



Saving the planet and saving customers' money
One flush at a time

propel**air**[®]

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Flushing with **water & air** because you care

save water | save money | improve hygiene

Phoenix Product Development Ltd, trading as **Propelair**, Unit 1, West Point, 11 Durham Road, Basildon, Essex, SS15 6PH, United Kingdom. Registered in England and Wales No: 03681995

Investment Opportunity

World's leading water-efficient, cost-saving and hygiene-improving flush toilet

Proven, multi-certified and patented technology designed to be used with existing drains

Key initial markets in **UK** and **South Africa** and recent expansion to the **Middle East**

Substantial **qualified sales pipeline** and enormous **unqualified interest**

Strong management team with huge **depth in experience**

Growing relevance of **hygiene benefits post COVID-19**

Raising £5.5m EIS eligible Equity to support **international sales growth** and next generation **product development**

Immediate opportunity to **match existing investor CLN / ASA up to £750k this Summer**



“ Really interesting concept and it works! ”

– Andrew Tucker, Water Efficiency and Affordability Manager, Thames Water

“ It would be my recommendation that the NHS move their entire estate across to these toilets ”

– Bill Dixon, Head of Estates, Princess Alexander Hospital

Vision and Ambition

Propelair's "why"* is to save water...



Vision

To **benefit** our planet by **challenging, improving** and **delivering water-efficient technology**



Mission

In **5 years**, Propelair will be the **#1** water efficient toilet in the market, having **installed** over **50k** units and thereby **saving over 10bn litres** of water p.a.



Values

- Saving the planet** gives us purpose
- Aim to protect and nurture** our people
- Strive for world class quality**
- Believe** in great customer service
- Seek profit and growth**

Largest Shareholders:



Why Propelair?

Propelair exists to reduce flushing increasingly scarce drinking water and to improve hygiene

Water use has been **growing more than 2x the population growth** in the last century

An increasing number of regions are **chronically short of water**, especially when off mains water supply (off-grid)

As the effects of **cost and water supply issues** have emerged, water saving initiatives are a focus in the regulatory environment and businesses

Faecal-oral transmission is a common transmission route for many viruses, including SARS-CoV-2



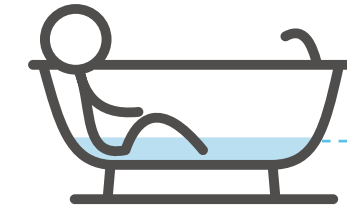
Water demand globally is projected to **increase by**

55% 

between **2000** and **2050*****

The UN predicts a

40%
shortfall



in global water supply by 2030

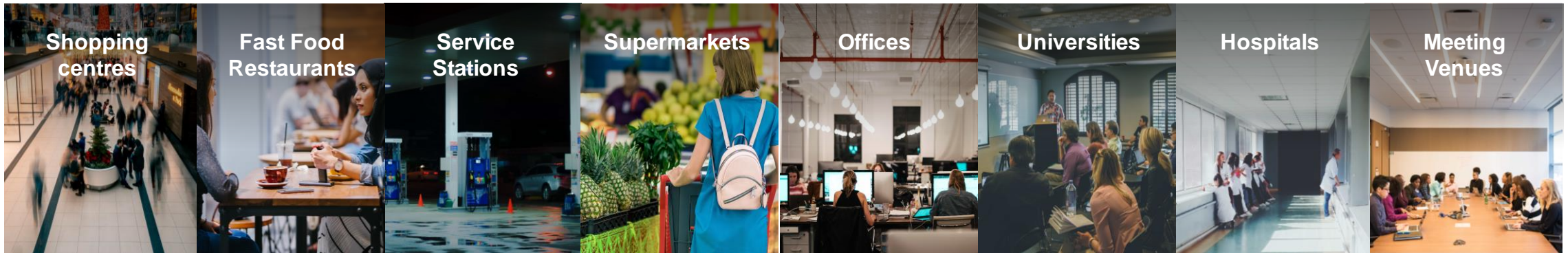
Flushing a toilet with the lid up creates a cloud of spray that can be breathed in and may spread infection, such as coronavirus, say researchers

Chinese scientists calculated that flushing can propel a **plume of spray up and out of the toilet bowl, reaching** head height and beyond. Droplets can travel up to a metre above ground level, according to the computer model used by scientists from Yangzhou University. Shutting the lid would avoid this.

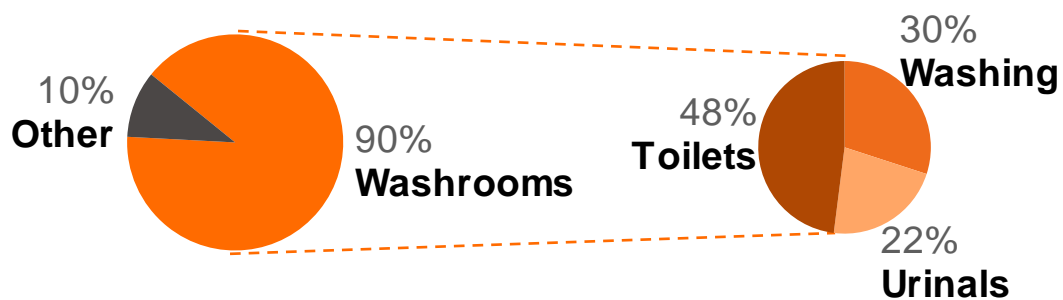
The work is published in the journal *Physics of Fluids* *

Why Propelair?

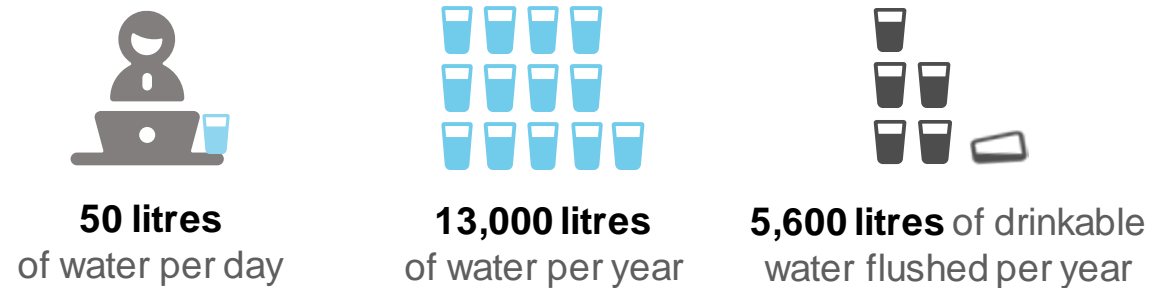
Designed for use out-of-home, where flushing is often over 40 and even 100s of flushes per day



Water usage in commercial premises*

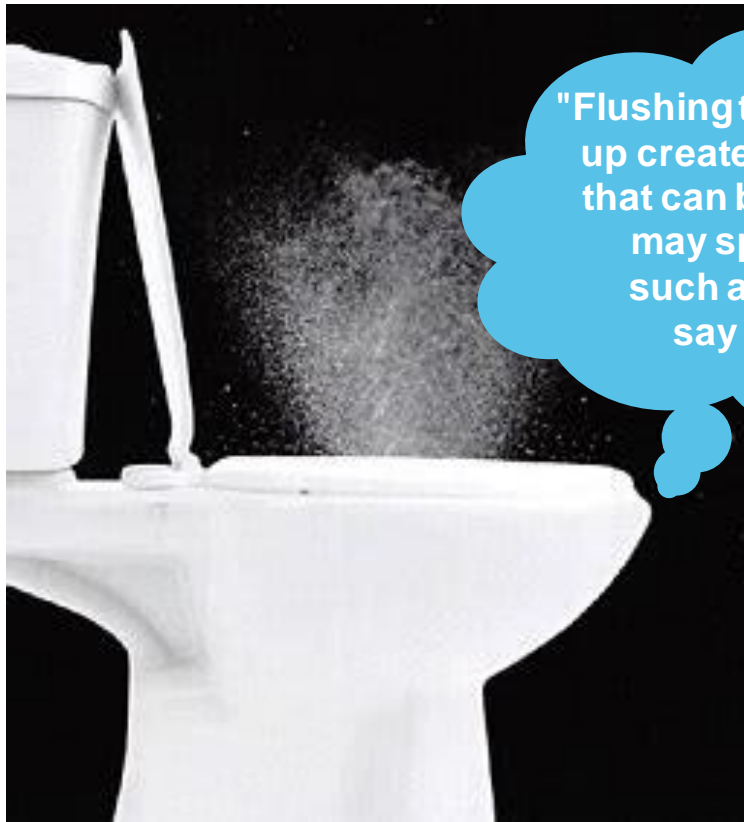


On average, an employee 'at work' uses*










Why Propelair?

Problem: toilet flushing wastes vast amounts of drinking water and spreads aerosolised germs



"Flushing the toilet with the lid up creates a cloud of spray that can be breathed in and may spread infection, such as coronavirus" say researchers*

Conventional toilet system issues

-  **Poor hygiene**
-  **Currently wasteful – 6 to 9 litre flush**
-  **Drinking water price inflation**
-  **Leaky loos / high maintenance costs**
-  **Unreliable drainage systems**
-  **Water and wastewater costs**
-  **Slow refill / toilet queues**

Why Propelair?

The Solution – Propelair: the World's lowest water flush toilet

The first significant change to the toilet in over 200 years by using air to propel the waste and **just 1.5 litres of water**, into existing drains, fully cleaning the bowl and removing all waste

How it works:

1

A **two-section cistern**; one for **air** and one for **water**

3

Before flushing, the lid is closed to **form a seal**, which **improves hygiene**

5

Refills in **only 20-30 seconds**



2

When flushing, **water washes the pan**, and **air from the unique, patented pump pushes out the pan contents...** the remaining clean water fills the 'water trap' at the bottom of the pan

4

Flushes in only 3 seconds – powerful and reliable, leaving a clean bowl, seen through the transparent lid

Why Propelair?

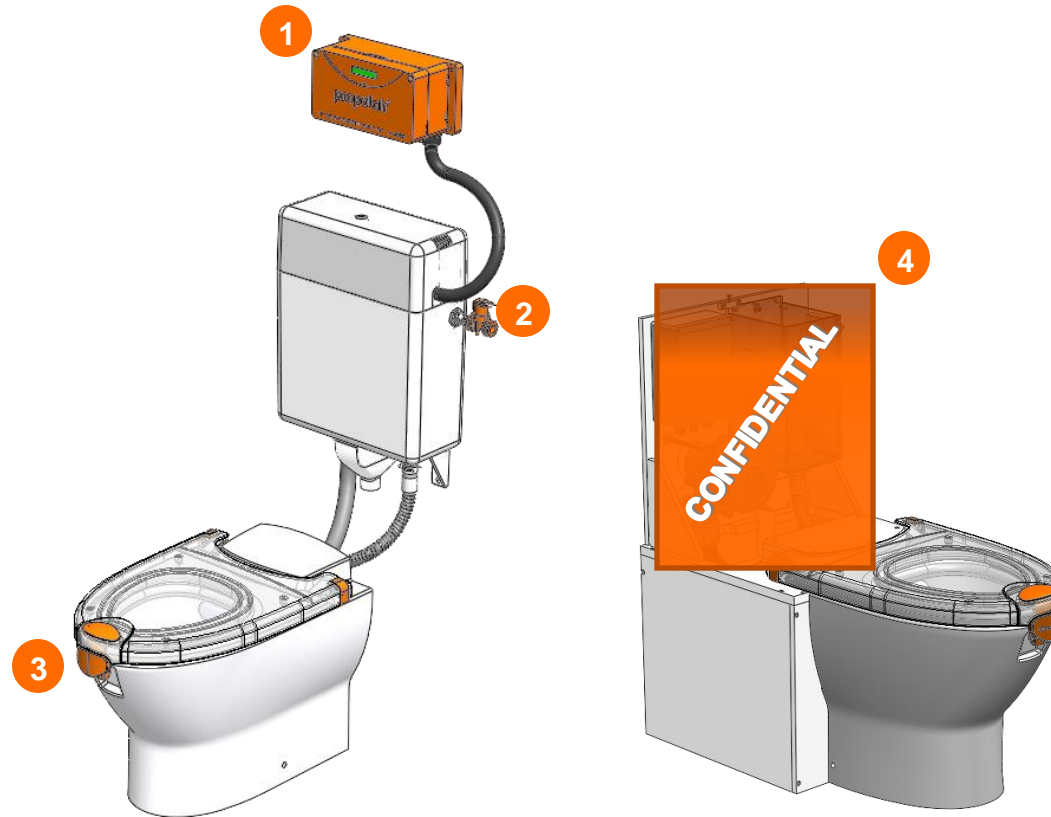
We continue to innovate

We've listened to our owners and have been making further improvements to the Propelair toilet, to improve the customer experience; ease installation, servicing and maintenance; and to reduce costs

1 **New Control Box,**
easier to install with
improved diagnostics

2 **Solenoid inlet valve** to
overcome variations in
water pressure

3 **'Close to Flush',** to
simplify user interaction
and improve hygiene








4 **New Technology Platform** – We've been busy working on a Horizon 2020 research project to develop a new technology platform that will be the foundation of the next generation Propelair toilet





Why Propelair?

Efficiency without compromise

Business benefits

-  1.5 litre flush
Up to **84%** less water
-  Up to **76%** carbon reduction
Supports CSR policies 
-  Strong, durable design
No leaky loos - significantly **reduces maintenance costs**
-  Water and sewage **bills reduce** by up to **60%**

User experience

-  **Flush performance superior** to a standard toilet
Quieter than a conventional toilet
-  Quick refill time **reduces queues**
Fewer blockages means **fewer washroom closures**
-  **Reduces airborne germs by 95%**
Superior waste removal
Increased hygiene assurance with SteriTouch®
-  **81%** of users **valued the water saving** of the toilet



The Propelair toilet was chosen because of [our] commitment to carbon and water reduction. The toilet offers substantial water savings and feedback from our clients was positive. The design has been well received by our customers.

Why Propelair?

Case studies prove the opportunity



Capital Arches Group

Owner of 30 McDonald's restaurants in central London

Trial units installed	9 units
Water saving achieved	81%
Water saved per year	1.8m litres
Payback	1.3 years
Lifetime savings (based on a 10-year duration)	£65k
Installed today	50 units
Estate potential	300 units
Water savings per year	62m litres
Annual savings	£218k



Cardiff University

A top five university for research excellence

Trial units installed	40 units
Water saving achieved	90%
Water saved per year	5.2m litres
Payback	2.3 years
Lifetime savings (based on a 10-year duration)	£163k
Installed today	45 units
Estate potential	540 units
Water savings per year	71m litres
Annual savings	£221k



Hammerson plc

A major British property development and investment company

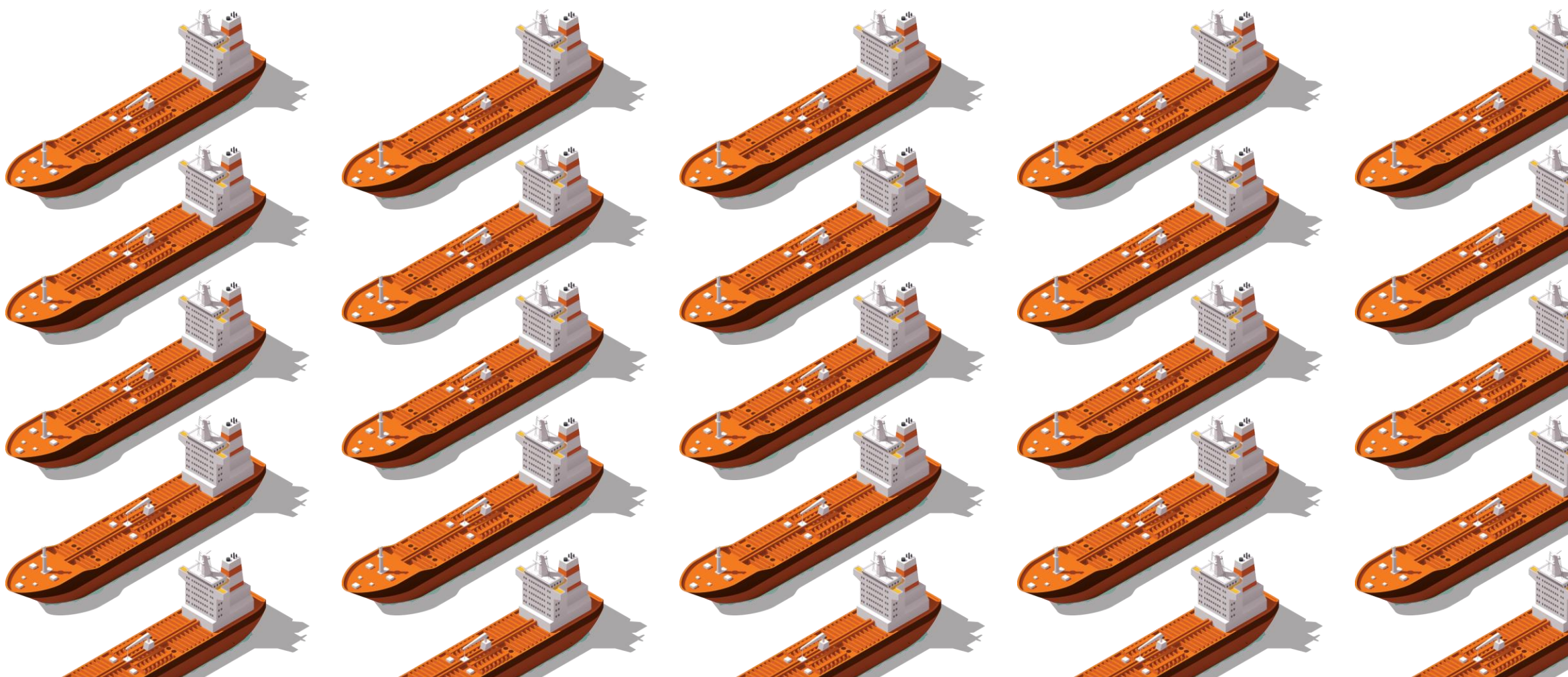
Trial units installed	43 units
Water saving achieved	75%
Water saved per year	3.7m litres
Payback	3.7 years
Lifetime savings (based on a 10-year duration)	£79k
Installed today	76 units
Estate potential	775 units
Water savings per year	125m litres
Annual savings	£436k

Why Propelair?

Confidential

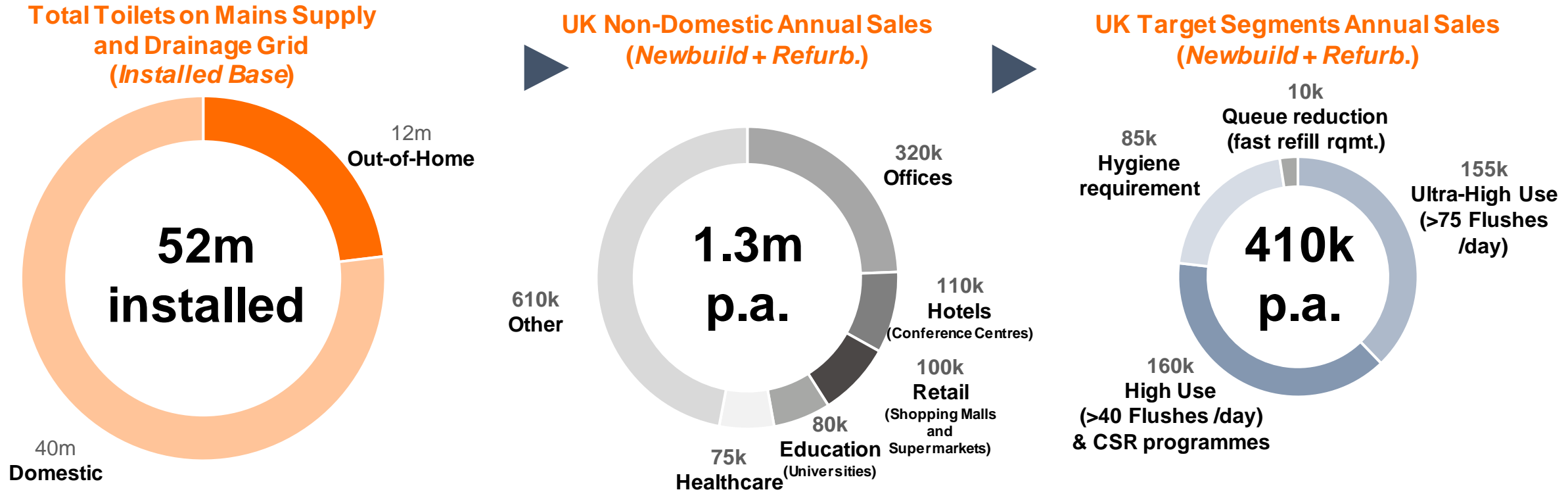
Our 170 customers save 875,000,000 litres p.a.

That's 25 oil tankers of water each year



Market Overview

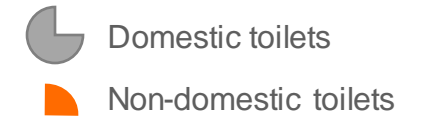
UK addressable target market of 410,000 units p.a.



Our primary focus is to target **scale customers** with **significant cost saving opportunities** (i.e. high use), a **desire to save water** or focus on **hygiene** or **queue reduction**

Market Overview

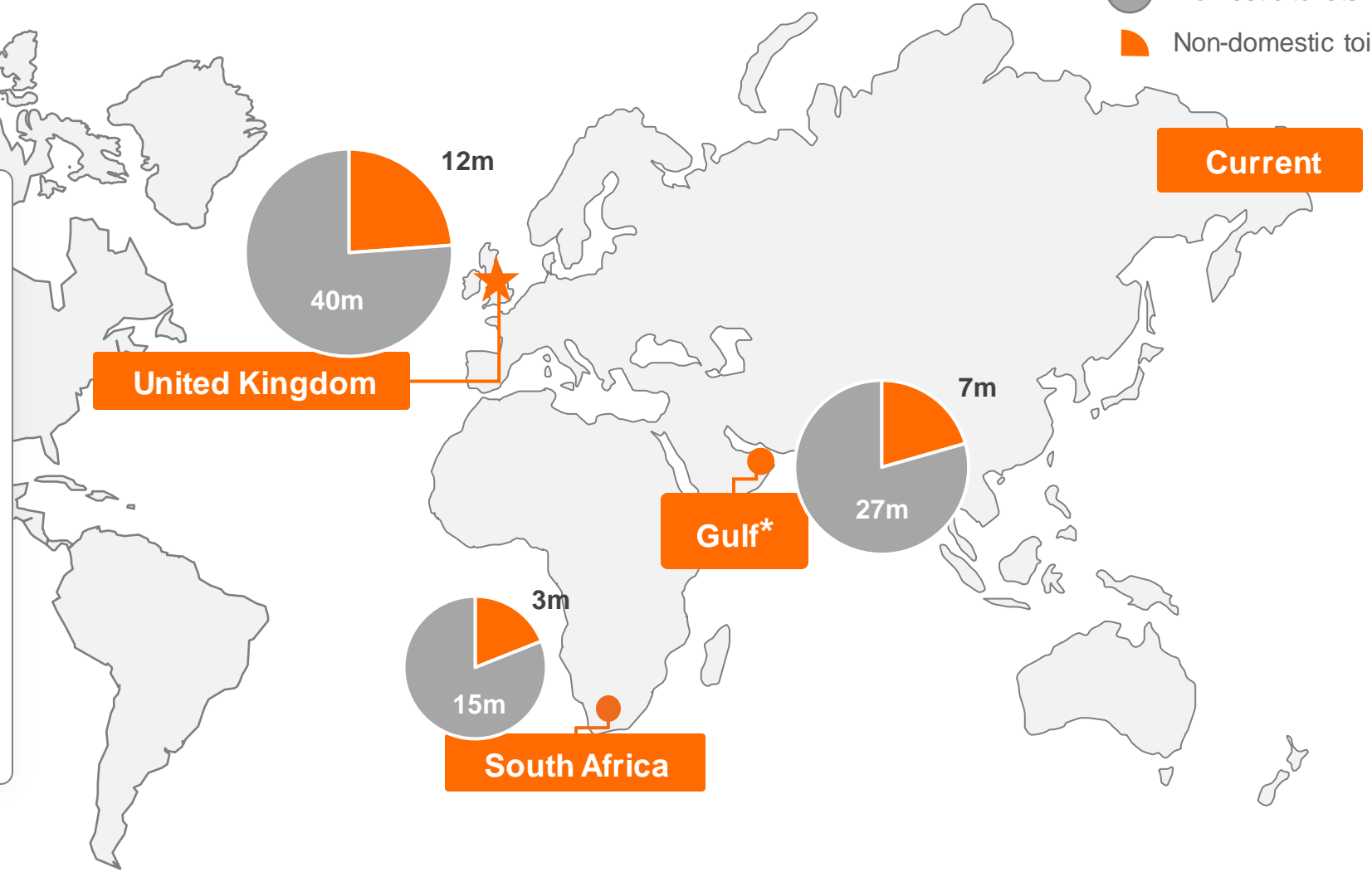
Propelair Current Markets



Our initial focus has been to expand from a UK base to South Africa and the Middle East before moving on to other water-stressed markets

In South Africa we have an initial partner in place with numerous successful trials and a growing number of full installations (e.g., Nedbank and Clearwater Mall)

In the GCC we have set up a partnership with a top regional supplier of washroom products



Why Now?

Changes in customer demands, exacerbated by Covid-19, provide a strategic opportunity

Sustainability

- Sustainability has become a huge part of the international agenda
 - Water saving - ever more urgent
 - This has only been intensified by C-19
- Companies are following suit and spending a significant amount of energy and money on their CSR strategies
 - The rise of B-Corporations is a prime example of this



“Goldman Sachs dedicated \$1.2 billion to green buildings and green tech in 2018 alone”

Hygiene

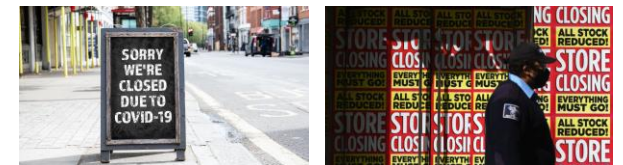
- Improved hygiene has been the major news trend since Covid-19 broke out
- Washrooms have been identified as a potential transmission area



“Asda are applying a protective coating to all basket and trolley handles, creating an antimicrobial surface that limits the spread of bacteria”. A similar coating technology to the one used on Propelair’s hygienic handles – Asda.com

Cost savings

- With significant lockdown measures in place across the globe, most businesses suffered
- This means reduced budgets for non-essential projects and cost saving initiatives across the board
- This is the right time to highlight Propelair’s long term cost saving attributes and to have a capex free option



“Global economy to shrink by 4.5% in 2020” – London Loves Business

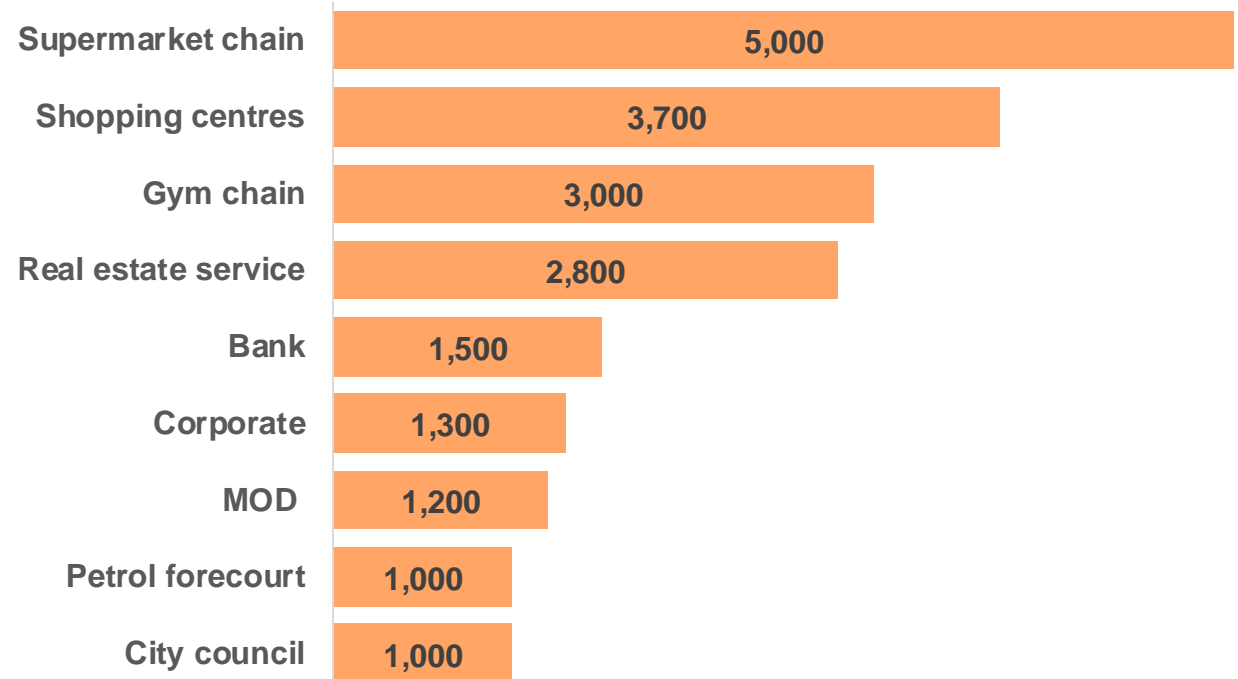
These trends only play to Propelair’s product strengths and a significant part of our strategy will be to capitalise on them

Why Now?

Early trials from larger estates as lockdown eases gives us confidence in renewed growth

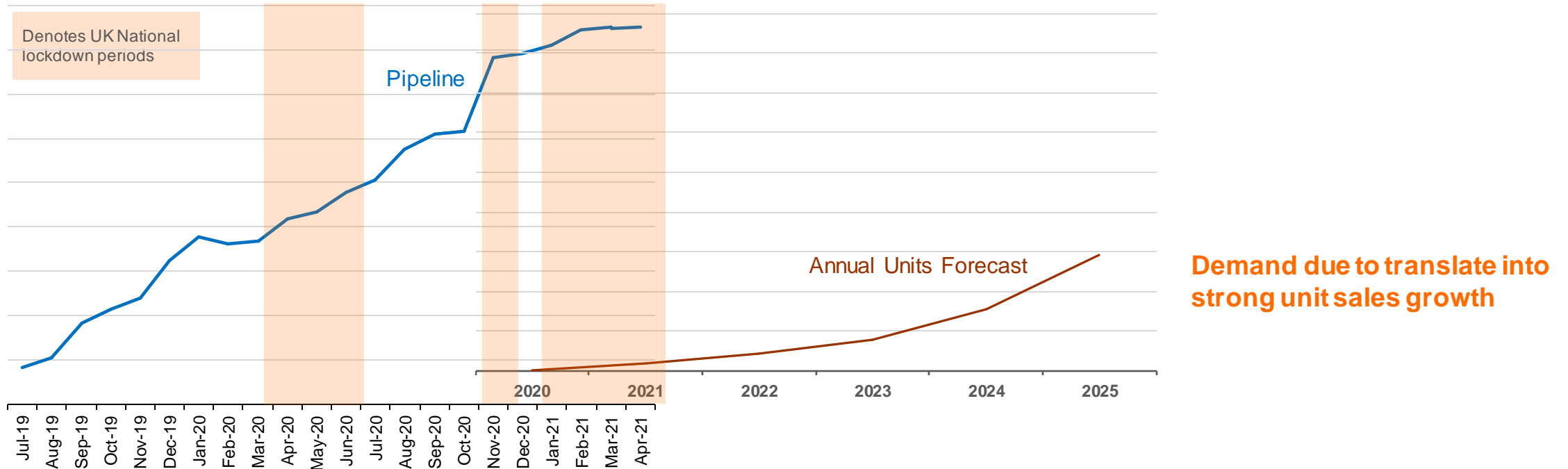
Advanced discussions/trials installed include:

Examples of quantities included in current pipeline:



Financial Overview

Underlying demand growing despite the pandemic-related slow-down

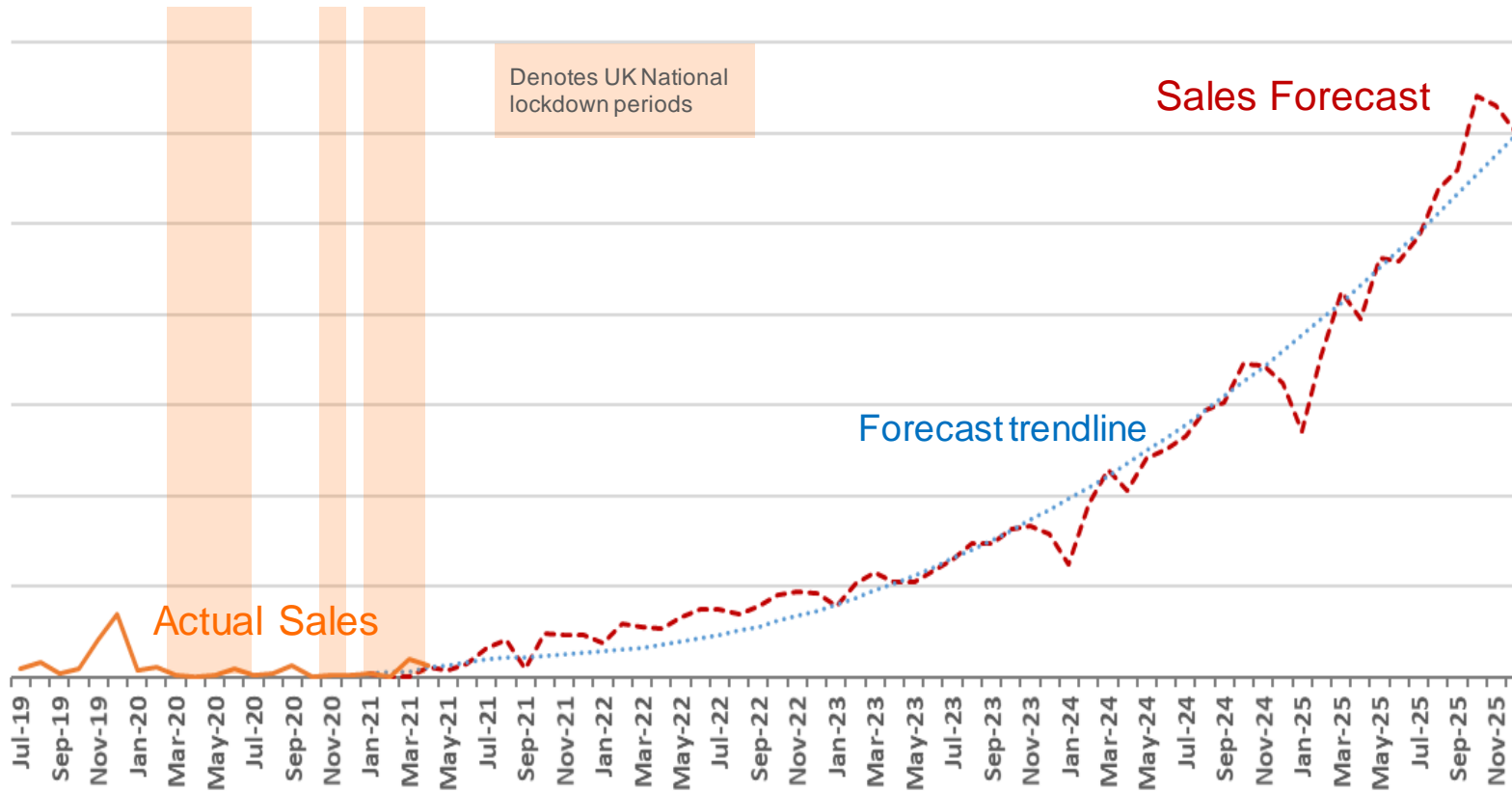


The management team, in place since the beginning of 2019, have **focused on the commercialisation** of the business, **growing the sales pipeline by more than 20x**

Solid growth in pipeline, even through lockdowns

Financial Overview

The growing pipeline is converting now that restrictions have lifted



Solid momentum built in H2 2019 was paused during the pandemic as businesses mothballed during lockdowns in the UK and South Africa

After the “Covid pause” the sales trend is now recovering

Sales Overview

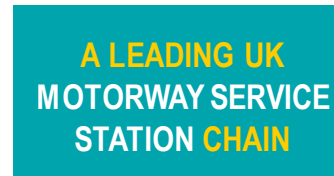
Our trials are getting bigger and rollout is faster



Nedbank head office in Johannesburg



Trial: 32 units installed into their Clocktower office in Cape Town in 2019
Rollout: 269 units into their head office in Johannesburg in 2020
Next steps: 120 units scheduled for another Johannesburg office in 2021



Trial: 83 units into 2 sites in UK, in 2017
Rollout: 900 units into a further 31 sites in 2018/19
Next steps: 2021 secured and installed 'washroom of the future' concept



Trial: 16 units installed into their Building 4 office in Cape Town in 2020
Rollout: 24 units into their ABSA head office building in 2020.
Next steps: 290 units scheduled for install into multiple buildings in 2021



Trial: 18 units installed into their estates building in 2018
Rollout: 60 units installed into their newly built library in 2019
Next steps: 48 units scheduled for install into science block in 2021

Strategic priorities



Further penetrate existing markets

- ✓ Make South Africa our **largest territory**
- ✓ Enhance existing relationships in the **GCC**
- ✓ Maintain UK
- ✓ Build **off-grid** opportunities that will enable quicker market-entries

Enter priority or water-concerned markets

- ✓ Seeking partners in **Scandinavia** - we expect to start to install Propelair from **2022**
- ✓ Potential partners identified in **Italy and Indonesia** - we expect to start to install Propelair from **2023**
- ✓ Positioned to **enter Australia by 2024**

Roll-out new sourcing strategy internationally

- ✓ Complete more assemblies at source, rather than in the UK
- ✓ Seek new partnerships in line with innovations
- ✓ Manage the supply chain based on international demand



Build Next Generation System

- ✓ New cistern based on **new technology platform** developed as part of successful H2020 project, **reducing cost** and easing installation
- ✓ New Pan with Floor and **Wall Mount** options, reducing cost and size
- ✓ **Close-coupled** product suitable for the **residential** market

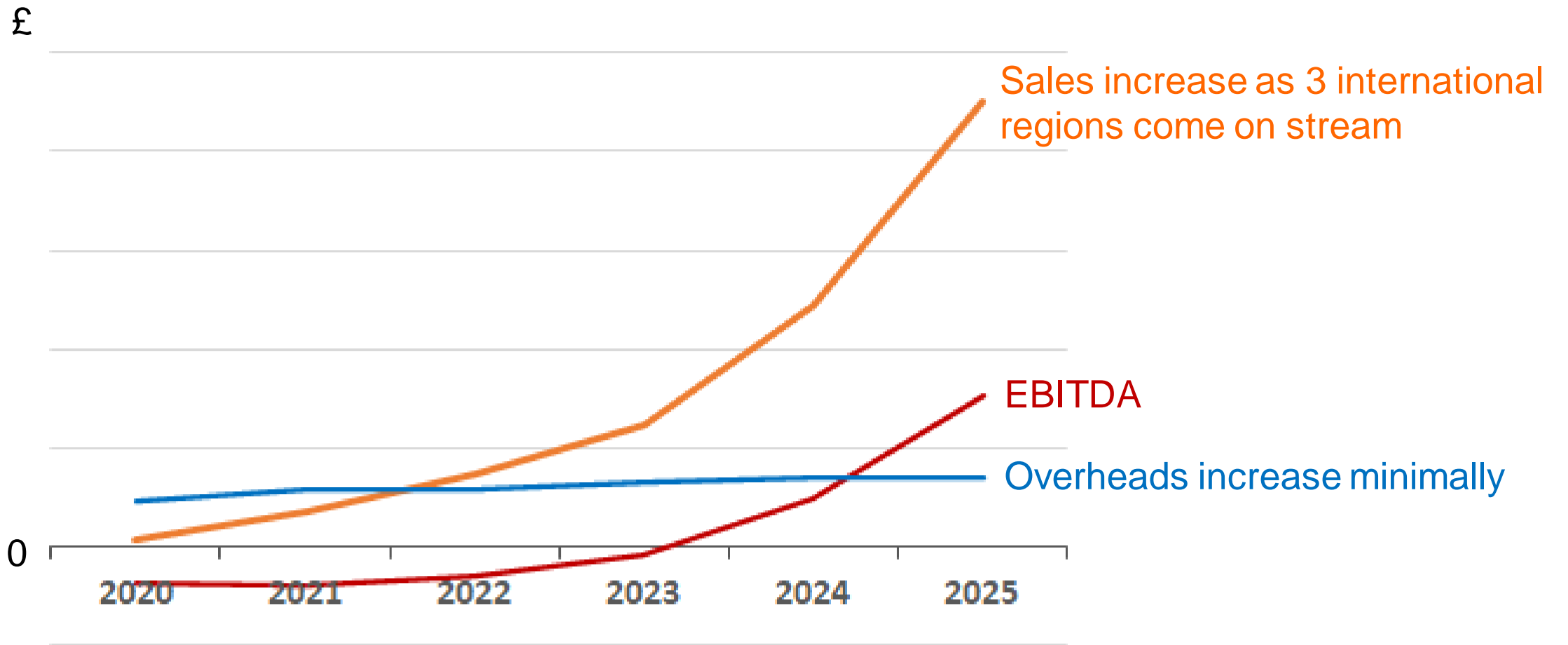
Smart Toilet

- ✓ **Cloud-based console** to improve service and maintenance and create new revenue streams
- ✓ Standalone system with options to connect and integrate with BM Systems and Smart Washrooms

Ease of Use

- ✓ **Auto Open/Close Lid**, reducing user contact, ideal for the post Covid-19 environment

Breakeven achieved within 2 years



Organisation

Strong executive team established, now backed by a new management team

Executive Team



David Hollander
CEO



Anthony Jones
CFO



James Surgeon
Commercial Director



David Mosscrop
Operations Director



Alex Newman
Innovation Director



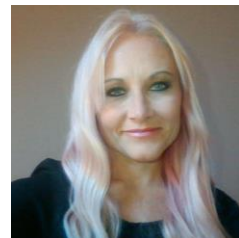
Andrea Holton
HR Director



Key Management Team Members



Mohammed Bhutta
Finance Manager



Stephanie Smith
Partner Account Manager



Jason Beyers
UK Sales GM



Duygu Tavan
Lead Generation Manager



Caren Botha
SA Sales GM

Financial Overview

£5.5m required to fund continued growth

Funding requirement breakdown

Working capital requirements (stock, debtors etc.)	£1.8m
Innovation, product development, tooling and IP	£1.6m
Market expansion into new territories	£0.9m
Marketing and enhancing sales channels	£0.8m
Fees	£0.4m

Total funding required* **£5.5m**

Funding for **stock acquisition** is required to help with the acceleration of growth, however, we will look to **improve payment terms** with suppliers and partners as the business scales

Innovation and product development is crucial to the long-term growth of the business as we aim to improve our product offering and cater to new markets.

We require modest growth in our sales and marketing teams as we **leverage our partnership model** to achieve our growth goals. We will need a substantial investment in marketing

Existing shareholders are planning to participate

Immediate opportunity to **match existing investor CLN up to £750k this Summer**

* Eligible for EIS



Summary

World's leading water-efficient, cost-saving and hygiene-improving toilet

Proven, multi-certified and patented technology, designed for existing drains

Key initial markets in **UK** and **South Africa** and recent expansion to the **Gulf**

Substantial **qualified sales pipeline** and enormous **unqualified interest**

Strong management team with huge **depth** in **experience**

Growing relevance of **hygiene benefits post COVID-19**

Raising £5.5m by 2022 to support **international sales growth** and next generation **product development**

Immediate opportunity to **match existing investor CLN up to £750k this Summer**



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One flush at a time

David.Hollander@propelair.com
Chief Executive Officer

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