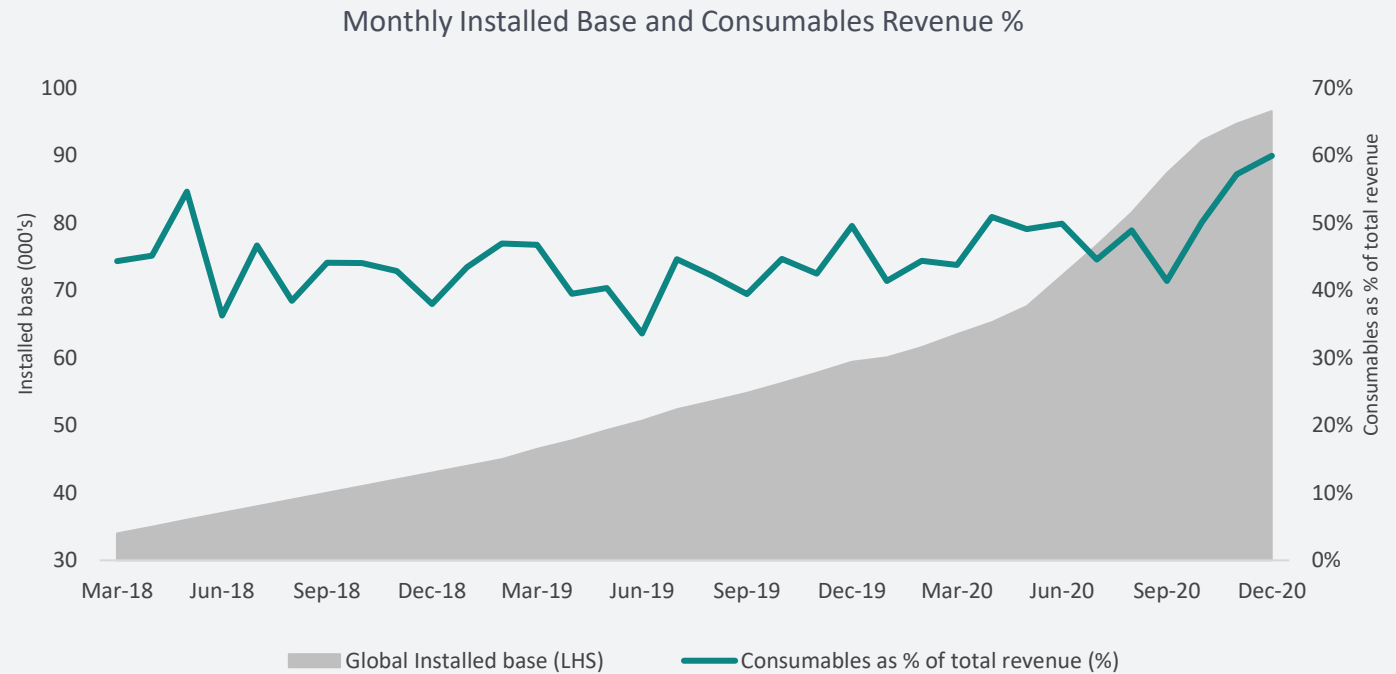


SIGNIFICANT GROWTH IN INSTALLED BASE

Global installed base grew 60% in the last 12 months* and over 30% in the last 6* months to **95,000** units

- Installed device base continued to generate revenue from consumables and accessories in line with previous periods
- Consumables and accessories contribute 49% of total sales and have a higher average gross margin than the devices

*As reported 1H FY21.



GROWTH OUTLOOK

COVID has created volatile near term trading conditions impacting revenue. Strong growth opportunities in the medium to long term as macro picture includes a large TAM of US\$6.3b supported by strong business fundamentals: category leader; protected and differentiated technology; expanded global enterprise customer base; and proven scalable business model.

Trading conditions remain volatile, across all geographies

- Dynamic operating environment with unpredictable and fast changing purchasing patterns.
- Global healthcare procurement currently impacted by accelerated vaccine rollout programs and spending constraints.
- Oversupply of low-tech disposable masks.
- Through COVID there has been significant global disruption, which has included traditional PPE distribution channels.

Neither 1H nor 2H reflects a normal sales pattern

- Exceptional 1H resulted in fast-tracked geographic expansion, entry into the traditionally difficult acute care market and rapid growth in the installed base.
- 2H has seen reduced demand as global procurement was impacted .
- Healthcare and industrial customers remain committed to CleanSpace technology and continue to use our products - examples of customers moving to “whole of system” approach include Epworth, Parkview and University of Maryland.
- Operating environment will normalise. Economies will bounce back with a return of customary purchasing patterns and as employers look for solutions to improve safe guarding staff, sustainability and cost effectiveness.

Post-COVID outcomes strongly aligned with CleanSpace value proposition

- Increased government and private investment in pandemic preparedness
- Public recognition of the lessons learnt from low protecting masks will drive adoption of alternatives: high protection, lower cost and sustainability.
- Guidelines and policies updated to tighten PPE use; improve stockpiling strategies; and move to reliable supply chains

CleanSpace positioning for growth with superior protection for first line workers

- Technology solutions that solve the problem of high economic and social costs, and unsustainable reliance on disposable masks
- Doubling regional sales capability, opening distribution networks and targeting new sectors for exponential coverage
- Accelerated stakeholder (government, unions, associations) engagement across global markets
- Advocating for “whole of system” approach to higher respiratory protection to improve outcomes for a range of high risk workers in acute care, aged care, quarantine, biosecurity through to transport (bus, airlines and customs)

AUSTRALIAN BASED ADVANCED MANUFACTURING



New St Leonards facility

- Operational since early November 2020
- Located in growing biomedical precinct
- Current capacity of \$100m revenue per annum (1 shift, 5 days) with potential to ramp rapidly as required
- Minimum production disruption during set up and scale up
- Enables business to hold increased inventory levels and shorten lead times

Artarmon facility

- Ongoing production as a contingency, with reduced activity
- As COVID-19 risks subside, the business plans are to consolidate to one location to capture increased efficiencies

Supply Chains

- The business has experienced reliable inbound supply / logistics (in comparison to the first half of CY2020) while outbound cross-border freight remains slower than pre-COVID

WORLD CLASS TECHNOLOGY FOR HIGH PROTECTION: LIGHTER, SMALLER and SMARTER

CleanSpace has invested to build a sophisticated, world-class and agile design team with a track record in continuous commercialisation of new and improved products and services for respiratory protection

- R&D team (15) including biomedical engineers from ResMed and electrical/software engineers experienced in regulatory, device safety and IP
- Key designers, each possess a minimum of 15 years in medical device development, with a long history of commitment to commercialising respirator solutions
- Established pace and process for fast development, resulting in new products released each year since establishment
- Embedded market and customer feedback that drive new and improved technology
- Deep understanding of product and materials testing requirements and approvals in all geographies
- CleanSpace is an agile market participant competing against traditional players with cumbersome internal decision making and conventional product business models not conducive to continuous innovation.



NEW PRODUCT LAUNCHED 2021

NEW PRODUCT FOR SOURCE CONTROL

STERI-PLUS:

Exhalation valve filter (98% filtering efficiency)
suitable for sterile environments or where
source control is required

- First and only PAPR with Source Control for operating theatres
- NIOSH, CE Mark and TGA approved
- Launched January 2021



CLEANSPACE SMART: HOW DO STAFF KNOW THEY ARE PROTECTED? HOW CAN MANAGERS & GOVERNMENT CONFIRM RPE COMPLIANCE AT VULNERABLE BIOSECURITY POINTS

With disposable masks, workers and their employers can't tell if the masks are working properly.

Reports confirm 30% of disposable masks fail testing and up to 50% of staff are not protected one month after being fitted with their mask.

As at January 2021, in the US alone, more than 3,600 healthcare workers had died from COVID-19 and in the UK, 52,000 NHS staff were off sick with COVID-19.



- The CleanSpace Smart app allows workers to check their mask: before and even during their time in the contaminated area.
- Developed in consultation with clinical professionals, frontline staff report feeling in control and confident.
- Employers have a digital record of compliance and correct use

CleanSpace technology delivers the highest level of respiratory protection for frontline workers. In a market that has not seen innovation for 20 years, CleanSpace is positioned to be the new standard of respiratory protection in healthcare and industry.

A Momentum for Change

- Traditional guidelines for disposable masks have only offered the minimum level of protection. Healthcare staff and frontline workers have for too long been unnecessarily exposed to workplace dangers, risking their well-being and the health of their families, patients and colleagues.
- This pandemic has exposed the extreme vulnerability of relying on low-tech masks: high infection rates; stockpiling inadequacies, mental health stress from workers exposed; absentees; border security breaches, etc.
- COVID-19 is the catalyst for greater scrutiny of the respiratory protection industry. The minimum standard for protecting frontline workers will not be acceptable when there is an alternative technology that delivers the highest level of protection (being 40x more protective than passive N95 masks). Being reusable the technology is cheaper and more environmentally sustainable than disposables.
- With a viable alternative available, there was no need to jeopardise the health of frontline workers during COVID-19. This will be one of the lessons from this pandemic. This awareness is fuelling community outrage and compelling government and regulators to implement respiratory guidelines that ensure higher protection.
- Like asbestos and hazardous chemicals, PAPRs can be the standard for a broad range of “at risk” workers. A lightweight, easy to use device, like CleanSpace, can be readily deployed to support authorities implementing reusable personal respiratory devices for a ‘whole of system’ approach to cover acute care, community and aged care, quarantine, border biosecurity, transport (i.e. airlines).
- The case for change is compelling. CleanSpace will continue to prosecute the case for high protection across all “at risk” workers and position its technology with authorities and employers as the new standard in health and industrial markets.

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