

1. Company details

Name of entity:	CleanSpace Holdings Limited
ABN:	91 150 214 636
Reporting period:	For the half-year ended 31 December 2024
Previous period:	For the half-year ended 31 December 2023

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	25.9% to	9,177,420
Loss from ordinary activities after tax attributable to the owners of CleanSpace Holdings Limited	down	80.3% to	(404,234)
Loss for the half-year attributable to the owners of CleanSpace Holdings Limited	down	80.3% to	(404,234)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the Group after providing for income tax amounted to \$404,234 (31 December 2023: \$2,054,110).

3. Net tangible assets

	Reporting period \$	Previous period \$
Net tangible assets per ordinary security	<u>0.24</u>	<u>0.25</u>

Notes

The net tangible assets used in the net tangible assets per security calculation for both periods includes both the right-of-use assets and lease liabilities.

Total number of securities used in the net tangible assets per security calculation includes all classes of shares on issue at the end of each respective period.

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

11. Attachments

Details of attachments (if any):

The Interim Report of CleanSpace Holdings Limited for the half-year ended 31 December 2024 is attached.

12. Signed

Signer

Graham McLean

Date: 25 February 2025

CleanSpace®
RESPIRATORS
Free the way you breathe™



Free the way
you breathe.

Interim Report

31 December 2024

CleanSpace Holdings Limited and its Controlled Entities
ABN 91 150 214 636

True Innovation in Personal Respiratory Protection



CleanSpace Holdings Limited (CleanSpace) is a Sydney-based specialist designer and manufacturer of advanced respiratory protection solutions for industrial and healthcare markets. Founded by a team of biomedical engineers with experience in respiratory medical devices, CleanSpace is passionate about continually improving health outcomes, safety and standards of care for people who work in hazardous working environments. In the last 20 years, technology has driven unprecedented advances in protecting people's health, and CleanSpace has brought this to personal respiratory protection.

CleanSpace continues to invest in research and development programs resulting in truly differentiated powered air purifying respirators (PAPRs). The Company develops world class leading technology and advanced solutions for employers, and their staff, that significantly increases the level of personal protection, improves the ease of use and compliance, and achieves significant cost savings and sustainability for their operations. Premium protection for frontline workers means better health outcomes for millions of people, now and into the future.

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General information

The financial statements cover CleanSpace Holdings Limited as a consolidated entity consisting of CleanSpace Holdings Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is CleanSpace Holdings Limited's functional and presentation currency.

CleanSpace Holdings Limited is a listed public Company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Unit 5, 39 Herbert Street
St. Leonards
NSW 2065
Australia

A description of the nature of the consolidated entity's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 25 February 2025.

Directors' Report

For the half-year ended 31 December 2024

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of CleanSpace Holdings Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2024 ('H1 FY25').

Directors

The names of the directors in office at any time during, or since, the end of the period are:

Name	Position
Graham McLean*	Non-Executive Director and Chair (previously Chief Executive Officer)
Lisa Hennessy	Non-Executive Director
Dan Kao	Executive Director and Director of Operations
Paul Cassano	Non-Executive Director
Bruce Rathie**	Non-Executive Director and Chair

*Mr Graham McLean assumed the role of Chair effective 11 November 2024 and resigned as CEO effective 31 December 2024.

**Mr Bruce Rathie retired as a Non-Executive Director and Chair effective 11 November 2024.

Directors have been in office since the start of the period to the date of this report unless otherwise stated.

Principal activities

The principal activities of the Group are the design, manufacture and sale of respirators and related products and services.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$404,234 (31 December 2023: \$2,054,110).

A summary of the results for the year is below:

	Six months ended 31 Dec 2024 \$	Six months ended 31 Dec 2023 \$	Change %
Revenue from sales of goods and services	9,177,420	7,292,013	26%
Gross profit	6,832,105	5,194,433	32%
Operating expenses	(7,280,320)	(7,725,402)	6%
Operating EBITDA	(448,215)	(2,530,969)	82%
Share-based payment expenses	(137,582)	(69,888)	(97%)
Foreign currency profit / (loss)	113,383	(57,991)	296%
EBITDA	(472,414)	(2,658,848)	82%
Finance income	115,579	126,974	(9%)
Depreciation, amortisation and impairment	(462,987)	(470,365)	2%
Loss before income tax	(819,822)	(3,002,239)	73%
Income tax benefit	415,588	948,129	(56%)
Loss after tax for the period	(404,234)	(2,054,110)	80%

The first half of FY25 was another six months of solid and consistent progress towards the Company's goal of sustainable and profitable growth. Sales for the period were \$9.2m representing a 26% growth over the Prior Corresponding Period (PCP) sales of \$7.3m. This sales growth was broad based with all regions performing well, demonstrating the benefits of diversified growth, especially in the key priority markets.

The Company is maturing very well as it transitions from a technically strong research and development focused company with unique engineering skills, to one that is also very customer oriented with outstanding sales and marketing capabilities. CleanSpace has established a clear and proven go-to-market model which enables strong relationships with its distribution partners that serve its key customers. The benefits of this model are already beginning to show in the sales results, and the Board is confident that this is just the beginning of the Company's global growth journey.

Innovation is also key to CleanSpace's success. In 2024, the Company launched CS WORK to extend its portfolio of innovative market leading respirators. To date, CS WORK has sold over 2,200 units in Europe and Australia within eight months of launch, and launch in the US is anticipated in H2 with Japan later in 2025. The Company has further new product developments in the pipeline which are expected to fuel further market penetration and growth in future years. The IP and patents that the Company holds offer multiple and varied new product development opportunities over the medium term.

Operating EBITDA for H1 was a small loss of \$0.4m, representing a significant \$2.1m improvement versus the PCP. This was mainly driven by the sales growth but also a gross margin increase from 71% (PCP) to 74% and a reduction in operating expenses of 6% versus the PCP. The Company has delivered further cost efficiencies in both cost of goods and expenses, as well as some benefits from greater economies of scale which together provided additional profit and loss leverage. The \$0.4m loss includes over \$0.350m of one-off costs related to personnel exits and hiring costs, including the new CEO. Excluding these one-off costs, operating expense costs were 10% lower than the PCP.

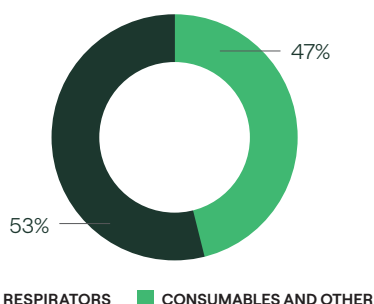
Directors' Report

For the half-year ended 31 December 2024

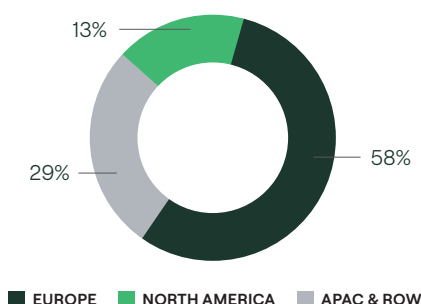
Review of operations (cont.)

Cash at bank is a healthy \$8.3m (30 June 2024: \$9.8m). The difference in cash reduction versus the EBITDA loss of \$0.4m is due to some annual or one-off payments made in H1 (for example insurance premiums and FY24 bonuses), and higher debtors due to higher sales, offset by lower inventory. In addition, the research and development tax rebate of \$1m is expected to be received in H2.

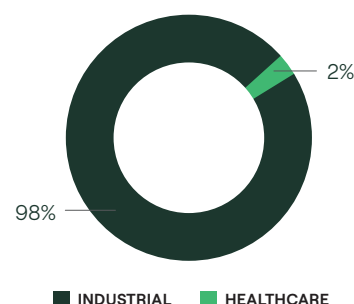
Revenue by Product H1 FY25



Revenue by Region H1 FY25



Revenue by Sector H1 FY25



Sales Highlights

CleanSpace's strategy is delivering as planned: focusing on industrial sales growth in major markets; true product innovation; and developing outstanding sales and marketing capabilities. Sales into the healthcare sector will be mainly limited to supporting ongoing consumables purchases from existing customers and opportunistic respirator business. Most of the business is in the six priority countries where all our resources are deployed, although the Company sold into 29 countries in H1 FY25.

Sales in Europe continue to provide the largest contribution at \$5.4m. Asia Pacific region has been expanded to include the rest of the world outside Europe and North America, reflecting occasional but meaningful sales in non-priority countries. The North American market contributed \$1.2m in the first half and is an area of future growth for the Company.

By sector, Industrial represents 98% of sales, consistent with the PCP. Consumables continue to represent approximately half of total sales (47%), consistent with the PCP. It is anticipated that, over time, consumable sales will grow moderately faster than respirator sales as new products being launched now begin to expand the install base and drive more consumable usage.

Europe (sales \$5.4m, +11% v PCP)

Another solid performance in Europe led by the UK (+44%) and Nordics (+28%). Sales in France for H1 grew a modest 2% due to the impact of the Olympics in July and August. France remains the largest country by sales.

Asia Pacific and Rest of World (sales \$2.6m, +69% v PCP)

The Asia expansion strategy has been slower to implement than was expected, but sales for H1 were \$400k higher than the low PCP base. Australia continued solid growth momentum at 8% v PCP and is the second largest country by sales for the Company.

North America (sales \$1.2m, +31% v PCP)

Actions were taken in the first half to align the US business to the Company's industrial markets strategy. As a result, the US business had a complete personnel change which was mostly finalised in December. The new team brings deep industrial experience to the Company. In the context of this change, H1 results are very promising. In addition, CS WORK will launch in H2.

Review of operations (cont.)

Organisation

The Company has continued to strengthen in H1. In particular, CleanSpace welcomes the appointment of Gabrielle O'Carroll as CEO effective 1 January 2025. Previous CEO, Graham McLean, has transitioned to the role of Chair, replacing Bruce Rathie who retired in November 2024. The Company thanks Bruce for his service to CleanSpace over the last three years.

Operating expenses

Operating expenses of \$7.2m were 6% below the PCP, primarily due to further cost efficiencies and greater economies of scale.

Operating expenses consist of:

	31 Dec 2024 \$	31 Dec 2023 \$	Change %
Employee benefits and staff related expenses (excluding share-based payments)	4,799,012	4,699,842	(2%)
Marketing and sales expenses	391,428	881,761	56%
Research, development and intellectual property expenses	310,686	318,114	2%
Other operating expenses (excluding depreciation, amortisation and impairment)	1,779,194	1,825,685	3%
Total	7,280,320	7,725,402	6%

Marketing and Sales expenses were lower due to reduced legacy healthcare warranty costs and a realignment of some sales agent networks which reduced commission costs. Underlying marketing investments remained consistent with the PCP and were targeted to priority markets.

Financial position

The following table provides a snapshot of important balances from the Group's statement of financial position as at 31 December 2024:

	As at 31 Dec 2024 \$	As at 30 Jun 2024 \$	Movement %
Cash (including term deposits)	8,270,217	9,763,901	(15%)
Debtors	4,395,855	3,645,053	21%
Inventories	2,657,821	2,865,494	(7%)
Payables	1,742,959	2,041,235	(15%)
Net assets	18,968,260	19,102,010	(1%)

The cash position at 31 December 2024 was \$8.3m. This is a reduction of \$1.5m from 30 June 2024 and a reduction of \$1.8m versus 31 December 2023.

Matters subsequent to the end of the half year

No matter of circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect, the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Directors' Report

For the half-year ended 31 December 2024

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the Directors,

Graham McLean

Graham McLean

Director

25 February 2025

Auditor's Independence Declaration

For the half-year ended 31 December 2024



PKF(NS) Audit & Assurance Limited Partnership

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CleanSpace Holdings Limited

Auditors Independence Declaration under Section 307C of the Corporations Act
2001 to the Directors of CleanSpace Holdings Limited

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2024,
there have been:

- a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review, and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink, appearing to read 'Kym Reilly', written over a faint, larger 'PKF' watermark.

PKF

A handwritten signature in black ink, appearing to read 'Kym Reilly', written over a faint, larger 'PKF' watermark.

KYM REILLY
PARTNER

25 FEBRUARY 2025
SYDNEY, NSW

PKF(NS) Audit & Assurance Limited Partnership is a member of PKF Global, the network of member firms of PKF International Limited, each of which is a separately owned legal entity and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm(s). Liability limited by a scheme approved under Professional Standards Legislation.

Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2024

	Note	Consolidated 31 Dec 2024 \$	31 Dec 2023 \$
Revenue	2	9,177,420	7,292,013
Cost of sales		(2,345,315)	(2,097,580)
Gross profit		6,832,105	5,194,433
Other income		2,333	-
Employee benefits and staff related expenses	3	(4,930,323)	(4,751,230)
Depreciation, amortisation and impairment expenses		(462,987)	(470,365)
Legal and professional fees		(483,741)	(404,635)
Marketing and sales expenses		(391,428)	(881,761)
Administration and other operating expenses		(1,190,674)	(1,497,541)
Research, development and intellectual property expenses		(310,686)	(318,114)
Operating loss		(935,401)	(3,129,213)
Finance income - interest		173,468	221,581
Finance costs		(57,889)	(94,607)
Loss before income tax benefit		(819,822)	(3,002,239)
Income tax benefit	4	415,588	948,129
Loss after income tax benefit for the half-year attributable to the owners of CleanSpace Holdings Limited	12	(404,234)	(2,054,110)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		216	1,509
Other comprehensive income for the half-year, net of tax		216	1,509
Total comprehensive income for the half-year attributable to the owners of CleanSpace Holdings Limited		(404,018)	(2,052,601)
		Cents	Cents
Basic earnings per share		(0.52)	(2.66)
Diluted earnings per share		(0.52)	(2.66)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 31 December 2024

	Note	Consolidated 31 Dec 2024 \$	30 Jun 2024 \$
Assets			
Current assets			
Cash and cash equivalents		1,363,449	2,747,708
Trade and other receivables		4,395,855	3,645,053
Financial assets	5	6,906,768	7,016,193
Inventories	6	2,657,821	2,865,494
Income tax refund due		1,385,256	948,969
Other assets		506,782	413,394
Total current assets		17,215,931	17,636,811
Non-current assets			
Property, plant and equipment		713,094	937,152
Right-of-use assets	7	309,467	542,523
Deferred tax		6,905,295	6,935,244
Total non-current assets		7,927,856	8,414,919
Total assets		25,143,787	26,051,730
Liabilities			
Current liabilities			
Trade and other payables		1,742,959	2,041,235
Lease liabilities	9	417,529	534,180
Income tax		22,050	27,889
Employee benefits		682,269	732,475
Provisions		220,261	388,819
Other		18,672	39,414
Total current liabilities		3,103,740	3,764,012
Non-current liabilities			
Borrowings	8	2,807,650	2,766,513
Lease liabilities	9	-	145,607
Deferred tax		192,344	195,859
Employee benefits		71,793	77,729
Total non-current liabilities		3,071,787	3,185,708
Total liabilities		6,175,527	6,949,720
Net assets		18,968,260	19,102,010
Equity			
Issued capital	10	33,780,926	33,550,081
Reserves	11	766,326	726,687
Accumulated Losses	12	(15,578,992)	(15,174,758)
Total equity		18,968,260	19,102,010

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the half-year ended 31 December 2024

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023	33,443,471	745,045	(12,233,037)	21,955,479
Loss after income tax benefit for the half-year	-	-	(2,054,110)	(2,054,110)
Other comprehensive income for the half-year, net of tax	-	1,509	-	1,509
Total comprehensive income for the half-year	-	1,509	(2,054,110)	(2,052,601)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 13)	-	69,888	-	69,888
Transfer on the cancellation of options	-	(185,420)	185,420	-
Transfer to issued capital	89,695	(89,695)	-	-
Balance at 31 December 2023	33,533,166	541,327	(14,101,727)	19,972,766

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2024	33,550,081	726,687	(15,174,758)	19,102,010
Loss after income tax benefit for the half-year	-	-	(404,234)	(404,234)
Other comprehensive income for the half-year, net of tax	-	216	-	216
Total comprehensive income for the half-year	-	216	(404,234)	(404,018)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 13)	-	137,582	-	137,582
Transfer to issued capital	98,159	(98,159)	-	-
Issue of shares	132,686	-	-	132,686
Balance at 31 December 2024	33,780,926	766,326	(15,578,992)	18,968,260

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the half-year ended 31 December 2024

	31 Dec 2024 \$	Consolidated 31 Dec 2023 \$
Cash flows from operating activities		
Receipts from customers	8,408,209	8,204,236
Payments to suppliers and employees	(9,748,117)	(10,137,452)
	(1,339,908)	(1,933,216)
Interest received	173,468	221,581
Interest and other finance costs paid	(41,137)	(63,405)
Income taxes refunded/(paid)	(104)	50,852
Net cash used in operating activities	(1,207,681)	(1,724,188)
Cash flows from investing activities		
Payments for property, plant and equipment	(6,993)	(30,086)
Sale of financial assets	109,425	317,108
Net cash from investing activities	102,432	287,022
Cash flows from financing activities		
Repayment of borrowings	-	(67,642)
Repayment of leases	(279,010)	(268,326)
Net cash used in financing activities	(279,010)	(335,968)
Net decrease in cash and cash equivalents	(1,384,259)	(1,773,134)
Cash and cash equivalents at the beginning of the financial half-year	2,747,708	3,115,810
Cash and cash equivalents at the end of the financial half-year	1,363,449	1,342,676

In addition to the cash and cash equivalents balance in the Statement of Cash Flows above, the Company had term deposits of \$6,906,768 at 31 December 2024 (December 23: \$8,724,991). These term deposits are disclosed as financial assets in the balance sheet.

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the half-year ended 31 December 2024

Note 1. Material accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

	Consolidated 31 Dec 2024 \$	31 Dec 2023 \$
Note 2. Revenue		
<i>Disaggregation of revenue</i>		
The disaggregation of revenue from contracts with customers is as follows:		
<i>Major product lines</i>		
Respirators revenue	4,886,735	3,893,871
Consumables, accessories and other revenue	4,290,685	3,398,142
	9,177,420	7,292,013
<i>Timing of revenue recognition</i>		
At a point in time	9,177,420	7,292,013

Note 2. Revenue (cont.)

The Company has two main types of revenue:

- (1) *Respirator revenues*: reflects sales of the respirator units only; and
- (2) *Consumables, accessories and other revenues*: reflects all other revenue and revenue adjustments. This is substantially related to the sales of accessories and consumable items, including masks, filters and docking stations. It also includes freight and deductions for customer rebates and payment incentives.

Segment information

For the purposes of the internal reporting to the chief operating decision makers, business activities, performances and any associated assets and liabilities are viewed as a consolidated group.

	31 Dec 2024 \$	Consolidated 31 Dec 2023 \$
<i>Revenue by region</i>		
North America	1,191,389	906,078
Europe and UK	5,343,705	4,819,317
Asia Pacific and Rest of World	2,642,326	1,566,618
	9,177,420	7,292,013

Note 3. Employee benefits and staff related expenses

Total employee benefits and staff related expenses (a)	4,930,323	4,751,230
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(a) An additional \$373,901 (2023: \$328,768) of employment expenses are included in costs of sales.

Notes to the Financial Statements

For the half-year ended 31 December 2024

	31 Dec 2024 \$	Consolidated 31 Dec 2023 \$
Note 4. Income tax (benefit)/expense		
<i>Income tax (benefit)/expense</i>		
Current tax	(444,401)	(439,173)
Deferred tax - origination and reversal of temporary differences	26,434	(510,604)
Adjustment recognised for prior periods	2,379	1,648
Aggregate income tax benefit	(415,588)	(948,129)
<i>Numerical reconciliation of income tax benefit and tax at the statutory rate</i>		
Loss before income tax benefit	(819,822)	(3,002,239)
Tax at the statutory tax rate of 25%	(204,956)	(750,560)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
R&D tax incentive	(444,401)	(438,197)
Permanent differences - R&D expenses	255,403	251,837
Permanent differences - Other	(20,758)	(15,292)
	(414,712)	(952,212)
Adjustment recognised for prior periods	2,379	1,648
Impact of rates of foreign subsidiaries	(3,255)	2,435
Income tax benefit	(415,588)	(948,129)
	31 Dec 2024 \$	Consolidated 30 Jun 2024 \$

Note 5. Financial assets

<i>Current assets</i>		
Financial assets held at amortised cost	6,906,768	7,016,193

Financial assets held at amortised cost consist of term deposits held with Australian banks.

	31 Dec 2024 \$	Consolidated 30 Jun 2024 \$
Note 6. Inventories		
<i>Current assets</i>		
Raw materials – at cost	3,231,831	3,503,434
Less: Provision for impairment	(813,009)	(819,533)
	2,418,822	2,683,901
Work in progress – at cost	935	-
Finished goods – at cost	303,208	326,350
Less: Provision for impairment	(141,740)	(144,757)
	161,468	181,593
Goods in transit – at cost	76,596	-
	2,657,821	2,865,494

Note 7. Right-of-use assets

<i>Non-current assets</i>		
Land and buildings – right-of-use	2,382,764	2,382,764
Less: Accumulated depreciation	(2,073,297)	(1,840,241)
	309,467	542,523

The consolidated entity leases land and buildings for its offices, warehouses and production facility in St Leonards, Australia. The agreements (a lease and sublease) were entered into in August 2020 and are for a term of 5 years, with options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are to be on the same general terms. The entry into these leases created a Right-of-use Asset of \$2,382,764 and a corresponding Lease Liability of the same value in August 2020.

In line with the requirements of AASB 16 Leases, the Right-of-use Asset has been depreciated and the lease payments have been allocated between the Lease Liability and finance costs. Refer to Note 9 for Lease Liability balances.

Notes to the Financial Statements

For the half-year ended 31 December 2024

	31 Dec 2024 \$	Consolidated 30 Jun 2024 \$
Note 8. Borrowings		
<i>Non-current liabilities</i>		
Loan from NSW Health Administration Corporation	2,807,650	2,766,513

Loan from NSW Health Administration Corporation

The Company entered into a funding agreement with NSW Health Administration Corporation in September 2019. The funding is to be used solely for the aim to improve the adoption of an innovative re-usable respirator in acute care settings.

The Company is not required to make any repayments of the loan until the project has achieved commercial success. The applicable interest rate for the loan is calculated by using the annual Consumer Price Index (CPI).

Note 9. Lease liabilities

<i>Current liabilities</i>		
Lease liability	417,529	534,180
<i>Non-current liabilities</i>		
Lease liability	-	145,607
	417,529	679,787

Refer to Note 7 for further information on Right-of-use Assets and related leases.

Note 10. Issued capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

	31 Dec 2024 Shares	30 Jun 2024 Shares	Consolidated 31 Dec 2024 \$	30 Jun 2024 \$
Ordinary shares – fully paid	77,974,680	77,359,742	33,780,926	33,550,081

	Consolidated 31 Dec 2024 \$	30 Jun 2024 \$
Note 11. Reserves		
Foreign currency reserve	42,744	42,528
Share-based payments reserve	723,582	684,159
	766,326	726,687

The foreign currency reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations. The share-based payments reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves

Movements in each class of reserve during the current financial half-year are set out below:

Consolidated	Foreign currency reserve \$	Share-based payments reserve \$	Total \$
Balance at 1 July 2024	42,528	684,159	726,687
Foreign currency translation	216	-	216
Transfer to issued capital	-	(98,159)	(98,159)
Share-based payments	-	137,582	137,582
Balance at 31 December 2024	42,744	723,582	766,326

	Consolidated 31 Dec 2024 \$	30 Jun 2024 \$
Note 12. Accumulated losses		
Accumulated losses at the beginning of the financial half-year	(15,174,758)	(12,233,038)
Transfer on the cancellation of options	-	185,420
Accumulated losses at the beginning of the financial half-year - restated	(15,174,758)	(12,047,618)
Loss after income tax benefit for the half-year	(404,234)	(3,127,140)
Accumulated losses at the end of the financial half-year	(15,578,992)	(15,174,758)

Notes to the Financial Statements

For the half-year ended 31 December 2024

Note 13. Share-based payments

The Board approved the terms of the Company's equity-based long term incentive plan ("Equity Incentive Plan") in 2020. Minor amendments were made to the plan in 2022 to cater for US staff. The Board may from time to time, operate the Equity Incentive Plan, determine employees who are eligible to participate and make an invitation to an employee to acquire awards or grant awards to an employee. These grants have been amortised on a straight line basis over the vesting period. Total expensed grants in the half year ended 31 December 2024 under the Equity Incentive Plan was \$137,582 (31 December 2023: \$69,888).

Non-Executive Director options

On 29 November 2021, 600,000 options were granted to a Non-Executive Director (NED) for nil consideration at an exercise price of \$2.18. 200,000 options vested on 18 October 2022, 200,000 vested on 18 October 2023 and 200,000 vested on 18 October 2024.

Employee options

On 22 October 2020, 444,169 Employee Options were granted for nil consideration at an exercise price of \$4.41. 50% of the options granted vested on 25 August 2022, and 50% vested on 29 August 2023. 110,235 unvested options were forfeited during the year ended 30 June 2023 as a service condition was not met. On 9 July 2023, 110,235 unexercised vested options were cancelled following the resignation of an employee to whom options had been granted. On 29 August 2023, 44,281 unvested options were forfeited as a service condition was not met. On 29 November 2023 44,281 unexercised vested options were cancelled following the resignation of an employee to whom options had been granted.

Set out below are summaries of options granted:

31 December 2024

Recipient	Grant date	Expiry date	Exercise price	Balance at 1 Jul 2024	Granted	Exercised	Expired/ forfeited/ other	Balance at 31 Dec 2024
Executives	22/10/2020	21/10/2025	\$4.41	135,137	-	-	-	135,137
NED	29/11/2021	18/01/2025	\$2.18	600,000	-	-	-	600,000
				735,137	-	-	-	735,137

30 June 2024

Recipient	Grant date	Expiry date	Exercise price	Balance at 1 Jul 2023	Granted	Exercised	Expired/ forfeited/ other	Balance at 30 Jun 2024
Executives	22/10/2020	21/10/2025	\$4.41	333,934	-	-	(198,797)	135,137
NED	29/11/2021	18/01/2025	\$2.18	600,000	-	-	-	600,000
				933,934	-	-	(198,797)	735,137

Note 13. Share-based payments (cont.)

Performance rights

On 13 November 2023, the Company granted 525,000 Performance Rights with the following vesting conditions:

- Tranche 1 will vest if the CSX share price for any consecutive 60 day period is \$1 or higher, on a Volume Weighted Average Price basis ('VWAP')
- Tranche 2 will vest if the CSX share price for any consecutive 60 day period is \$1.75 or higher (on a VWAP basis)
- Tranche 3 will vest if the CSX share price for any consecutive 60 day period is \$2.50 or higher (on a VWAP basis).

Set out below are summaries of Performance Rights granted:

31 December 2024

Recipient	Grant date	Expiry date	Exercise price	Balance at 1 Jul 2024	Granted	Exercised	Expired/ forfeited/ other	Balance at 31 Dec 2024
Executive Director	13/11/2023	90 days post 2026 AGM	\$0.00	175,000	-	-	-	175,000
Executive Director	13/11/2023	90 days post 2026 AGM	\$0.00	175,000	-	-	-	175,000
Executive Director	13/11/2023	90 days post 2026 AGM	\$0.00	175,000	-	-	-	175,000
				525,000	-	-	-	525,000

The Performance Rights were valued using the Hull-White Binomial Pricing Model, which is a generally accepted method to value Performance Rights. This method has been adjusted to account for performance hurdles and requirement for the VWAP to remain above the target for 60 consecutive days.

Share awards

During the half year ended 31 December 2024, the Company did not issue any share awards (in HY24: 1,565,000).

The following table summarises the movements in the awards granted including the weighted average fair value (WAFV).

	31 Dec 2024 No.	\$	31 Dec 2023 No.	\$
Outstanding at the beginning of the financial half-year	2,308,514	\$0.30	994,378	\$0.32
Granted	-	\$0.00	1,565,000	\$0.30
Forfeited	(201,343)	\$0.30	(157,926)	\$0.41
Exercised	(381,221)	\$0.26	(92,938)	\$0.34
Outstanding at the end of the financial half-year	1,725,950	\$0.31	2,308,514	\$0.30

Expense summary

For the half year ended 31 December 2024, the Group recognised \$137,582 (31 December 2023: \$69,888) of share-based payment expense in relation to:

- Options \$6,271 (31 December 2023: (\$26,787));
- Share awards \$116,306 (31 December 2023: \$79,484); and
- Performance Rights \$15,005 (31 December 2023: \$17,191).

Notes to the Financial Statements

For the half-year ended 31 December 2024

Note 14. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 15. Contingencies

At balance date, bank guarantees were supported by security deposit guarantees, for which no liabilities have been recorded in the financial statements. Total bank guarantees of the consolidated entity at 31 December 2024 were \$406,768 (30 June 2024: \$406,768).

Note 16. Commitments

The consolidated entity did not have any commitments at 31 December 2024 or 31 December 2023.

Note 17. Related party transactions

Parent entity

CleanSpace Holdings Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 18.

Transactions with related parties

The following transactions occurred with related parties:

	31 Dec 2024 \$	Consolidated 31 Dec 2023 \$
<i>Payment for goods and services:</i>		
Short-term employee benefits	45,432	310
Long-term employee benefits	5,215	-

Receivables due from/payables due to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 18. Interests in subsidiaries

Name of subsidiary	Principal activities	Country of incorporation	Ownership interest 2024
CleanSpace IP Pty Ltd	Owner of the registered intellectual property of the Group	Australia	100%
CleanSpace Technology Pty Limited	Design, manufacture, and distribution of CleanSpace products and services	Australia	100%
CleanSpace Americas, Inc	Provision of sales and customer support in North America	USA	100%
CleanSpace Technology Singapore Pte Ltd	Provision of service and customer support services in Asia	Singapore	100%
CleanSpace NZ Ltd*	Provision of sales and customer support services in New Zealand	New Zealand	100%
CleanSpace Netherlands B.V.	Provision of service and customer support services in Europe	Netherlands	100%

*CleanSpace NZ Ltd was removed from the New Zealand companies register effective 24 January 2025.

Note 19. Events after the reporting period

No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect, the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Directors' Declaration

For the half-year ended 31 December 2024

In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors,

Graham McLean

Graham McLean

Director

25 February 2025

Independent Auditor's Review Report

For the half-year ended 31 December 2024



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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF CLEANSPACE HOLDINGS LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of CleanSpace Holdings Limited and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the Group comprising the Company and the entities it controlled at the half-year's end or from time to time during the financial half-year.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of CleanSpace Holdings Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2024, and of its financial performance for the half-year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. In accordance with the Corporations Act 2001, we have given the directors of the Group a written Auditor's Independence Declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Group are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the Corporations Regulations 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

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Independent Auditor's Review Report

For the half-year ended 31 December 2024



Auditor's Responsibility for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001. As the auditor of CleanSpace Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in blue ink that reads 'PKF'.

PKF

A handwritten signature in blue ink, appearing to read 'Kym Reilly'.

KYM REILLY
PARTNER

25 FEBRUARY 2025
SYDNEY, NSW

CleanSpace®

RESPIRATORS

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