CleanSpace®
RESPIRATORS

HALF YEAR FY24 RESULTS PRESENTATION

CLEANSPACE HOLDINGS LIMITED (ASX:CSX)

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

We understand the importance of best-in-class personal protective equipment that not only performs, but allows the wearer to work comfortably and interact naturally in their work environment. Our products are designed for maximum compliance and comfort in industrial and healthcare settings.

FEBRUARY 2024

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H1 FY24 – STRONG MOMENTUM CONTINUES TO BUILD

DELIVERING AGAINST OUR OBJECTIVES

- Substantial progress with Industrial sales growth strategy
  - H1 Revenue $7.3M (growth +27% v PCP) (+42% underlying)
- Right sizing cost base delivered $8M annual savings *(v FY22)*
  - EBITDA improvement of $3.8M to -$2.5M
- Cash $10.1M (June $12.2M)
- New innovative products drive growth
- New industrial product launch ‘Halo Work’ planned in H2
- Cash breakeven expected during calendar 2024

* Excludes one off stocking order in US in Q2 FY23

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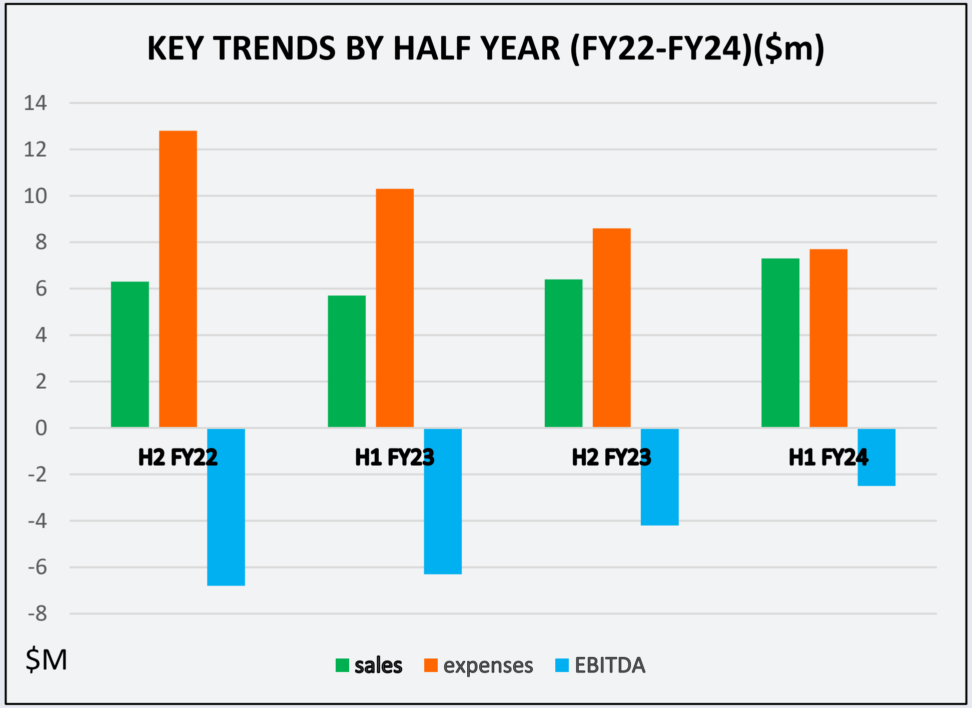
H1 FY24 – ON TRACK TO ACHIEVE FY24 OBJECTIVES

FY24 OBJECTIVES *	H1 FY24 PROGRESS
• Potential for 30%+ revenue growth	✓ 27% revenue growth (42% underlying*)
• Gross Margin favourable v FY23	✓ GM 71% (v 70%)
• Build consumable revenue streams	✓ Consumable growth of 31%
• Ongoing cost base optimisation	✓ $8M annual costs out *(v FY22)*
• Cashflow break-even in some months	✓ 1 month cash break-even in H1
• Fund growth and achieve cash break-even with existing capital	✓ Sufficient funds for growth to cash break-even

* Shared in FY23 results announcement

* Excludes one off stocking order in US in Q2 FY23

TRENDS ARE POSITIVE FOR OUTLOOK



POSITIVE KEY METRICS

- Revenue 14% higher than H2 FY23
- Revenue 27% higher than H1 FY23
- 4 periods of lower expenses trend
  - ($8M annual savings)
- EBITDA loss shrinking fast

H1 FY24 RESULTS

UNDERLYING REVENUE GROWTH

42 %

UP ON PCP

71%

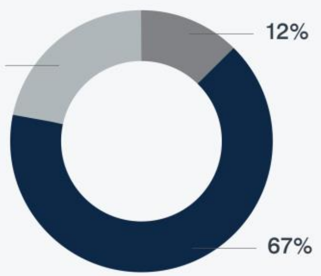
GROSS MARGIN

28

COUNTRIES SOLD TO

47%

CONSUMABLES / ACCESSORIES SALES OF TOTAL SALES



Regional Revenue:

- Europe up 67%
- North America down 42%
- Asia Pacific up 24%
- 4 countries 82% of revenue (France, UK, US, Australia)

Sector Revenue:

- Industrial 31% growth globally
- Industrial revenue 96% of total revenue
- Healthcare revenue (-15% v PCP) continues to reflect lower demand post pandemic (in US and Asia)

Consumable & Accessories Revenue:

- Growth of 31% v PCP
- 47% were Consumables & Accessories

Gross Margin:

- 71% reflects higher pricing (~20%) on new models
- 70% PCP

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OPERATIONAL UPDATE – COMMERCIAL PROGRESS

- New models CST Ultra and CST Pro led growth in focus markets.
- New industrial product launch 'Halo Work' in H2 expands portfolio to broaden market appeal.
- Healthcare remained challenged with continuing high levels of inventory in distributors and end users.

EUROPE revenue: $4.8m (+67% v PCP)

- Accelerating growth in UK (+101% growth), DACH (Germany, Austria, Switz) (+68%) and France (+60%)
- Opportunity to expand key distributor partners to pan-Europe basis
- New distribution partners in UK have increased coverage and penetration
- New sales leaders in Germany and UK as we plan for further growth

ASIA PACIFIC revenue: $1.4m (+24% v PCP)

- Australia revenue +29%
- Strengthened and added key distributor partnerships to extend coverage
- Asia revenue low (healthcare overhang) but expected to recover in next 12 months, led by Japan industrial market launch

NORTH AMERICA revenue: $0.9m (-42%v PCP)(+28% v prior half)

- Underlying revenue was -2% v PCP (excluding large one off stocking order in Q2 FY23)
- Underlying Industrial revenue growth offset by continued Healthcare revenue decline
- LineDrive Inc sales & marketing agency contract mutually terminated
- Growth strategic review to support Industrial focus underway

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OPERATIONAL UPDATE – COSTS, CASH & PEOPLE

KEY INITIATIVES

- Focus on core markets to maximise resource & investment productivity
- Back office costs continue to be reduced, manufacturing footprint simplified
- Continued actions on working capital in H2:
  - Trade debtors under control, minimal bad debt
  - Payables optimised in H1
  - Materials inventory is a key focus for H2 – preparation for new product launch and specific supply issues in H1 caused a spike in inventory.
- Cashflow is expected to improve in H2 (v H1) due to:
  - R&D tax rebate of ~$0.9m expected in Q4 FY24
  - Action plan to reduce inventory levels as new product is launched
  - Sales and margin growth leveraging the P&L (offset by debtors)
  - Further cost containment measures

LEADERSHIP

- Promotion of Bree Greeff to Permanent CFO from 1 March 2024
- Appointment of Paul Cassano as Non-Executive Director in Sept 2023 (already announced)

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STRATEGY FOCUS – ACCELERATE SALES GROWTH WHILST CONTAINING COST

STRATEGY RECAP

As the post pandemic environment becomes clearer, we have reset our strategy.

We will drive sustainable growth with strong foundations and a fitter, leaner organisation by:

1. Core focus in industrial and mining sectors, which we know very well
2. Realign resources to industrial; prioritise only existing/targeted healthcare opportunities
3. Focus on priority markets where CleanSpace has a presence and foundations for growth – France, US, Australia, UK, Germany, Nordics, Japan
4. Expand product portfolio to capture additional market sectors and customer needs
5. Build consumable revenue streams with additional innovative services and solutions
6. Tightly manage costs and cash to align with business revenue

CleanSpace offers a wider portfolio of products and solutions using our disruptive and innovative technology

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OUTLOOK

STRATEGY TO DELIVER @ 30% SALES GROWTH
SUSTAINABLE MODEL with P&L LEVERAGE

Our Growth Drivers:

- ✓ Innovative new premium products
- ✓ Focus on Industrial sectors
- ✓ 7 Priority countries
- ✓ New industrial product 'Halo Work' launch in H2

Costs and Cash management:

- ✓ Cost base right-sized for FY24 leverage
- ✓ Careful management of cash whilst investing for growth
- ✓ Cash break-even expected in calendar 2024

FY24 trading trends see continued momentum:

- ✓ Revenue growth expected to continue @ 30%
- ✓ Cash outflow <-$1m in H2

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H1 FY24 INCOME STATEMENT SUMMARY

(A$m)	H1 FY24	H2 FY23	H1 FY23	Change vs PCP F / U %
Revenue	**7.3**	**6.4**	**5.7**	**27 F**
Gross Profit	**5.2**	**4.4**	**4.0**	**30 F**
Employment costs	(4.7)	(5.5)	(6.8)	31 F
Marketing and selling expenses	(0.9)	(1.1)	(1.2)	27 F
R&D and IP expenses	(0.3)	(0.2)	(0.5)	36 F
Other operating expenses	(1.8)	(1.8)	(1.8)	
Total Operating expenses	**(7.7)**	**(8.6)**	**(10.3)**	**25 F**
Operating EBITDA	**(2.5)**	**(4.2)**	**(6.3)**	
Share based payments	(0.1)	(0.1)	(0.2)	
EBITDA	**(2.6)**	**(4.3)**	**(6.5)**	**59 F**
Depreciation and amortisation	(0.5)	(0.5)	(0.5)	
EBIT	**(3.1)**	**(4.7)**	**(7.1)**	**55 F**
Interest expense (net)	0.1	-	-	
Income tax benefit	0.9	1.3	2.4	
Net (loss) after tax	**(2.1)**	**(3.4)**	**(4.7)**	**57 F**
Gross Margin	71%	70%	70%	
EBITDA Margin	-36%	-66%	-114%	
Net loss Margin	-29%	-53%	-82%	

- Revenue increase 27% v PCP and 14% v prior half
- Retained high gross margin (71%)
- Operating expenses down 25% on PCP:
  - Employment costs down 31% as headcount reduced further
  - Marketing and selling expenses down 27% as spend better targeted
  - R&D and IP expenses reduced due to timing of project spend
  - Other operating expenses includes public company, insurance, occupancy and professional services costs
- Depreciation and amortisation in line with prior year
- Income tax benefit includes R&D incentive

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H1 FY24 SUMMARY BALANCE SHEET & CASH FLOWS

Summary Balance Sheet (A$m)	as at 31 Dec-23	as at 30 Jun-23
Cash, cash equivalents and term deposits	10.1	12.2
Trade and other receivables	2.4	3.4
Inventories	3.9	3.0
Income tax receivable	1.5	1.1
Other current assets	0.8	0.6
Property, plant and equipment	1.2	1.4
Right-of-use assets	0.8	1.0
Deferred tax asset	6.8	6.3
Total assets	**27.5**	**29.0**
Trade and other payables	2.3	1.2
Borrowings	2.8	2.8
Lease liabilities	0.8	1.2
Income tax liabilities	0.3	0.1
Employee benefits	0.7	0.9
Other liabilities	0.6	0.8
Total liabilities	**7.5**	**7.0**
Net assets	**20.0**	**22.0**

Summary Cash Flows (A$m)	H1 FY24	H2 FY23	H1 FY23
Operating cash flows pre-financing and tax	(2.1)	(4.3)	(7.6)
Capital expenditure	-	-	-
Free Cash Flow	**(2.1)**	**(4.3)**	**(7.6)**

- Strong balance sheet with cash of $10.1m at 31 December 2023
- Focus on cash management and opex optimisation
- Trade receivables down in H1 FY24 due to high Q4 FY23 sales
- Inventory up due to long lead time materials and preparation for new product launch
- Trade and other payables increased due to better payments management
- No intangible assets
- Cash outflow in H1 FY24 much lower than H1 and H2 FY23
- Borrowings relate to NSW Health MDF Fund loan
- R&D tax rebate not included in H1 cashflow

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