

CleanSpace Holdings Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	CleanSpace Holdings Limited
ABN:	91 150 214 636
Reporting period:	For the year ended 30 June 2025
Previous period:	For the year ended 30 June 2024

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	25.7% to	19,764,764
Loss from ordinary activities after tax attributable to the owners of CleanSpace Holdings Limited	down	84.7% to	(478,276)
Loss for the year attributable to the owners of CleanSpace Holdings Limited	down	84.7% to	(478,276)
		2025 Cents	2024 Cents
Basic earnings per share		(0.61)	(4.05)
Diluted earnings per share		(0.61)	(4.05)

Dividends

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

Comments

The loss for the consolidated entity after providing for income tax amounted to \$478,276 (30 June 2024: \$3,127,141).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>24.12</u>	<u>24.87</u>

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:

International Financial Reporting Standards (IFRS)

10. Audit qualification or review

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

The financial statements have been audited and an unmodified opinion has been issued.

11. Attachments

Details of attachments (if any):

The Annual Report of CleanSpace Holdings Limited for the year ended 30 June 2025 is attached.

12. Signed

Signed Graham McLean

Date: 26 August 2025



CleanSpace®
RESPIRATORS
Free the way you breathe™

Free the way
you breathe.

Annual Report

2025

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

Our Vision

To redefine respiratory protection world-wide by empowering every worker in high-risk environments to breathe freely, safely, and confidently—anytime, anywhere.

Our Mission

CleanSpace is committed to continuous innovation and the development of respirators that offer superior quality, are easy to use, and provide the most advanced, wearable solution for respiratory protection.



Who We Are

CleanSpace is a Sydney-based company that designs advanced respiratory protection for people working in tough industrial and healthcare environments. With a background in medical device engineering, our team is driven to make breathing safer and easier for those facing hazardous conditions every day.

What We Do

We're focused on building the future of respiratory safety. By investing in smart, wearable technology, we're helping workers breathe easier, stay compliant, and reduce operational costs. Our powered respirators are designed to be easy to use, comfortable to wear, and deliver long-term value—supporting better health outcomes now and into the future.

FY25 Key Highlights

Total Revenue

\$19.8M

Up 26% FY24 \$15.7M

H1 Revenue

\$9.2M

Up 26% FY24 \$7.3M

H2 Revenue

\$10.6M

Up 26% FY24 \$8.4M

Gross Margin

75%

Up 3% FY24 72%

Cash at Bank

\$10.5M

Up 7% FY24 \$9.8M

EBITDA

-\$0.4M

Up 91% FY24 -\$3.9M

Revenue by Geographic Segments

North America

\$3.0M

Up 45% FY24 \$2.1M

Europe

\$12.0M

Up 18% FY24 \$10.1M

APAC & ROW

\$4.8M

Up 36% FY24 \$3.5M

Chairman & CEO Letter

Dear Shareholders,

At CleanSpace, our mission is clear: to deliver the most advanced and effective respiratory protection for workers in the world's most challenging industrial environments.

Since the Company's foundation in 2009, we've built our business through our unique innovation, underpinned by our patented, breath-responsive AirSensit® technology, and have engineered wearable respirators that have set new benchmarks in safety, comfort, and performance. Today, that mission continues to align with a growing global demand for effective respiratory protection solutions.

In Australia alone, over 600,000 workers across construction, mining, quarrying, manufacturing, and tunnelling are exposed to respirable crystalline silica—a leading cause of silicosis*. As regulatory scrutiny intensifies and industry awareness deepens, the demand for high-performance respiratory protection is accelerating.

We are uniquely positioned to lead this shift—offering proven technology, a strong product pipeline, and a clear vision for scalable growth. For investors, the opportunity is both compelling and urgent: protecting lives while creating long-term value.

In this letter, we outline how we're meeting the challenge—through a bold vision, disciplined execution, and an unwavering commitment to the people who depend on us every day.

*<https://lungfoundation.com.au/news/new-survey-reveals-awareness-of-silicosis-is-lowest-in-nsw/> reference 21 July 2025.



Gabrielle O'Carroll
Chief Executive Officer

I joined CleanSpace in January, driven by the opportunity to lead a high-calibre team and scale a differentiated portfolio in a market with significant global growth potential. Amid tightening regulatory standards and rising awareness of respiratory hazards, the market is shifting and CleanSpace is uniquely positioned—offering advanced PAPR solutions that combine proprietary technology, user comfort, and industry-leading protection. Backed by a focused strategy across key industrial markets in APAC, the USA, and Europe, I'm confident in our ability to drive sustainable growth, expand market share, and deliver long-term value to shareholders.



Graham McLean
Chairman

As Chair, it is a privilege to work alongside the broader leadership team as we continue to guide CleanSpace through a period of strong growth and global opportunity. I am proud to be part of an Australian-based advanced technology business that is delivering world-class respiratory protection solutions to workers around the globe. Our unique technology, exceptional team, and robust global distribution network position us well to lead in the powered air respiratory protection market. I have strong confidence in the Company's future and its capacity to create enduring value for shareholders.

Executing with Focus, Growing with Purpose

In FY25, the strategic investment in our sales teams was the primary driver of success, enabling precise focus on key industrial markets across France, the UK, Germany, the Nordics, the USA, and Australia. Through close collaboration with our distribution partners, and underpinned by a commitment to continuous innovation, these teams strengthened market penetration, enhanced brand equity, and generated sustained end user demand.

Since 2023, we have significantly strengthened our network of active distribution partners—growing from 204 to 236 by 2025—as part of our strategic, low-cost go-to-market model. This network is a critical enabler of our commercial strategy, with distributors playing a key role in holding inventory, supporting end user customers, promoting the CleanSpace brand, and providing access to targeted market sectors.

Expansion of our distribution partners in North America has grown 46% and in the UK by 117% which reflects the effectiveness of this model in established markets. Steady gains in Germany and Europe West demonstrate continued consolidation in these established end user markets. In emerging regions, the sharp rise in distributor numbers across the Nordics (1 to 6) and Asia North (3 to 7) highlights our success in expanding into new, high-potential markets through focused channel development.

At the same time, our PAPR portfolio continues to stand out for its innovation, offering a differentiated value proposition in a market that increasingly demands performance, comfort, and reliability. We saw strong early traction for our latest product, the CleanSpace WORK—launched in April 2024 in Australia and Europe, and in the USA in February 2025—highlighting both the relevance of our technology and the strength of our commercial execution.

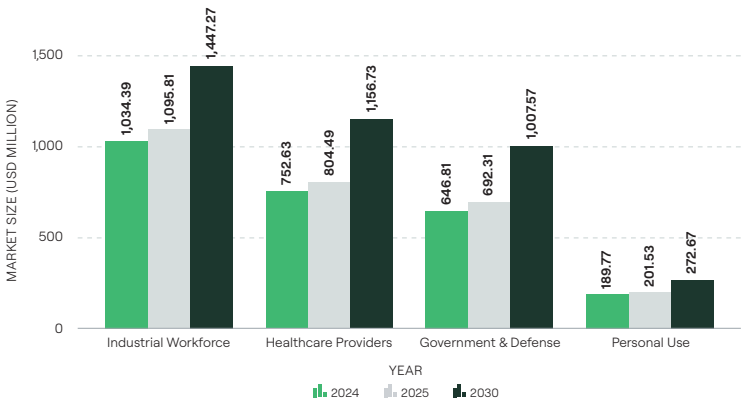
We are encouraged by our revenue momentum and confident that our continued emphasis on customer-led product development and execution positions us strongly for market share gains in large and growing industrial markets.

According to 360iResearch (2025), the Global Powered Air-Purifying Respirators Market was valued at approximately USD 2.62 billion in 2024 and is projected to grow to USD 3.88 billion by fiscal year 2030, reflecting a compound annual growth rate (CAGR) of 6.75% (see Figure 1). Demand is being driven by rising awareness of workplace safety, a growing need to protect workers, and evolving workplace safety regulation. With strong uptake in industrial sectors, CleanSpace is well positioned to grow in line with global trends.

We will drive sustainable revenue growth through our strong foundations and by optimising our lean, agile organisation to:

- Focus on industrial sectors
- Focus on priority markets
- Expand the portfolio
- Strengthen commercial impact
- Develop our people and culture

Figure 1: Global PAPR Market Forecast (2024 - 2030)



Source: Company Websites, Company Publications, Company Annual Reports, Company Press Releases, Expert Interviews, Secondary Research, and 360iResearch Analysis (2025).
Report: Powered Air-Purifying Respirators Market. Publication date April 2025.



In FY25, we delivered gross margins of 75% and generated operating profit in each of our regions.

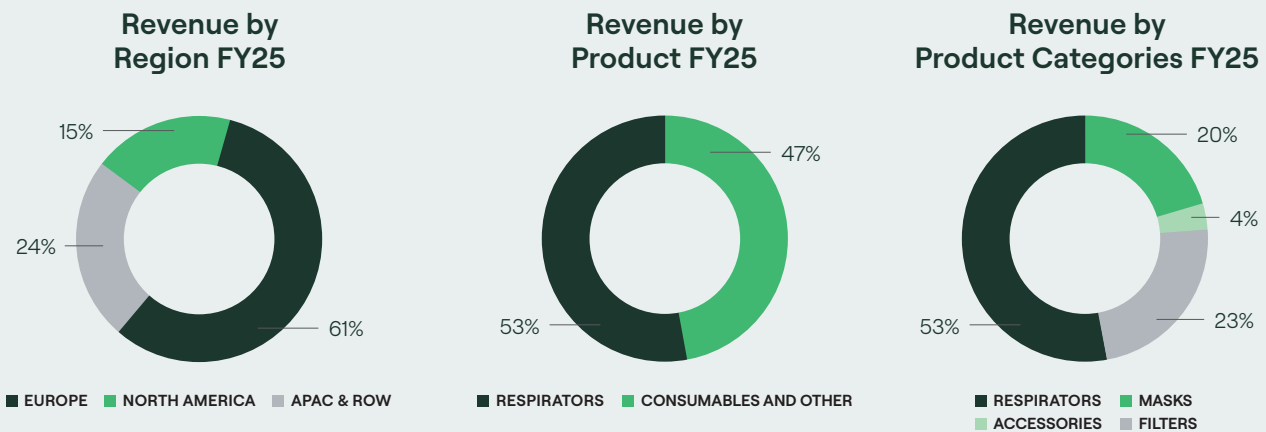


Figure 2: Revenue by Region, Product and Product Categories

Financial Highlights

In FY25, CleanSpace delivered strong financial results, underpinned by sustained revenue growth, disciplined cost control, and continued operational improvement. The addition of new sales staff across key regions and targeted marketing efforts, including trade shows and end user engagement campaigns, helped build brand awareness and increase demand, contributing to our broader commercial success.

Company revenue reached **\$19.8 million**, a 26% increase versus the prior corresponding period (PCP), marking our third consecutive year of strong top-line growth. This momentum reflects continued demand for our differentiated portfolio and effective execution across global regions.

Regional performance highlighted ongoing strength in our core markets and promising growth in emerging ones:

- **Europe**, our most established market, delivered **18% revenue growth**, demonstrating the ongoing demand for our solutions and the strength of our distributor relationships.
- **APAC and Rest of World**, representing emerging growth opportunities, recorded **36% revenue growth**, supported by increasing brand awareness and early traction in key industrial sectors.
- **North America** achieved **45% revenue growth**, driven by the successful rollout of our industrial market strategy and the expansion of our U.S. sales presence.



Diseases like silicosis are on the rise. Protection must evolve, and we're leading that evolution.



**positive
cash flow
in
H2FY25**

Consumables sales in FY25 were \$9.3 million and represented 47% of total sales (see *Figure 2*).

Consumables have continued to grow steadily over time and now represent a significant and expanding portion of the Company's revenue mix. These products—such as filters, masks and accessories—carry higher margins than the core respiratory units and contribute to improved profitability. Importantly, consumables represent a repeatable and recurring revenue stream, closely aligned with the installed base and ongoing customer usage. As adoption of CleanSpace units increases across global markets, the growth in consumables provides a strong foundation for long-term, high-quality earnings.

In 2025, we achieved a **gross margin (GM) of 75%**, an increase of **3%** over the prior year. This margin was driven by disciplined cost management initiatives,



reflecting efficiencies and cost savings in production and stock control. **Operating expenses** remained flat year-on-year, reflecting our continuing efforts to ensure operational efficiencies on an ongoing basis.

These efficiencies translated into a significant improvement in earnings. Notably, the Company was **EBITDA positive in the second half**, marking a key milestone in our path to sustained profitability. The **EBITDA loss** for FY25 was **\$0.4 million**, a substantial improvement from a **\$3.9 million** loss in the PCP.

The Company delivered a **strong H2FY25 result of positive \$2.2 million cash flow** which was driven by the excellent sales and GM result, strong operational controls and the R&D tax refund. Our **cash position strengthened to \$10.5 million**, up from \$8.3 million at 31 December 2024 and \$9.8 million at 30 June 2024, further reinforcing our financial resilience and ability to invest in future growth.



Airsensit® Technology

- Patented, breath-responsive technology that delivers air on demand for maximum comfort and efficiency
- Proven legacy of innovation underpinning CleanSpace's advanced respiratory protection solutions
- Trusted performance in diverse industrial environments, reducing wearer fatigue during those tough jobs.

Real Innovation, Delivering Real-World Results

At CleanSpace, innovation is at the core of everything we do. With a legacy rooted in our patented, breath-responsive AirSensit® technology, we are continually developing new applications that expand the reach of our respiratory solutions and unlock new growth opportunities. Our mission remains clear: to create the lightest, most comfortable, and effective respiratory protection for workers facing hazardous environments—and we take that responsibility seriously.

We remain committed to strong R&D investment to drive innovation. In FY25, around 10% of revenue was dedicated to R&D, a level that compares favourably with many Australian companies of similar size. This investment ensures our product pipeline continues to meet the evolving needs of industrial workers. In FY25, we received over **\$0.9 million** through the Australian Government's R&D Tax Incentive—consistent with prior years—which supports the acceleration of our product pipeline and enables strategic planning of R&D resources.

A standout innovation in FY25 was the launch of the CleanSpace **WORK** in the U.S. market in February 2025. As our lightest industrial PAPR, the WORK is purpose-built for high-dust environments and was designed with simplicity and ease-of-use in mind. Delivered in a ready-to-use kit, it has been well-received by end users and safety managers alike. The efficient certification process in North America also underscored the strength of our collaboration with certifying bodies—highlighting our ability to bring products to market quickly and reliably.

We also continued to invest in **digital enhancement** through the **CleanSpace Smart App**, which provides organisations with powerful data insights to support real-time monitoring and informed safety decisions. These capabilities position us at the forefront of connected PPE solutions and enhance our value proposition to enterprise customers.

Our innovation agenda is not just about new products, it's about delivering smarter, safer, and more scalable respiratory protection for the industries who increasingly must adhere to stringent government workplace safety requirements.

Case Study

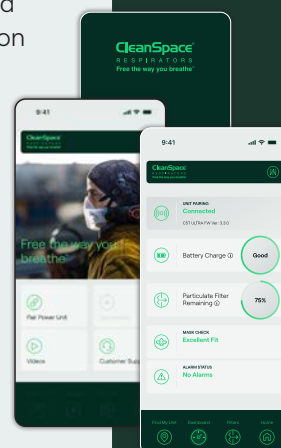
Data Insights that display protection levels for workers wearing a CleanSpace PAPR.

Challenge: A site was investigating dust levels that rose above the upper threshold limit, focusing on understanding both the frequency and duration of these events. As part of the investigation, it was critical to ensure that workers remained protected during any periods of elevated dust levels.

Process: The workers were trained on the appropriate use of CleanSpace CST ULTRA PAPRs. The respirators were paired so that the supervisor could observe the real-time performance of the respirators.

Solution: In addition to real-time monitoring, the site received an Insights report. This provided usage dates and times for each respirator in use.

Result: The site was able to review the data and confirm that the workers were protected during periods of exceedance.





Academic Partnerships Strengthening Technical Expertise

Engineering and technical expertise are central to our Company's DNA. In FY25, we partnered with leading universities to independently test and validate the performance of our equipment.

We engaged researchers at the University of Melbourne, Central Queensland University and Victoria University in three independent studies, conducted under ethics-approved protocols, which evaluated our respirators in both simulated environments and real-world workplaces. The University of Melbourne recently completed the first of these studies, and the findings are now available to industry stakeholders seeking independent, technical data on the performance of CleanSpace PAPRs.

Collaborating with the academic community has provided independent and objective corroboration of the outstanding protection levels that CleanSpace respirators provide.



Independent Report: University of Melbourne

The Department of Mechanical Engineering at the University of Melbourne has released their technical report titled "Quantitative Total Inward Leakage (TIL) Test for CleanSpace PAPR".

It has highlighted the **functionality and efficacy of our PAPRs** in exposure reduction for industries such as mining and manufacturing. Studies such as these will advance the understanding of how our respirators perform in real-life conditions.





We're not just building brand awareness—we're building confidence where it counts: on the faces of the people who use our products.



Customer-Centric Marketing That Builds Trust

In FY25, our marketing efforts were focused on building brand awareness and highlighting the innovation that sets CleanSpace apart (see *Figure 3*). We offer the lightest PAPR on the market—free from belts and hoses—powered by our unique Airsensit® technology. Our ergonomic design enhances comfort and compliance, helping workers stay protected and productive in demanding environments.

Our marketing strategy supports three key objectives: enabling our distributors; generating demand among end users; and strengthening relationships with industry stakeholders. By focusing on the real needs of our customer segments—from welding and mining to fire investigation and construction—we ensure our messaging is grounded in the workplace and resonates with those who rely on our products every day.

We've embraced the power of digital marketing to engage both end users and distributors in a cost-effective, scalable way. Through webinars, targeted email campaigns, social media, and industry sponsorships, we're driving qualified demand and building long-term loyalty. Our content is practical, authentic, and user-led—featuring real workers in real environments, solving real problems.





Our digital platforms are central to how we educate, support, and convert customers. We’ve invested in easy-to-navigate tools, how-to videos, product photography, and downloadable brochures to help users and partners communicate the value of CleanSpace confidently and consistently.

In FY25, we also expanded our physical presence, participating in 12 major global trade shows and a range of specialty events, reaching more than **500,000 workers and professionals**. These forums not only increased our visibility but also provided valuable insights and deepened our relationships with key stakeholders.

We continue to build a strong network of advocates—including occupational hygienists, safety leaders, and technical partners—who help validate and recommend CleanSpace in the field. Their expertise and endorsement play a critical role in influencing purchasing decisions and reinforcing our reputation as the respirator of choice in high-risk sectors.



Website Highlights

 **92K+**
Website Users

 **960K+**
User Engagements

 **78K**
Homepage Views

 **45%**
Growth in Website Visits

Linkedin Highlights

 **920K+**
Total Impressions

 **13K+**
Clicks

 **5K+**
Reactions

 **10%**
Engagement Rate

Figure 3: Brand and Messaging Highlights



We're building a more agile, resilient business—one that delivers consistently and adapts quickly to what our customers need.

Delivering with Discipline, Agility and Customer Focus

In FY25, we intensified our commitment to operational excellence by embedding continuous improvement across supply chain, manufacturing, and customer service functions. Enhanced internal collaboration, supported by regular review cycles, has been instrumental in driving greater efficiency and alignment across teams (see *Figure 4*).

This disciplined approach has enabled effective cost management, margin improvement, and consistently high delivery performance and quality standards. Our reliable order fulfillment has strengthened customer trust and bolstered our reputation for dependable service.

We have maintained agility in responding to evolving customer needs, consistently delivering market-leading fulfilment and service levels that outperform competitors. CleanSpace fulfills customer orders within 7-10 days of receiving the purchase order, anywhere in the world. This exceptional service remains a key differentiator and a critical driver of customer loyalty.

Our customers are our greatest asset, and we remain dedicated to providing the high-quality service they expect and deserve.

	FY24	FY25	Change
Revenue	AUD \$15.7M	AUD \$19.8M	+26%
Inventory	AUD \$2.9M	AUD \$2.3M	-21%
Freight	AUD \$0.6M	AUD \$0.5M	-24%

Figure 4: FY25 Improved Efficiencies



Empowered Teams, Stronger Culture

Our people and culture are fundamental to our strategy. In FY25, we focused on building a workplace environment that empowers both individual and team performance.

We invested in recruiting talented professionals with many years of industry experience across key markets, including Australia, the US, and the UK. Alongside this, we implemented targeted training and engagement initiatives to strengthen our culture of collaboration, accountability, and excellence.

To develop current and future talent, we launched an engineering internship program, introduced an employee pulse survey, and adopted the 6S methodology—a systematic approach to creating a safe, organised, and efficient workplace.

As we transition from a technology-driven company to a customer-centric organisation, we continue to build a high-calibre team supported by policies and processes designed to fuel sustainable growth and align with the needs of both our employees and customers.



We set high standards
and live by our values.

Integrity – we do the right thing even when nobody is watching

Accountability – we do what we say we will do

Focus – we do a few things really well and are specialists in our chosen fields

Excellence – we have an unwavering commitment to achieving the best results

Teamwork – we achieve together through cooperation and communication





The world is waking up to the risks. We're ready to meet the moment—with purpose, performance, and people.

Looking Forward with Purpose

As we close out FY25, **CleanSpace is firmly on a dynamic growth trajectory**, positioning itself as a rising industrial PAPR leader. Over the past year, we accelerated our momentum by extending our distribution reach, expanding our commercial teams, and delivering exceptional service to end users.

Industrial markets offer substantial opportunity—especially for an innovative brand like CleanSpace. With heightened awareness around respiratory protection, our visibility and influence across core sectors have grown meaningfully.

Entering FY26, we do so with clarity and confidence. Our strategy is sharp, our innovation pipeline robust, and our team equipped and committed. We will focus on key sectors—mining, oil and gas, construction, welding—and double down on efforts to generate demand among end users. We will invest further in sales and R&D to broaden market coverage and advance new portfolio initiatives. At the same time, we will deepen relationships with distribution partners and elevate our brand presence through marketing activities.

We remain dedicated to innovation, partnership, brand strength, creating value for our shareholders and, above all, staying close to the workers who depend on us every day.

To our shareholders, team, customers, and partners: thank you for your ongoing support and for being a crucial part of this journey.

Graham McLean

Graham McLean
Chairman

Gabrielle O'Carroll

Gabrielle O'Carroll
CEO



CleanSpace[®]
RESPIRATORS
Free the way you breathe[™]

Financial Report

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At CleanSpace,
we free the way
you breathe.



Directors' Report

For the year ended 30 June 2025

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or '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 year ended 30 June 2025.

Directors

The following persons were directors or officers of CleanSpace Holdings Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Director	Position
Graham McLean*	Non-Executive Director and Chair (previously Chief Executive Officer)
Lisa Hennessy	Non-Executive Director
Paul Cassano	Non-Executive Director
Dan Kao	Executive Director and Director of Innovation and Operations
Bruce Rathie	Non-Executive Director and Chair (Retired 11 November 2024)

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

Mr Graham McLean

Non-Executive Director and Chair

B.Sc. (Hons), CPA, FCMA

Appointed: February 2022 as a non-executive director, 10 January 2023 as Interim Chief Executive Officer (CEO), 22 March 2023 as CEO, appointed chair 11 November 2024 and resigned as CEO 31 December 2024; age 61

Interest in shares: 512,758

Interest in restricted stock units: 37,500

Interest in performance rights: 525,000

Mr McLean is a very experienced senior executive, having worked with NYSE-listed Stryker for 16-years, and brings significant operational and healthcare experience. Stryker is a global company offering a range of products and services, including healthcare PPE, sold via distributors and direct sales. At Stryker, Mr McLean held several senior positions, including President Japan, President Australia/New Zealand and President Asia Pacific, based in Singapore and Hong Kong. During this time, Mr McLean was responsible for transforming Asia Pacific, including restructuring their China distribution to accelerate growth of the business, resulting in Asia Pacific becoming a fast growing, multi-billion-dollar sales region.

Mr McLean is a Non-Executive Director and Chair of Universal Biosensors, Inc. (ASX:UBI), Non-Executive Director of Fisher & Paykel Healthcare Ltd, and a

board member/Chair of Suicide Prevention Australia. He holds a Bachelor of Science (Geography) from Durham University, is a CPA, a Fellow of The Chartered Institute of Management Accountants and a graduate of the Australian Institute of Company Directors.

Ms Lisa Hennessy

Independent Non-Executive Director

MBA, B.Sc (Hons)

Appointed: December 2021; age 58

Interest in shares: 100,000

Interest in options: nil

Ms Hennessy is an American born Harvard Business School graduate and a highly experienced executive and company director with over 30 years of experience worldwide. Lisa has built an impressive career in Australia including her role as an angel investor and has extensive non-executive director experience across listed and private organisations.

Ms Hennessy is currently a Non-Executive Director of Adore Beauty Group Ltd (ASX:ABY) and sits on the board of Aikenhead Centre for Medical Discovery (ACMD). She was previously on the board of the Harvard Club of Victoria, Nitro Software Limited (ASX:NTO), Murray River Organics (ASX:MRG), Walter and Eliza Hall Institute of Medical Research Commercialisation Committee, Planet Innovation, FirstStep Investments and Arts Centre Melbourne

Directors' Report

For the year ended 30 June 2025

Directors (cont.)

Foundation. Prior to this, Lisa spent over a decade in strategy and M&A roles in the US, including Director of Strategy and M&A for Del Monte Foods, Director of M&A at GE Capital, and was also a Consultant at Bain & Company.

Ms Hennessy holds a Bachelor of Science (Electrical Engineering) from Purdue University, an MBA from Harvard Business School and is a graduate and member of the Australian Institute of Company Directors.

Mr Paul Cassano

Independent Non-Executive Director

B.Eng (Mining), MBA (Exec)

Appointed: September 2023; age 62

Interest in shares: 40,000

Interest in options: nil

Mr Cassano has over 30 years resources industry experience in senior executive and operations management roles with companies including BHP, Thiess and Downer where he was most recently CEO Mining, successfully leading high performance teams to superior business outcomes and embedding a positive culture.

Mr Cassano holds a Bachelor of Engineering in Mining from the University of Sydney and a Master of Business Administration (Executive) from the University of Queensland. He is a Fellow of the Australian Institute of Mining and Metallurgy and a member of the Australian Institute of Company Directors.

Mr Cassano brings both technical and leadership experience and has global and multinational company experience.

Mr Dan Kao

Executive Director and Director of Innovation and Operations

B.Mech. Eng (Hons) & M. Biomedical Eng.

Appointed: August 2011; age 47

Interest in shares: 2,620,412

Interest in options: 68,418

Mr Kao, a former senior designer for ResMed Inc. (Australia) (ASX:RMD), founded the business of CleanSpace in 2009 and has been a director of CleanSpace since April 2011. Mr Kao worked in the

industrial and healthcare setting for over 20 years, and has extensive experience in manufacturing, supply chain optimisation, quality management systems and in securing patents for innovative technologies.

Mr Bruce Rathie

Independent Non-Executive Chairman (Retired 11 November 2024)

B.Comm, LLB, MBA, FIML, FAICD, FGIA, Grad Dip CSP, SA Fin

Appointed: October 2021; age 69

Interest in shares (on retirement): 100,000

Interest in options (on retirement): 600,000

Mr Rathie is an experienced Company Director having completed successful prior careers in law and investment banking. He practised as a partner in a large legal firm and acted as Senior Corporate Counsel to Bell Resources Limited in the early to mid-1980s. He studied for his MBA in Geneva and embarked on his investment banking career on his return to Sydney.

Mr Rathie was Head of the Industrial Franchise Group at Salomon Smith Barney in the late 1990s and led Salomon's roles in the Federal Government's privatisations of Qantas, Commonwealth Bank and Telstra. He has over 20 years' experience as a professional non-executive company director and is currently Chair of The Market Limited (ASX:MKT) and Non-Executive Director of Cettire Limited (ASX:CTT) and PolyNovo Limited (ASX:PNV). In the medical device space, Mr Rathie was previously Chairman of Anteo Diagnostics Limited and a Director of Compumedics Limited and USCOM Limited.

Ms Elissa Hansen

Company Secretary

Ms Hansen is Chartered Secretary with over 20 years' experience as a Company Secretary. Ms Hansen has acted as the Company Secretary for a range of ASX listed companies. She is a Fellow of the Institute of Chartered Secretaries Australia, a Graduate Member of the Australian Institute of Company Directors and has a Bachelor of Commerce and a Graduate Diploma in Applied Corporate Governance.

Board and committee meetings

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director are shown in the following table. The Committees' charters are available on the Company's website.

	Board of Directors		Audit and Risk Committee		Remuneration and Nomination Committee	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Graham McLean	11	11	2	2	3	3
Lisa Hennessy	11	11	3	3	4	4
Dan Kao	11	11	-	-	-	-
Paul Cassano	11	11	3	3	4	4
Bruce Rathie*	4	4	1	1	1	1

*Retired 11 November 2024.

Dividends

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

Principal activities

The principal activities of the Company during the financial year were the design, manufacture and sale of respirators and related products and services. CleanSpace's respirator solutions use proven, patented technology and miniaturisation design (collectively called AirSensit®) that significantly improve personal respiratory protection against dust, biological and gas airborne hazards.

There have been no significant changes in the nature of these activities that occurred during the year.

Operating and financial review

The Company aims to deliver a new standard in personal respiratory protection in global industrial and healthcare markets. Through continual technology innovation, expertise in regulatory affairs and successful reference site adoption, CleanSpace aims to drive market awareness and penetration for frontline workers. CleanSpace's advanced solutions enable managers and their staff to evolve their respiratory programs to dramatically improve protection.

Directors' Report

For the year ended 30 June 2025

Review of operations

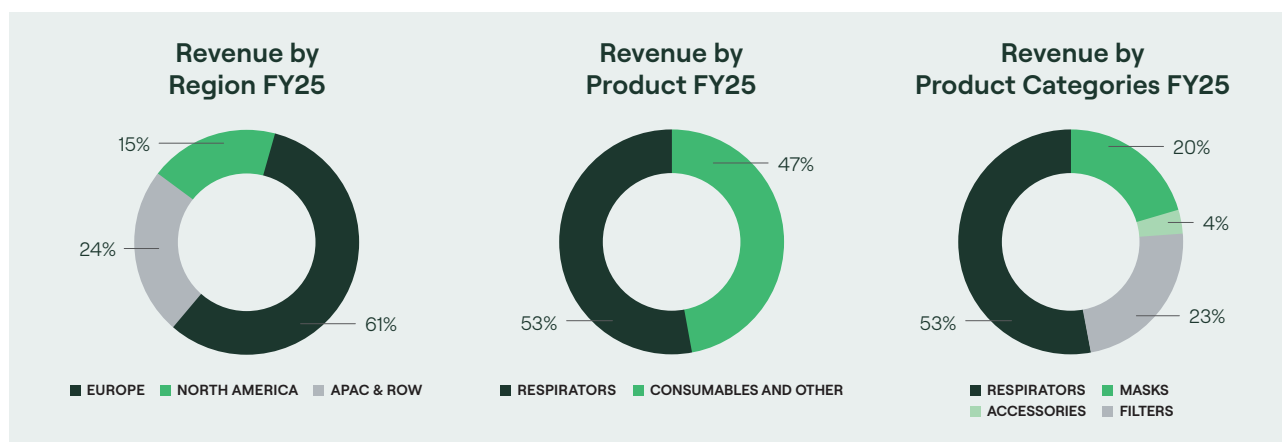
The loss for the consolidated entity after providing for income tax amounted to \$478,276 (30 June 2024: \$3,127,141).

A summary of the results for the year is below:

	Year ended 30 June 2025 \$	Year ended 30 June 2024 \$	Change % Favorable (F) Unfavorable (U)
Revenue from sales of goods and services	19,764,764	15,721,701	26F
Cost of sales	(4,989,061)	(4,362,382)	14U
Gross profit	14,775,703	11,359,319	30F
Operating expense	(14,963,685)	(14,889,464)	0.5U
Operating EBITDA	(187,982)	(3,530,145)	95F
Share based payment expenses	(413,458)	(269,667)	53U
Foreign currency gain/(loss)	206,607	(70,583)	>100F
Other income	33,874	-	>100F
EBITDA	(360,959)	(3,870,395)	91F
Depreciation, amortisation and impairment	(919,990)	(943,600)	3F
Finance Income / (Finance cost)	247,868	224,447	10F
Loss before income tax	(1,033,081)	(4,589,548)	77F
Income tax benefit	554,805	1,462,407	62U
Loss after tax	(478,276)	(3,127,141)	85F

Sales, gross profit and margin

Sales for the year were \$19.8 million, an increase of 26% over the prior year. Gross margin (GM) was 75% (compared to 72% in the prior year). The majority of revenue was derived from a strengthening industrial business. Sales in the second half of the year (2H FY25) were up 15% on sales in the first half of the year (1H FY25) and up by 26% on 2H FY24.



FY25 regional sales comprised Europe 61% (FY24: 65%), APAC & ROW 24% (FY24: 22%) and North America 15% (FY24: 13%). The regional shift reflected a strengthening industrial business and new sales growth in North America following the successful implementation of its industrial market strategy and the introduction of a new Regional Vice President and team in the United States. Respirators contributed 53% of revenue (FY24: 54%). Consumables, accessories, and other revenue (CA&S) contributed the remaining 47% (FY24 46%) of total revenue for the year.

CleanSpace achieved a GM of 75%. The GM was up on the prior year (FY24: 72%) reflecting efficiencies and cost savings in production and stock control.

Operating expenses

Operating expenses rose by 0.5% compared to the previous year, reflecting the Company's ongoing commitment to improving efficiency and maintaining a sustainably lower cost base, even while achieving a 26% increase in sales.

Operating expenses (excluding share-based payments) consist of:

	Year ended 30 June 2025 \$	Year ended 30 June 2024 \$	Change % Favorable (F) Unfavorable (U)
Employee benefits expense and staff related expenses	9,581,771	9,092,840	5U
Marketing and sales expenses	1,019,885	1,564,316	35F
Legal and professional fees	975,111	707,852	38U
Research, development and intellectual property expenses	571,301	806,626	29F
Other operating expenses (excluding depreciation, amortisation and impairment)	2,815,617	2,717,830	4U
Total	14,963,685	14,889,464	

- Employee benefits and staff related expenses increased by 5% mainly due to one off costs related to personnel exits. The Group's headcount fell by 4% from June 2024 to June 2025. Employment costs remain the Company's largest expense.
- Marketing and selling expenses were down 35% due to reduced legacy healthcare warranty costs and a realignment of some sales agent networks.

Underlying marketing investments remained consistent with the prior year and were targeted to priority markets.

- Legal and professional fees increased by 38% due to higher corporate, secretarial and tax consulting costs incurred by subsidiary entities. External consultants were engaged to manage the CRM implemented in FY24, instead of the

Directors' Report

For the year ended 30 June 2025

Review of operations (cont.)

Operating expenses (cont.)

originally budgeted headcount, maintaining a variable cost base.

- Research, development (R&D) and intellectual property (IP) expenses decreased by 29% compared to the prior year. While the Company remains committed to investing in innovation, the reduction reflects the natural phasing of development projects, with several initiatives progressing through stages that required lower levels of funding during the year.
- Other operating expenses increased by 4% to the prior year, primarily due to one-off move costs as the Company downsized its warehouse facility. This category includes general and administrative expenses such as public company

costs, occupancy costs, travel and insurance. The Company continues to focus on operating efficiencies and managing its cash position.

Depreciation, amortisation and impairment expenses

Depreciation, amortisation and impairment expenses were 3% lower than the prior year.

Finance cost net

Net interest income increased from \$224,417 in FY24 to a net income of \$247,868 in FY25. The increase in interest income is due to additional investment of excess cash into term deposits.

Income tax benefit

The income tax benefit includes the impact of the research and development tax incentive.

Financial position

The following table provides a snapshot of the important balances from the Group's statement of financial position as at 30 June 2025.

	As at 30 June 2025 \$	As at 30 June 2024 \$	Movement %
Cash (including term deposits)	10,474,291	9,763,901	7
Trade and other receivables	4,357,636	3,645,053	20
Inventories	2,254,228	2,865,494	-21
Borrowings	(2,831,793)	(2,766,513)	2
Net assets	19,158,455	19,102,010	0.3

The Company's balance sheet remains strong, with cash of \$10.5 million as at 30 June 2025, up from \$9.8 million in the prior year. The increase in cash reflects the contribution of operating profits achieved across several months throughout the year, despite variability in monthly performance.

Trade and other receivables balances increased in FY25, mainly due to timing of sales. Q4FY25 sales were 17% higher than Q4FY24.

Inventory levels continued to be managed downwards, responding to the sales levels and freeing up working capital. The Company continues to be well positioned to respond to potential supply constraints.

Significant changes in the state of affairs

In the opinion of the Directors, other than the matters described above and in the Chairman and CEO Letter and the FY25 Highlights on pages 2 to 12 of this Annual Report, there were no significant changes in the state of affairs of the Group during the financial year under review and to the date of this Annual Report.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2025 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.

Likely developments and expected results of operations

Comments on expected results of the operations of the Group are provided in the Chairman and CEO Letter, FY25 Highlights on pages 2 to 12 of this Annual Report. The current operating environment continues to make accurate forecasting challenging. Further information on likely developments in the operations of the Group and the expected results of operations has not been included in the Annual Report because the directors believe it would be likely to result in unreasonable prejudice to the Group.

Risk management

The Board takes a proactive and structured approach to risk management, recognising that effective oversight is critical to the Group's long-term performance and sustainability. The Board is supported by the Audit and Risk Management Committee, which plays a key role in monitoring the Group's overall risk profile and ensuring appropriate systems and controls are in place. Given the nature of the Group's operations, it is exposed to a range of strategic, operational, financial, legal, and external risks. These are regularly assessed for potential impact, with mitigation strategies implemented in line with the Group's commitment to strong corporate governance and responsible management. A summary of key risks that may affect the Group's future performance is outlined below. This list is not exhaustive, and shareholders should be aware that other, unforeseen risks may also arise.

a) Business Continuity

CleanSpace is committed to ensuring uninterrupted operations and the reliable delivery of products to its customers. To this end, the Group adopts a proactive and structured approach to identifying, managing, and mitigating risks across key operational areas—including supply chain and logistics, production processes, and equipment maintenance. Targeted initiatives are being implemented in each of these areas to enhance resilience and operational agility. The Board is confident that these measures will strengthen the Company's ability to respond effectively to external disruptions and maintain continuity of service.

b) Executing Growth Strategies

CleanSpace dedicates substantial time and resources to the development, monitoring, and refinement of its business strategy. The Company's ability to successfully execute its strategic initiatives is fundamental to driving sustainable growth in sales and profitability. Recognising the external risks that can accompany strategic execution, the Board takes a disciplined and comprehensive approach to planning and oversight. This includes rigorous evaluation of market dynamics and regular strategic reviews. The Board is confident that this structured and responsive approach positions CleanSpace for long-term success in global markets.

c) Market Risks

CleanSpace operates across multiple countries, each with distinct market dynamics influenced by a range of local economic, regulatory, and competitive factors. Furthermore, The Company serves a broad array of industrial sectors—including mining, manufacturing, and infrastructure—each with its own operational cycles, procurement behaviours, and risk exposures. These varying conditions can affect demand patterns and growth trajectories across regions and segments.

Broader macroeconomic conditions—including inflationary trends, foreign exchange volatility, and the imposition of trade tariffs—can also influence market performance and customer purchasing behaviour.

CleanSpace actively monitors these external influences and maintains the flexibility to adapt its strategies and priorities to evolving conditions. The Board believes this responsive and informed approach positions the Company to manage market risk effectively while pursuing growth in targeted industrial sectors.

d) Talent Management Risks

The performance and long-term success of CleanSpace are closely linked to its ability to attract, retain, and develop high-calibre talent across all levels of the organisation. This includes senior executives, technical experts, and specialist personnel whose skills are critical to the execution of the Company's strategy and operational excellence.

Directors' Report

For the year ended 30 June 2025

Risk management (cont.)

Any loss of talent or gaps in capability may have an adverse impact on the Group's operational and financial performance. To address these risks, the Group has implemented a structured talent management framework, focused on employee engagement, professional development, and succession planning. In addition, the safety and wellbeing of employees remain a core priority, supported by a work health and safety plan aimed at maintaining a safe working environment across all operations. The Board actively monitors talent and safety-related risks to ensure that the Group maintains the capacity and resilience needed to support its growth ambitions.

e) Product Liability and Intellectual Property Protection

CleanSpace recognises that product performance and reliability are critical to protecting the safety of end users and maintaining the Company's reputation in global markets. Any defect in product design, manufacturing, or performance could pose a risk to customers and their workforce, and may result in warranty claims, product liability, or regulatory action including product recalls or withdrawals. To mitigate these risks, the Group operates a robust and compliant Quality Management System (QMS), which governs all aspects of product design, manufacturing, testing, and release. In addition, the Group maintains comprehensive product liability insurance coverage as a further safeguard.

The Company also recognises the strategic importance of its intellectual property portfolio and takes active measures to protect proprietary technologies and designs in key markets. The Board closely oversees both product integrity and IP protection to ensure that risk exposure is minimised and that customer confidence remains strong.

f) Legal, Financial and IT Risks

The Company is exposed to a range of legal and compliance risks, including contractual obligations, regulatory changes, and potential disputes in its international operations. To address these challenges, the Group has implemented strong financial controls, regular internal and external audits, and rigorous governance procedures designed to ensure transparency, accuracy, and accountability.

In the area of information technology, cybersecurity remains a key risk. Like all businesses, CleanSpace is exposed to potential threats that could impact the integrity and availability of its business systems and the security of the data they contain. The Company relies on robust IT infrastructure to support daily operations. To mitigate these risks, the Group has established comprehensive IT security protocols and works with experienced third-party providers to maintain, monitor, and regularly test its systems for resilience against cyber threats.

Environmental regulation

The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory. CleanSpace is monitoring emerging reporting requirements in the environmental regulatory area, for example Climate Change reporting, and will introduce compliance measures to ensure CleanSpace's obligations in this area are fulfilled.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

Key management personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors. The Board has determined the KMP of the Group are the individuals whose details are set out below.

Name	Position	Term
Non-Executive Directors		
Graham McLean	Non-Executive Director and Chair (previously Chief Executive Officer)	Full financial year
Lisa Hennessy	Non-Executive Director	Full financial year
Paul Cassano	Non-Executive Director	Full financial year
Bruce Rathie	Non-Executive Director and Chair	To 11 November 2024
Executives		
Gabrielle O'Carroll	Chief Executive Officer	From 1 January 2025
Dan Kao	Executive Director and Director of Innovation and Operations	Full financial year
Bree Greeff	Chief Financial Officer	Full financial year

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation; and
- transparency.

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated

entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Nomination and Remuneration Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design;
- focusing on sustained growth in shareholder wealth, consisting of growth in share price, and delivering increasing return on assets as well as focusing the executives on key non-financial drivers of value; and
- attracting and retaining high calibre executives.

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience;
- reflecting competitive reward for contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Directors' Report

For the year ended 30 June 2025

Remuneration report (audited) (cont.)

Principles used to determine the nature and amount of remuneration (cont.)

Non-executive directors' remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-Executive directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting.

The Group has entered into an appointment letter with each of its Non-Executive directors. The annual fees (including superannuation) awarded to Non-Executive Directors are as follows:

Base Fee	\$
Chair	150,734
Non-Executive Director	77,192

The annual fees awarded to Non-Executive Directors have increased by 0.5% in FY25 due to the increase in the Super Guarantee rate from 11.0% to 11.5%. The Company's policy is to absorb the increase in Super Guarantee and maintain current salaries/fees payable.

The following annual committee fees are payable to the Audit Committee and the Remuneration and Nomination Committee:

Committee Fees	Chairman Fee \$	Member Fee \$
Audit and Risk Management Committee	15,000	6,468
Remuneration and Nomination Committee	15,000	6,468

Executive remuneration framework

The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits (fixed remuneration);
- short-term performance incentives;
- share-based payments; and
- other remuneration such as superannuation, annual leave and long service leave.

The combination of these comprises the executive's total remuneration.

Fixed remuneration

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee based on individual performance, the overall performance of the consolidated entity and comparable market remunerations.

Performance-based (variable) remuneration

Performance based remuneration for key management personnel includes:

- bonuses to reward individuals following an outstanding business contribution having regard to clearly specified performance targets; and
- equity based remuneration, reflecting the Groups medium and long-term performance objectives.

Short-term incentive ("STI") program

In respect to the executives, the short-term incentive ('STI') program is designed to align the targets of the Group with their performance hurdles. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's can include (but are not necessarily limited to) the following elements:

- achievement of financial targets (e.g. revenue, earnings/profitability, operating expenses, cash flows);
- development and execution of strategic priorities;
- risk management;
- capital management; and
- product development.

The STI Program for executives was last approved by the Board in July 2025. The STI is an annual incentive program, under which executives are eligible to receive an annual award if they satisfy challenging strategic, operational and individual performance targets. Executives will be entitled to a STI up to a maximum dollar amount. The maximum amount will differ between individuals.

STI payments, if granted, are paid out within three months of the end of the performance period. The Board may, in its discretion, vary the payment period.

Long-term ('LTI') incentive plan

The long-term incentives ('LTI') include share-based payments. The Company may issue rights (being an entitlement to acquire a Share on the terms and conditions determined by the Board) or options (being an entitlement to acquire a Share subject to satisfaction of applicable conditions and exercise on the terms and conditions determined by the Board), under the terms of the Equity Incentive Plan and upon such additional terms and conditions as determined by the Board.

A summary of the key terms of the Equity Incentive Plan is set out below:

Payment	No payment is required for a grant of an award, unless otherwise stated in a grant letter, however the Board may set an exercise price for the exercise of the Options;
Unvested awards	<p>Participant shareholder entitlements: a participant is not entitled to vote, receive dividends or distributions, or have any other rights of a shareholder until the underlying shares are allocated following vesting and, if applicable, exercise of the awards.</p> <p>Lapse of awards: unless the Board determines, a participant's unvested awards will lapse in whole or in part upon the first to occur of:</p> <ul style="list-style-type: none">- any condition imposed under the Rules or a grant letter not being satisfied;- a circumstance or event described in the Rules or a grant letter that has the effect of lapsing an award; and- the date specified in the grant letter, or if no date is specified, 15 years after the award was granted to the participant.
Vesting of awards	<p>Vesting:</p> <ul style="list-style-type: none">- the Board will determine the extent to which awards vest and the date that the awards will vest;- the Board may, in its absolute discretion, determine that an award vests early; and- awards will lapse, in part or in full, to the extent that the Board determines that the attaching performance or service related conditions have not been satisfied. <p>Settlement:</p> <ul style="list-style-type: none">- vested and, if applicable, exercised awards, will generally be settled with shares (but may, in certain circumstances, be cash settled or net settled); and- the Board may at any time determine that disposal restrictions will apply to a share allocated on the vesting and exercise of an award.
Dividend equivalents	The Board may, in its absolute discretion, provide a "dividend equivalent" in respect of an award held by a participant, at any time until the award is settled. A "dividend equivalent" is an amount equal to the value of a dividend or distribution payment a participant would have received, had the participant held a share, rather than an award, and may be made in cash, or by providing shares, rights or options of similar value to the dividend. No dividend equivalent will be provided on an award that has lapsed.

Directors' Report

For the year ended 30 June 2025

Remuneration report (audited) (cont.)

Long-term ('LTI') incentive plan (cont.)

Ceasing employment

Notwithstanding any other provision of the Rules, or any grant letter, the Board retains absolute discretion to determine the treatment of vested or unvested awards, or the number of unvested awards that will vest or lapse upon a participant ceasing to be an employee.

Unvested awards:

- if a participant ceases to be an employee prior to their awards vesting, by reason of termination for cause, their awards will lapse immediately.
- generally, however, if a participant ceases to be an employee prior to their awards vesting, their unvested awards will not lapse on cessation and:
 - where the attaching conditions include performance-related conditions, any service-related conditions will be deemed to have been satisfied, and those awards will be tested following the end of the vesting period, and will vest to the extent the performance related conditions have been satisfied; and
 - where the attaching conditions include service-related conditions (but not performance-related conditions) the service-related conditions will be deemed to have been satisfied and those awards will vest following the end of the vesting period.
- if a participant ceases to be an employee due to death, all unvested awards will be transferred to the participant's estate.

Vested awards:

- unless the Board determines otherwise, a participant who ceases to be an employee must exercise any vested awards that require exercise by the earlier of:
 - 90 days of ceasing to be an employee; or
 - the date the award lapses.

Awards which are not exercised within this period will lapse; and

- if a participant ceases to be an employee by reason of termination for cause, all vested awards which have not been exercised will immediately lapse.

Change of control

Board discretion: if an "Event"¹ occurs, the Board may determine, in its absolute discretion, the treatment of the participant's awards, and the timing of such treatment. This could include that the awards:

- vest in full or in part;
- remain subject to the applicable conditions and/or vesting periods;
- become subject to substitute or varied conditions and/or periods;
- convert to shares on a particular date; or
- may only be cash settled, or settled with securities other than ordinary shares.

¹An "Event" means where a takeover bid is made for the Company and the Board resolves to recommend the bid to shareholders; where a court convenes a meeting of shareholders to be held to vote on a proposed scheme of arrangement pursuant to which control of the majority of shares in the Company may change; where a notice is sent to shareholders of the Company proposing a resolution for the winding up of the Company; or where any transaction or event is proposed that, in the opinion of the Board, may result in a person becoming entitled to exercise control over the Company.

Change of control (cont.)**Default treatment on a change of control:**

- where the Board does not exercise the aforementioned discretion, on a change of control a pro rata number of participant's unvested awards will vest based on the proportion of the vesting period that has passed at the time of the change of control, and to the extent that any applicable performance-based conditions have been satisfied.
- where a participant holds a vested award at the date of the change of control event:
 - for each vested award requiring exercise, the participant will have 30 days from the date of the change of control event, or such other period as the Board determines, in which to exercise the award. Any awards not exercised within this period will lapse;
 - for each vested right not requiring exercise, the Company will have 30 days from the date of the Change of Control, or such other period as the Board determines, in which to settle the award;
 - for any share acquired on the vesting or, if applicable, exercise of awards that is subject to disposal restrictions, the Company shall have the disposal restrictions lifted within 30 days from the date of the change of control, or such other period as the Board determines.

Malus and clawback

Actions of a participant: Where, in the opinion of the Board, a participant has or may obtain an unfair benefit as a result of an act which constitutes fraud, dishonest or gross misconduct, brings the group into disrepute, is in breach of his or her obligations to the group, or constitutes a failure to perform any act reasonably and lawfully requested of the participant, the Board may exercise its discretion to take actions with respect to the participant's awards. These actions could include resetting the applicable conditions and/or vesting period, deeming unvested awards to have lapsed or been forfeited, or where shares that have been allocated to a participant have been sold, requiring the participant repay the net proceeds of sale.

Actions of any person: Where, in the opinion of the Board, a participant has or may obtain an unfair benefit as a result of an act of any person which constitutes fraud, dishonesty, breach of obligations or gross incompetence, and results or is likely to result in a detrimental impact on Company performance then if an award:

- which would not have otherwise vested, vests or may vest, the Board may exercise its discretion to ensure that no unfair benefit is obtained; or
- which may otherwise have vested, does not vest, the Board may reconsider the satisfaction of the applicable conditions and reinstate and vest any award that may have lapsed to the extent that the Board determines appropriate in the circumstances, or make a new grant of awards that reflects the terms of the original award.

Amendment of the rules

So long as the rights of a participant are not materially reduced (other than if an amendment is made primarily to comply with present or future laws applicable to the Equity Incentive Plan), the Board may at any time, in its absolute discretion, amend, supplement or revoke all of the Rules, or any or all of the rights or obligations attaching to an award. The Board must provide written notification to participants so affected.

Directors' Report

For the year ended 30 June 2025

Remuneration report (audited) (cont.)

Consolidated entity performance and link to remuneration

The Company aims to align its executive remuneration to our strategic and business objectives, which will ultimately lead to the creation of shareholder wealth. The table below shows the measures of the Groups' financial performance over the last five years:

	30 June 2025 \$	30 June 2024 \$	30 June 2023 \$	30 June 2022 \$	30 June 2021 \$
Sales revenue	19,764,764	15,721,701	12,092,638	13,358,258	49,925,566
Gross profit margin	75%	72%	70%	73%	77%
(Loss)/profit after income tax	(478,276)	(3,127,141)	(8,131,593)	(11,281,435)	11,387,122
Total comprehensive (loss)/income attributable to the owners of CleanSpace Holdings Limited	(489,698)	(3,123,136)	(8,108,990)	(11,276,077)	11,386,689
Cash flow from operations	1,110,696	(1,726,827)	(11,960,722)	(12,996,483)	13,456,596
Share price	0.52	0.25	0.20	0.74	1.54

Details of remuneration

Details of the remuneration of KMPs of the Company are set out in the following tables.

	Short-term benefits			Post-employment	Long-term benefits and incentives		Total
	Salary and fees \$	Cash bonus \$	Annual leave accrued/ (used) Net \$	Superannuation contributions \$	Long service leave accrued \$	Share-based compensation \$	\$
Non-Executive Directors							
Graham McLean¹							
2025	241,913	-	-	27,553	-	23,283	292,749
2024	353,430	-	(14,687)	38,877	1,088	143,809	522,517
Lisa Hennessy							
2025	88,485	-	-	10,176	-	-	98,661
2024	90,406	-	-	9,945	-	-	100,351
Paul Cassano							
2025	88,485	-	-	10,176	-	-	98,661
2024	73,097	-	-	8,041	-	-	81,138
Bruce Rathie							
2025	52,881	-	-	6,081	-	6,271	65,233
2024	146,789	-	-	16,147	-	28,914	191,850
Subtotal – Non-Executive Directors							
2025	471,764	-	-	53,986	-	29,554	555,304
2024	663,722	-	(14,687)	73,010	1,088	172,723	895,856
Executives							
Gabrielle O'Carroll (from 1 January 2025)							
2025	190,583	106,250	11,728	21,917	101	82,516	413,095
Dan Kao							
2025	242,122	36,318	6,402	27,844	25,051	-	337,737
2024	252,210	-	(2,769)	27,743	(25,767)	11,774	263,191
Bree Greeff							
2025	251,999	16,632	3,273	28,980	1,603	34,481	336,968
2024	221,250	-	10,789	24,338	1,644	49,316	307,337
Elizabeth Harvey (in FY24 from 1 July 2023 to 28 August 2023)							
2024	96,652	-	-	5,018	-	(53,138)	48,532
Subtotal – Executives							
2025	684,704	159,200	21,403	78,741	26,755	116,997	1,087,800
2024	570,112	-	8,020	57,099	(24,123)	7,952	619,060
Grand total							
2025	1,156,468	159,200	21,403	132,727	26,755	146,551	1,643,104
2024	1,233,834	-	(6,667)	130,109	(23,035)	180,675	1,514,916

¹ Graham McLean was a Director and CEO of the Company. He became Chair on 11 November 2024 and ceased his role as CEO on 31 December 2024. He is currently a Non-Executive Director and Chair of the Company. Graham McLean's remuneration for FY24 is for his role as Executive Director and CEO.

Directors' Report

For the year ended 30 June 2025

Remuneration report (audited) (cont.)

Share-based compensation

The amounts included in the table above in respect of share-based compensation granted under the equity-based payments component of remuneration represent the amortisation of the fair value at date of grant (or from the start of the service period if the equity grants are subject to shareholder approval) over the expected life of the instrument, taking into account the terms and conditions upon which the instruments were granted.

Issue of shares

The following shares were issued during the year ended 30 June 2025:

- **Gabrielle O'Carroll** - *Chief Executive Officer*

450,000 Restricted Stock Units (RSUs), which will vest over a three year period:

- 250,000 RSUs will vest after one year of employment; and
- The remaining 200,000 RSUs will vest in equal instalments (of 25,000) over the following 8 quarters.

500,000 Performance Rights ('PRs') with the following 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 \$1.50 or higher (on a VWAP basis); and
- Tranche 3 will vest if the CSX share price for any consecutive 60 day period is \$2.00 or higher (on a VWAP basis).

These PRs will expire 90 days after the AGM in October or November of 2028.

- **Bree Greeff** - *Chief Financial Officer*

150,000 RSUs with a vesting period of 3 years.

Service arrangements – Executives

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Components	Requirement			
	Dan Kao ¹	Gabrielle O'Carroll ²	Bree Greeff ³	Graham McLean ⁴
Fixed remuneration including superannuation	\$269,966	\$425,000	\$280,979	\$401,802
Variable cash bonus (maximum) including superannuation	\$107,986	\$236,938	\$84,294	\$179,204
Fixed versus variable (%)	71% / 29%	64% / 36%	77% / 23%	69% / 31%
Variable – other	Participation in the Company's LTI			
Contract duration	Ongoing			
Termination of employment (without cause) by the Company or by individual	3 months' notice			
Termination of employment (for cause) by the Company	Terminated immediately			

¹ Effective 1 July 2020 and subject to annual review.

² Gabrielle O'Carroll appointed CEO effective 1 January 2025 and subject to annual review.

³ Effective 1 March 2024 and subject to annual review.

⁴ Graham McLean stepped down as CEO effective 31 December 2024.

KMP equity movements

Movements in equity interests held during the financial year by KMP, including their personally related parties are set out below.

	Instrument	Balance at 1 July 2024 or date of KMP commencement	Vested during FY25	FY25 Acquired	FY25 (Disposed)	Other**	Total
Non-Executive Directors							
Bruce Rathie	Ordinary Shares	100,000	-	-	-	(100,000)	-
	Unvested Options ¹	200,000	(200,000)	-	-	-	-
	Vested Options	400,000	200,000	-	-	(600,000)	-
Graham McLean²	Ordinary Shares	315,608	56,250	159,650	-	-	531,508
	Unvested Restricted Stock Units	168,750	(56,250)	-	(75,000) ³	-	37,500
	Unvested Performance Rights	525,000	-	-	-	-	525,000
Lisa Hennessy	Ordinary Shares	100,000	-	-	-	-	100,000
Paul Cassano	Ordinary Shares	-	-	40,000	-	-	40,000
Executive Directors							
Dan Kao	Ordinary Shares	2,600,446 ⁴	-	19,966	-	-	2,620,412
	Vested Options	68,418	-	-	-	-	68,418
Executives							
Gabrielle O'Carroll	Unvested Restricted Stock Units	-	-	450,000	-	-	450,000
	Unvested Performance Rights	-	-	500,000	-	-	500,000
Bree Greeff	Ordinary Shares	13,200	53,200	66,958	-	-	133,358
	Unvested Restricted Stock Units	146,800	(53,200)	150,000	-	-	243,600
	Vested Restricted Stock Units	-	53,200 ⁵	-	(53,200)	-	-

¹ Bruce Rathie retired as at 11 November 2024. Options held by Katrat Investments Pty Ltd Rathie Family A/C>.

² Graham McLean was an Executive Director until 31 December 2024. He is now a non-executive director. Securities held by Milray Enterprises Pty Ltd Graham McLean Family A/C>.

³ Forfeited on resignation as CEO.

⁴ 2,579,966 Shares held by the Director and 40,446 Shares held by the Director's spouse.

⁵ Vested RSUs were exercised and converted into ordinary shares.

** Other represents no longer being designated as a KMP, not necessarily a disposal or forfeit of holding.

Directors' Report

For the year ended 30 June 2025

Remuneration report (audited) (cont.)

Other transactions with key management personnel and their related entities

Transactions with related parties in the year ending 30 June 2025 were \$103,668 (30 June 2024: \$31,065).

There were no receivables due from or to related parties at 30 June 2025 (30 June 2024: \$0).

Voting and comments made at the Company's 2024 Annual General Meeting ('AGM')

At the most recent AGM held by the Company on 11 November 2024, 99.86% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2024. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of CleanSpace Holdings limited under option at the date of this report can be found in Note 36 to the financial statements.

Details of equity options granted to key management personnel and exercised during the year are set out in the remuneration report section of this report.

Shares issued on the exercise of options

There were no ordinary shares of CleanSpace Holdings Limited issued on the exercise of options during the year ended 30 June 2025 and up to the date of this report.

Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are listed below:

	2025 \$	Consolidated 2024 \$
Tax compliance	37,150	35,450

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The directors are of the opinion that the services as disclosed above do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

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.

Auditor

PKF(NS) Audit & Assurance Limited Partnership continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors,

Graham McLean

Graham McLean
Chairman

26 August 2025

Auditor's Independence Declaration

For the year ended 30 June 2025



PKF(NS) Audit & Assurance Limited Partnership
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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 year ended 30 June 2025 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

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

26 AUGUST 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.

General Information

For the year ended 30 June 2025

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 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:

CleanSpace Holdings Pty Ltd

Unit 5/39 Herbert St, St Leonards NSW 2065

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 26 August 2025. The directors have the power to amend and reissue the financial statements.

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2025

	Note	Consolidated 2025 \$	2024 \$
Revenue from the sale of goods and services			
Revenue from the sale of goods and services	3	19,764,764	15,721,701
Cost of sales		(4,989,061)	(4,362,382)
Gross profit		14,775,703	11,359,319
Other income		33,874	30
Expenses			
Employee benefits and staff related expenses	4	(9,988,958)	(9,333,594)
Depreciation, amortisation and impairment expenses	4	(919,990)	(943,600)
Legal and professional fees		(981,382)	(736,765)
Marketing and sales expenses		(1,021,626)	(1,564,316)
Administration and other operating expenses	4	(2,609,010)	(2,788,413)
Research, development and intellectual property expenses		(569,560)	(806,626)
Operating loss		(1,280,949)	(4,813,965)
Finance income - interest		339,133	365,136
Finance costs	4	(91,265)	(140,719)
Loss before income tax benefit		(1,033,081)	(4,589,548)
Income tax benefit	5	554,805	1,462,407
Loss after income tax benefit for the year attributable to the owners of CleanSpace Holdings Limited		(478,276)	(3,127,141)
Other comprehensive loss			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(11,422)	4,005
Other comprehensive loss for the year, net of tax		(11,422)	4,005
Total comprehensive loss for the year attributable to the owners of CleanSpace Holdings Limited		(489,698)	(3,123,136)
		Cents	Cents
Basic earnings per share	36	(0.61)	(4.05)
Diluted earnings per share	36	(0.61)	(4.05)

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 30 June 2025

	Note	Consolidated 2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	6	2,520,153	2,747,708
Trade and other receivables	7	4,357,636	3,645,053
Inventories	8	2,254,228	2,865,494
Other assets	9	384,078	413,394
Financial assets	11	7,954,138	7,016,193
Income tax receivable	12	910,954	948,969
Total current assets		18,381,187	17,636,811
Non-current assets			
Property, plant and equipment	13	583,982	937,152
Right-of-use assets	10	1,985,640	542,523
Deferred tax	14	6,622,258	6,935,244
Total non-current assets		9,191,880	8,414,919
Total assets		27,573,067	26,051,730
Liabilities			
Current liabilities			
Trade and other payables	15	2,231,454	2,041,235
Lease liabilities	17	254,559	534,180
Income tax liability	18	101,912	27,889
Employee benefits	19	856,981	732,475
Provisions	20	161,818	388,819
Contract liabilities		10,241	39,414
Total current liabilities		3,616,965	3,764,012
Non-current liabilities			
Borrowings	16	2,831,793	2,766,513
Lease liabilities	17	1,449,173	145,607
Deferred tax liabilities	21	139,680	195,859
Employee benefits	19	77,001	77,729
Provisions	20	300,000	-
Total non-current liabilities		4,797,647	3,185,708
Total liabilities		8,414,612	6,949,720
Net assets		19,158,455	19,102,010
Equity			
Issued capital	22	33,868,102	33,550,081
Reserves	23	784,387	726,687
Accumulated losses		(15,494,034)	(15,174,758)
Total equity		19,158,455	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 year ended 30 June 2025

Consolidated	Issued capital \$	Reserves \$	Accumulated loss \$	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 year	-	-	(3,127,141)	(3,127,141)
Other comprehensive income for the year, net of tax	-	4,005	-	4,005
Total comprehensive loss for the year	-	4,005	(3,127,141)	(3,123,136)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 37)	-	269,667	-	269,667
Transfer on the forfeiture of Options	-	(185,420)	185,420	-
Transfer to issued capital	106,610	(106,610)	-	-
Balance at 30 June 2024	33,550,081	726,687	(15,174,758)	19,102,010

Consolidated	Issued capital \$	Reserves \$	Accumulated loss \$	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 year	-	-	(478,276)	(478,276)
Other comprehensive loss for the year, net of tax	-	(11,422)	-	(11,422)
Total comprehensive loss for the year	-	(11,422)	(478,276)	(489,698)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 37)	-	413,458	-	413,458
Transfer on the forfeiture of Options	-	(159,000)	159,000	-
Transfer to issued capital	185,336	(185,336)	-	-
Bonuses paid in shares	132,685	-	-	132,685
Balance at 30 June 2025	33,868,102	784,387	(15,494,034)	19,158,455

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

Statement of Cash Flows

For the year ended 30 June 2025

	Note	2025 \$	Consolidated 2024 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		19,133,226	15,448,347
Payments to suppliers and employees (inclusive of GST)		(18,946,180)	(18,298,792)
		187,046	(2,850,445)
Interest received		-	365,136
Interest and other finance costs paid		-	(140,719)
Income taxes refunded		923,650	899,201
Net cash from/(used in) operating activities	34	1,110,696	(1,726,827)
Cash flows from investing activities			
Proceeds from/(purchase of) financial assets		(937,945)	-
Payments for property, plant and equipment	13	(103,227)	(30,086)
Sale of financial assets		-	2,025,906
Interest received		262,789	-
Net cash from/(used in) investing activities		(778,383)	1,995,820
Cash flows from financing activities			
Repayment of borrowings		-	(154,044)
Repayment of leases		(533,883)	(483,051)
Interest and other finance costs paid		(25,985)	-
Net cash used in financing activities		(559,868)	(637,095)
Net decrease in cash and cash equivalents		(227,555)	(368,102)
Cash and cash equivalents at the beginning of the financial year		2,747,708	3,115,810
Cash and cash equivalents at the end of the financial year	6	2,520,153	2,747,708

In addition to the cash and cash equivalents in the Statement of Cash Flows above, the Company had term deposits of \$7,954,138 (June 2024: \$7,016,193). 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 year ended 30 June 2025

Note 1. Material accounting policy information

The accounting policies that are material to the consolidated entity are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Comparative amounts

Comparatives are consistent with prior years, unless otherwise stated. There has been some reclassification to the prior year comparatives in order to be consistent with the current year classification.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is

expected to be entitled in exchange for transferring goods or services to a customer.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved.

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when control of the goods has transferred and there is no longer any ownership or effective control over the goods.

Technology and IP development services

The Company also provides technology and intellectual property development services under fixed-price [and variable-price] contracts. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. This is determined based on milestones achieved (output method).

In the case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Company exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Tax consolidation

CleanSpace Holdings Limited and its Australian wholly owned subsidiaries elected to implement the tax consolidation legislation and form a tax consolidated group.

Each individual entity within the tax consolidated group accounts for its own income tax expense and deferred tax balances following the policy as above. Any current tax balance payable or receivable by the entity based on its own results are accounted for as

an intercompany balance to CleanSpace Holdings Limited provided they are recoverable. CleanSpace Holdings Limited records the consolidated tax payable position of the tax consolidated group.

R&D tax incentive

For the Research and Development tax incentive a credit is recognised in current tax expense to reflect the benefit of the R&D tax offset with a corresponding increase (debit) to the current tax receivable.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Net realisable value is estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant

Notes to the Financial Statements

For the year ended 30 June 2025

Note 1. Material accounting policy information (cont.)

Property, plant and equipment (cont.)

and equipment (excluding land) over their expected useful lives as follows:

Leasehold improvements	5 years
Plant and equipment	3-7 years
Motor vehicles	8 years
Computer software	3 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Provisions

A warranty provision is recognised as CleanSpace provides a two year warranty on its industrial respirators and a three year warranty on its healthcare respirators. The obligation arises as a result of the sale of the respirator and it is probable that the Group will be liable to settle a claim should one be made in the warranty period. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

The Group recognises a provision for make good obligations in relation to leased properties where it has a present obligation to restore the leased premises to their original condition at the end of the lease term. The provision is recognised when it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The estimated cost of the make good work is recognised as part of the cost of the right-of-use asset at the lease commencement date and depreciated over the lease term. The corresponding liability is recognised as a provision under non-current liabilities.

The provision is reviewed annually and adjusted for changes in estimates, such as the expected cost of restoration, timing of the obligation, and applicable discount rates. Where a change in estimate results in an adjustment to the provision, the corresponding adjustment is made to the carrying amount of the right-of-use asset.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected

dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

All changes in the liability are recognised in profit or loss.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue

Notes to the Financial Statements

For the year ended 30 June 2025

Note 2. Critical accounting judgements, estimates and assumptions (cont.)

and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and

equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses. In order to determine whether the deferred tax asset would be recoverable against future tax profits management used the budget for the next financial year and further forecasts over the following 4 financial years. Assumptions on revenue growth and expenditure for these forecasts were based on current growth and expected future inflation rates.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease will be exercised when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated

future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Lease make good provision

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

Warranty provision

In determining the level of provision required for warranties the consolidated entity has made judgements in respect of the expected performance of the products, the number of customers who will actually claim under the warranty and how often, and the costs of fulfilling the conditions of the warranty. The provision is based on estimates made from historical warranty data associated with similar products and services.

Notes to the Financial Statements

For the year ended 30 June 2025

	2025 \$	Consolidated 2024 \$
Note 3. Revenue		
Disaggregation of revenue		
The disaggregation of revenue from contracts with customers is as follows:		
<i>Major product lines</i>		
Respirators revenue	10,502,389	8,445,297
Consumables, accessories and other revenue	9,262,375	7,276,404
	19,764,764	15,721,701
<i>Timing of revenue recognition</i>		
At a point in time	19,689,764	15,721,701
Over time	75,000	-
	19,764,764	15,721,701

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 service income, freight income, and deductions for customer rebates and payment incentives.

The Company has entered into a series of agreements to develop technology and intellectual property and manufacture related products, on behalf of a customer. These contracts include revenue that is recognised on an over time basis in accordance with contract milestones (output method).

	2025 \$	Consolidated 2024 \$
Performance obligations not yet satisfied		
The following table shows unsatisfied performance obligations resulting from these agreements:		
Aggregate amount of the transaction price allocated to these agreements that are fully or partially unsatisfied at 30 June 2025	225,000	-

Management expects that approximately 73% of the transaction price allocated to unsatisfied performance obligations as of 30 June 2025 will be recognised as revenue during the next year (\$165,000). The remaining (\$60,000) is expected to be recognised in the financial year ending 30 June 2027.

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.

	2025 \$	Consolidated 2024 \$
Revenue by region		
Europe & UK	11,992,392	10,134,263
Asia Pacific and Rest of World	4,736,623	3,494,438
North America	3,035,749	2,093,000
	19,764,764	15,721,701

Notes to the Financial Statements

For the year ended 30 June 2025

	2025 \$	Consolidated 2024 \$
Note 4. Expenses		
Loss before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Leasehold improvements	190,145	190,066
Property, plant and equipment	266,251	291,584
Right-of-use assets	464,712	466,112
Total depreciation	921,108	947,762
<i>Amortisation</i>		
Software	-	9,260
Total depreciation and amortisation	921,108	957,022
<i>Impairment</i>		
Trade receivables (impairment write-back)/impairment expense	(1,118)	(13,422)
Total depreciation, amortisation and impairment expenses	919,990	943,600
<i>Finance costs</i>		
Interest on government loans	65,281	85,387
Interest and finance charges paid/payable on lease liabilities	25,984	55,332
Finance costs expensed	91,265	140,719
<i>Administration and other operating expenses</i>		
Recruitment and training expenses	230,057	209,772
Travel and motor vehicle expenses	972,860	813,817
Occupancy expenses	448,142	265,459
Administration expenses	895,928	1,006,774
IT and other expenses	268,630	422,008
Net foreign exchange (gain)/loss	(206,607)	70,583
Total administration and other operating expenses	2,609,010	2,788,413
<i>Employee Benefits (1)</i>		
Staffing costs included in the profit and loss statement consist of:		
Salaries, wages and other employee costs	7,862,387	7,669,520
Share-based payments	407,186	240,754
Superannuation	527,501	484,137
Pension and social security	852,775	608,882
Payroll tax	339,109	330,301
	9,988,958	9,333,594

(1) An additional \$793,744 (FY24: \$616,008) of employment expenses are included in costs of sales.

	2025 \$	Consolidated 2024 \$
Note 5. Income tax benefit		
<i>Income tax benefit</i>		
Current tax	(847,712)	(722,923)
Deferred Tax	256,807	(902,237)
Adjustment recognised for prior periods	36,100	162,753
Aggregate income tax benefit	(554,805)	(1,462,407)
<i>Numerical reconciliation of income tax benefit and tax at the statutory rate</i>		
Loss before income tax benefit	(1,033,081)	(4,589,548)
Tax at the statutory tax rate of 25%	(258,270)	(1,147,387)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
R&D tax incentive	(909,242)	(940,854)
Permanent differences – R&D expenses	522,553	540,721
Permanent differences – Other	63,913	(7,751)
Under/(over) provision of income tax in the prior year	(581,046)	(1,555,271)
Impact of rates of foreign subsidiaries	36,100	96,835
	(9,859)	(3,971)
Income tax benefit	(554,805)	(1,462,407)

Note 6. Cash and cash equivalents

<i>Current assets</i>		
Cash at bank	2,520,153	2,747,708

Note 7. Trade and other receivables

<i>Current assets</i>		
Trade receivables	3,524,029	2,789,995
Less: Allowance for expected credit losses	-	(1,557)
	3,524,029	2,788,438
Other receivables	189,306	160,332
Deposits	644,301	696,283
	4,357,636	3,645,053

Notes to the Financial Statements

For the year ended 30 June 2025

Note 7. Trade and other receivables (cont.)

Allowance for expected credit losses

The consolidated entity has recognised a credit of \$1,118 in profit or loss in respect of the expected credit losses for the year ended 30 June 2025.

The ageing of the trade receivables and allowance for expected credit losses provided for above are as follows:

Consolidated	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2025 %	2024 %	2025 \$	2024 \$	2025 \$	2024 \$
Not overdue	-	-	2,681,375	1,842,294	-	-
0 to 3 months overdue	-	-	701,392	858,253	-	-
Greater than 3 months	-	-	140,735	74,662	-	-
Over 6 months overdue	-	10.53	527	14,786	-	1,557
			3,524,029	2,789,995	-	1,557

	2025 \$	Consolidated 2024 \$
Note 8. Inventories		
<i>Current assets</i>		
Raw materials	2,972,046	3,503,434
Less: Provision for impairment	(821,624)	(819,533)
	2,150,422	2,683,901
Finished goods - at cost	245,266	326,350
Less: Provision for impairment	(141,460)	(144,757)
	103,806	181,593
	2,254,228	2,865,494

Note 9. Other assets

<i>Current assets</i>		
Prepayments	384,078	413,394

	2025 \$	Consolidated 2024 \$
Note 10. Right-of-use assets		
<i>Non-current assets</i>		
Land and buildings - right-of-use	2,382,764	2,382,764
Less: Accumulated amortisation	(2,304,952)	(1,840,241)
Add: Modifications	1,907,828	-
	1,985,640	542,523

Additions to the Right-of-Use Assets during the year were \$1,907,828. (2024: \$nil).

The consolidated entity leases land and buildings for its offices, warehouses and production facility in St Leonards, Sydney, Australia. The original agreements (a lease and sublease) were entered into in August 2020 and were for a term of 5 years. The original entry into these leases created a Right-of-Use Asset of \$2,382,764 and a corresponding lease liability.

In the year ended 30 June 2025, the group entered into a new lease for a further term of 5 years for a portion of these premises; this has been treated as a modification to the original lease. Consequently the carrying amount of the Right-of-Use Asset was increased by \$1,907,828 and the lease liability was also increased.

In line with the requirements of AASB 16 Leases, the Right-of-Use Asset is being amortised and the lease payments have been allocated between the lease liability and finance costs. Refer to note 17 for information on lease liabilities and cash outflow for leases and to note 4 for the depreciation expense for Right-of-Use Assets and expenses of short-term leases.

In the year ended 30 June 2021, the Group entered into leases for an new site in St Leonards, Sydney, NSW to allow for the continued expansion of the business. 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 line with the requirements of AASB 16 Leases, the Right-of-Use Asset has been depreciated during the period and the lease payments have been allocated between the Lease Liability and finance costs. Refer to Note 17 for Lease Liability balances.

Note 11. Financial assets

<i>Current assets</i>		
Financial assets held at amortised cost	7,954,138	7,016,193

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

Note 12. Income tax receivable

<i>Current assets</i>		
Income tax refund due	910,954	948,969

Notes to the Financial Statements

For the year ended 30 June 2025

	2025 \$	Consolidated 2024 \$
Note 13. Property, plant and equipment		
<i>Non-current assets</i>		
Leasehold improvements – at cost	951,284	950,329
Less: Accumulated depreciation	(782,980)	(592,835)
	168,304	357,494
Plant and equipment – at cost	2,451,284	2,349,012
Less: Accumulated depreciation	(2,044,675)	(1,784,024)
	406,609	564,988
Motor vehicles – at cost	31,094	31,094
Less: Accumulated depreciation	(22,025)	(18,138)
	9,069	12,956
Office equipment – at cost	71,385	71,385
Less: Accumulated depreciation	(71,385)	(69,671)
	-	1,714
Computer software – at cost	47,604	47,604
Less: Accumulated depreciation	(47,604)	(47,604)
	-	-
	583,982	937,152

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Leasehold improvements \$	Plant and equipment \$	Motor vehicles \$	Office equipment \$	Computer software \$	Total \$
Balance at 1 July 2023	547,560	811,047	16,843	13,266	9,260	1,397,976
Additions	-	30,086	-	-	-	30,086
Depreciation expense	(190,066)	(276,145)	(3,887)	(11,552)	(9,260)	(490,910)
Balance at 30 June 2024	357,494	564,988	12,956	1,714	-	937,152
Additions	955	102,272	-	-	-	103,227
Depreciation expense	(190,145)	(260,651)	(3,887)	(1,714)	-	(456,397)
Balance at 30 June 2025	168,304	406,609	9,069	-	-	583,982

	2025 \$	Consolidated 2024 \$
Note 14. Deferred tax		
<i>Non-current assets</i>		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Tax losses	5,860,856	6,094,100
Employee benefit provisions	220,248	188,963
Property leased	(70,477)	34,316
Provision for warranties	118,015	107,058
Accrued expenses	263,098	266,120
Other	(10,252)	3,614
Provision for inventory	240,770	241,073
Deferred tax asset	6,622,258	6,935,244

Note 15. Trade and other payables

<i>Current liabilities</i>		
Trade payables	712,121	618,547
Other payables	1,519,333	1,422,688
	2,231,454	2,041,235

Refer to note 25 for further information on financial instruments.

Notes to the Financial Statements

For the year ended 30 June 2025

	2025 \$	Consolidated 2024 \$
Note 16. Borrowings		
<i>Non-current liabilities</i>		
Loan from NSW Health Administration Corporation	2,831,793	2,766,513

Refer to note 25 for further information on financial instruments.

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 applicable interest rate for the loan is calculated by using the annual Consumer Price Index (CPI).

The Company is not required to make any repayments of the loan until the project has achieved commercial success. In the year ended 30 June 2025, the loan has been classified as non-current as the project is not expected to achieve commercial success during the 2026 financial year.

Note 17. Lease liabilities

<i>Current liabilities</i>		
Lease liability	254,559	534,180
<i>Non-current liabilities</i>		
Lease liability	1,449,173	145,607
	1,703,732	679,787

Refer to note 10 for information on CleanSpace's leasing activities; to note 4 for interest expenses on lease liabilities; and to note 25 for information on financial instruments including a maturity analysis of lease liabilities.

The total cash outflow for leases in 2025 was \$533,883 (2024: \$483,051).

Note 18. Income tax liability

<i>Current liabilities</i>		
Income tax liability	101,912	27,889

	2025 \$	Consolidated 2024 \$
Note 19. Employee benefits		
<i>Current liabilities</i>		
Annual leave	524,638	463,739
Long service leave	332,343	268,736
	856,981	732,475
<i>Non-current liabilities</i>		
Long service leave	77,001	77,729
	933,982	810,204

Note 20. Provisions

<i>Current liabilities</i>		
Warranties	161,818	388,819
<i>Non-current liabilities</i>		
Lease make good	300,000	-
	461,818	388,819

Warranties

The provision represents the estimated warranty claims in respect of products sold which are still under warranty at the reporting date. The provision is estimated based on historical warranty claim information, sales levels and any recent trends that may suggest future claims could differ from historical amounts.

The movement in the warranty provision during the year is set out below.

Movement in warranty provision		
Opening balance 1 July 2024	388,819	458,123
Net (provision released)/additional provision	(137,096)	170,153
Provisions used	(89,905)	(239,457)
Balance at 30 June 2025	161,818	388,819

Lease make good

The provision represents the present value of the estimated costs to make good the premises leased by the consolidated entity at the end of the respective lease terms.

Note 21. Deferred tax liabilities

<i>Non-current liabilities</i>		
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Property, plant and equipment	50,212	95,337
Prepayments	89,468	100,522
Deferred tax liability	139,680	195,859

Notes to the Financial Statements

For the year ended 30 June 2025

	2025 Shares	Consolidated 2024 Shares	2025 \$	2024 \$
Note 22. Issued Capital				
Ordinary shares – fully paid	78,266,363	77,359,742	33,868,102	33,550,081

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and the amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

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.

Share buy-back

There is no current on-market share buy-back.

	2025 No.	2025 \$	2024 No.	2024 \$
Movements in share capital				
Balance at the beginning of the year	77,359,742	33,550,081	77,054,583	33,443,471
Shares issued under the employee share plan	906,621	318,021	305,159	106,610
Balance at the end of the year	78,266,363	33,868,102	77,359,742	33,550,081

Capital management

The key objectives of the Company when managing capital are to safeguard its ability to continue as a going concern and maintain optimal benefits to stakeholders. Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents. There has been no change to capital risk management policies during the year.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

	Consolidated 2025 \$	2024 \$
Note 23. Reserves		
Foreign currency reserve	31,106	42,528
Share-based payments reserve (note 37)	753,281	684,159
	784,387	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 and previous financial year are set out below:

Consolidated	Foreign currency reserve \$	Share-based payments reserve \$	Total \$
Balance at 30 June 2023	38,523	706,522	745,045
Foreign currency translation	4,005	-	4,005
Transfer on the forfeiture of options	-	(185,420)	(185,420)
Share-based payments	-	269,667	269,667
Transfer to issued capital	-	(106,610)	(106,610)
Balance at 30 June 2024	42,528	684,159	726,687
Foreign currency translation	(11,422)	-	(11,422)
Transfer on the forfeiture of options	-	(159,000)	(159,000)
Share-based payments	-	413,458	413,458
Transfer to issued capital	-	(185,336)	(185,336)
Balance at 30 June 2025	31,106	753,281	784,387

Note 24. Dividends

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

Notes to the Financial Statements

For the year ended 30 June 2025

Note 25. Financial instruments

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity may use derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange, other price risks and ageing analysis for credit risk.

Risk management is carried out by senior executives under policies approved by the Board. These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance reports to the Board on a monthly basis.

The Company holds the following Financial instruments:

	2025 \$	Consolidated 2024 \$
Financial assets		
Cash and cash equivalents	2,520,153	2,747,708
Trade and other receivables	4,357,636	3,645,053
Other financial assets	7,954,138	7,016,193
	14,831,927	13,408,954
Financial liabilities		
Borrowings	2,831,793	2,766,513
Lease liability	1,703,732	679,787
Trade and other payables	2,231,454	2,041,235
	6,766,979	5,487,535

Market risk

Foreign currency risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the Australian Dollar functional currency of the Group.

Exposures to currency exchange rates arise from the Group's overseas sales and purchases, which are primarily denominated in United States Dollar and European Union Euro. The group does not currently hedge these exposures.

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

Consolidated	Assets		Liabilities	
	2025 \$	2024 \$	2025 \$	2024 \$
US dollars	1,210,790	591,009	(591,391)	(368,160)
Euros	2,170,629	3,270,069	(407,320)	(651,815)
Pound Sterling	460,209	267,524	(43,304)	(30,260)
Singapore dollars	-	48,964	-	(15,859)
Hong Kong dollars	-	-	-	(3,829)
	3,841,628	4,177,566	(1,042,015)	(1,069,923)

The Group had net assets denominated in foreign currencies of \$2,799,613 (2024: \$3,107,643). Based on this exposure, had the Australian dollars weakened by 5%/ strengthened by 5% (2024: weakened by 5%/ strengthened by 5%) against these foreign currencies with all other variables held constant, the Group's profit before tax for the year would have been \$139,981 higher / \$139,981 lower (2024: \$155,382 higher / \$155,382 lower) and equity would have been \$104,986 higher / \$104,986 lower (2024: \$116,536 higher / \$116,536 lower). The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 12 months each year and the spot rate at each reporting date. The actual foreign exchange gain for the year ended 30 June 2025 was \$206,607 (2024: loss of \$70,583).

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to customers. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

Trade receivables and contract assets

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Terms are established for each customer. Customers who fail to meet their credit terms are required to make purchases on a prepayment basis until creditworthiness can be re-established.

The Board receives monthly reports summarising the aged debtors. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which the customers operate.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due. The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

Notes to the Financial Statements

For the year ended 30 June 2025

Note 25. Financial instruments (cont.)

Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
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Consolidated - 2025

Non-derivatives

Non-interest bearing

Trade payables	-	712,121	-	-	-	712,121
Other payables	-	1,519,333	-	-	-	1,519,333

Interest-bearing - fixed rate

Lease liability	9.70	399,212	399,787	1,305,415	37,915	2,142,329
Borrowings	2.00	265,099	460,360	2,106,334	-	2,831,793
Total non-derivatives		2,895,765	860,147	3,411,749	37,915	7,205,576

Consolidated - 2024

Non-derivatives

Non-interest bearing

Trade payables	-	618,547	-	-	-	618,547
Other payables	-	1,422,688	-	-	-	1,422,688

Interest-bearing - fixed rate

Lease liability	6.00	559,811	146,800	-	-	706,611
Borrowings	3.42	-	805,853	1,960,660	-	2,766,513
Total non-derivatives		2,601,046	952,653	1,960,660	-	5,514,359

Fair value of financial instruments

The carrying amounts of trade and other receivables are assumed to approximate their fair value due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Note 26. Key management personnel disclosures

Directors

The following persons were directors of CleanSpace Holdings Limited during the financial year:

Graham McLean	Director
Lisa Hennessy	Director
Dan Kao	Director
Paul Cassano	Director
Bruce Rathie	Director (<i>Retired 11 November 2024</i>)

Other key management personnel

The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, during the financial year:

Gabrielle O'Carroll	Chief Executive Officer (<i>Appointed 1 January 2025</i>)
Bree Greeff	Chief Financial Officer

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	2025 \$	Consolidated 2024 \$
Short-term employee benefits and directors fees	1,315,668	1,233,834
Leave accruals (annual leave and long-service leave)	48,158	(29,702)
Post-employment benefits	132,727	130,109
Share-based payments	146,551	180,675
	1,643,104	1,514,916

No termination benefits were paid during the current or prior year.

Detailed remuneration disclosures are provided in the remuneration report within the Director's report.

Note 27. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by PKF, the auditor of the Company:

<i>Audit services – PKF</i>		
Audit or review of the financial statements	128,054	112,100
<i>Other services – PKF</i>		
Tax compliance	37,150	35,450
	165,204	147,550

Notes to the Financial Statements

For the year ended 30 June 2025

Note 28. 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 30 June 2025 were \$406,768 (30 June 2024: \$406,768).

Note 29. Commitments

The consolidated entity did not have any commitments at 30 June 2025 or 30 June 2024.

Note 30. Related party transactions

Parent entity

CleanSpace Holdings Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 32.

Key management personnel

Disclosures relating to key management personnel are set out in note 26 and the remuneration report included in the directors' report.

Transactions with related parties

The following transactions occurred with related parties during the current financial year.

	2025 \$	Consolidated 2024 \$
Payment for goods and services		
Short-term employee benefits	92,993	28,017
Long-term employee benefits	10,675	3,048

Receivables due from / payables due to related parties

There were no payables or receivables due from related parties at 30 June 2025 (30 June 2024: \$0).

Loans to/from related parties

There were no loans to or from related parties at 30 June 2025 (30 June 2024: \$0).

Terms and conditions

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

	2025 \$	Parent 2024 \$
Note 31. Parent entity information		
Set out below is the supplementary information about the parent entity:		
Statement of profit or loss and other comprehensive income		
Loss after income tax	(947,219)	(852,390)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive loss	(947,219)	(852,390)
Statement of financial position		
Total current assets	27,596,611	28,292,314
Total non-current assets	7,398,058	7,123,822
Total assets	34,994,669	35,416,136
Total current liabilities	124,796	139,235
Total non-current liabilities	20,753	26,704
Total liabilities	145,549	165,939
Net assets	34,849,120	35,250,197
Equity		
Issued capital	33,870,954	33,552,933
Reserves	753,281	684,159
Retained profits	224,885	1,013,105
Total equity	34,849,120	35,250,197

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2025 and 30 June 2024.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2025 and 30 June 2024.

Capital commitments – Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2025 and 30 June 2024.

Material accounting policy information

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Notes to the Financial Statements

For the year ended 30 June 2025

Note 32. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2025 %	2024 %
Parent Entity:			
CleanSpace Holdings Pty Ltd	Australia	100	100
Subsidiaries:			
CleanSpace IP Pty Ltd	Australia	100	100
CleanSpace Technology Pty Limited	Australia	100	100
CleanSpace Americas, Inc	USA	100	100
CleanSpace Technology Singapore Pte Ltd*	Singapore	-	100
CleanSpace NZ Ltd**	New Zealand	-	100
CleanSpace Netherlands B.V.	Netherlands	100	100

* CleanSpace Technology Singapore Pte Ltd was removed from the Singapore companies register effective 29 May 2025.

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

Note 33. Events after the reporting period

No matter or circumstance has arisen since 30 June 2025 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.

Note 34. Reconciliation of loss after income tax to net cash from/ (used in) operating activities

	2025 \$	Consolidated 2024 \$
Loss after income tax benefit for the year	(478,276)	(3,127,141)
Adjustments for:		
Depreciation, amortisation and impairment	921,109	957,022
Share based payment	413,458	269,667
Interest received on term deposits	(339,133)	-
Interest on NSW Health loan	91,265	-
Foreign currency differences	(11,422)	4,005
Change in operating assets and liabilities:		
Increase in trade and other receivables	(686,239)	(226,365)
Decrease in inventories	611,265	124,775
Decrease in income tax refund due	38,015	202,519
Decrease/(increase) in deferred tax assets	312,986	(624,093)
Decrease in prepayments	29,316	133,890
Increase in trade and other payables	190,219	853,647
Increase/(decrease) in provision for income tax	74,023	(59,775)
Decrease in deferred tax liabilities	(56,179)	(81,857)
Increase/(decrease) in employee benefits	123,778	(119,051)
Decrease in other provisions	(227,001)	(69,304)
Increase in other operating liabilities	103,512	35,234
Net cash from/(used in) operating activities	1,110,696	(1,726,827)

Note 35. Changes in liabilities arising from financing activities

Consolidated	Lease liabilities \$	Insurance premium funding loan \$	Total \$
Balance at 1 July 2023	1,162,838	154,044	1,316,882
Net cash used in financing activities	(483,051)	(154,044)	(637,095)
Balance at 30 June 2024	679,787	-	679,787
Net cash used in financing activities	(533,883)	-	(533,883)
Acquisition of leases	1,607,828	-	1,607,828
Other changes	(50,000)	-	(50,000)
Balance at 30 June 2025	1,703,732	-	1,703,732

Notes to the Financial Statements

For the year ended 30 June 2025

	2025 \$	Consolidated 2024 \$
Note 36. Earnings per share		
Loss after income tax attributable to the owners of CleanSpace Holdings Limited	(478,276)	(3,127,141)
	Cents	Cents
Basic earnings per share	(0.61)	(4.05)
Diluted earnings per share	(0.61)	(4.05)
	Number	Number
Weighted average number of shares used in calculating basic earnings per share	77,863,177	77,229,565
Weighted average number of ordinary shares used in calculating diluted earnings per share	77,863,177	77,229,565

Note 37. Share-based payments

The Board approved the terms of the Company's umbrella 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 in the year ended 30 June 2025 under this plan was \$413,458 (30 June 2024: \$269,667).

Non-Executive Director options

On 29 November 2021, 600,000 options were granted to the then Non-Executive Chair 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. These options all expired on 18 January 2025.

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 forfeited 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 forfeited following the resignation of an employee to whom options had been granted.

Set out below are summaries of options granted:

2025								
Recipient	Grant date	Expiry date	Exercise price No.	Balance at 1 July 2024 No.	Granted No.	Exercised No.	Expired/ forfeited/ other No.	Balance at 30 June 2025 No.
Executives	22/10/2021	21/10/2025	\$4.41	135,137	-	-	-	135,137
NED	29/11/2021	18/01/2025	\$2.18	600,000	-	-	(600,000)	-
				735,137	-	-	(600,000)	135,137

2024								
Recipient	Grant date	Expiry date	Exercise price No.	Balance at 1 July 2023 No.	Granted No.	Exercised No.	Expired/ forfeited/ other No.	Balance at 30 June 2024 No.
Executives	22/10/2021	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

Notes to the Financial Statements

For the year ended 30 June 2025

Note 37. Share-based payments (cont.)

Performance rights

On 13 November 2023, the Company granted 525,000 Performance Rights ('PRs') 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).

On 1 January 2025, the Company granted 500,000 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 VWAP basis)
- Tranche 2 will vest if the CSX share price for any consecutive 60 day period is \$1.50 or higher (on a VWAP basis)
- Tranche 3 will vest if the CSX share price for any consecutive 60 day period is \$2.00 or higher (on a VWAP basis).

Set out below are summaries of performance rights granted:

2025									
Recipient	Grant date	Expiry date	Exercise price No.	Fair value per right	Balance at 1 July 2024 No.	Granted No.	Exercised No.	Expired/ forfeited/ other No.	Balance at 30 June 2025 No.
Executive Director	13/11/2023	90 days post 2026 AGM	\$0.00	\$0.1737	175,000	-	-	-	175,000
Executive Director	13/11/2023	90 days post 2026 AGM	\$0.00	\$0.1283	175,000	-	-	-	175,000
Executive Director	13/11/2023	90 days post 2026 AGM	\$0.00	\$0.1011	175,000	-	-	-	175,000
Executive	01/01/2025	90 days post 2028 AGM	\$0.00	\$0.1987	-	167,000	-	-	167,000
Executive	01/01/2025	90 days post 2028 AGM	\$0.00	\$0.1471	-	167,000	-	-	167,000
Executive	01/01/2025	90 days post 2028 AGM	\$0.00	\$0.1126	-	166,000	-	-	166,000
					525,000	500,000	-	-	1,025,000

2024									
Recipient	Grant date	Expiry date	Exercise price No.	Fair value per right	Balance at 1 July 2023 No.	Granted No.	Exercised No.	Expired/ forfeited/ other No.	Balance at 30 June 2024 No.
Executive Director	13/11/2023	90 days post 2026 AGM	\$0.00	\$0.1737	-	175,000	-	-	175,000
Executive Director	13/11/2023	90 days post 2026 AGM	\$0.00	\$0.1283	-	175,000	-	-	175,000
Executive Director	13/11/2023	90 days post 2026 AGM	\$0.00	\$0.1011	-	175,000	-	-	175,000
					-	525,000	-	-	525,000

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

Restricted Stock Units

During the year ended 30 June 2025, the Company issued 1,840,000 Restricted Stock Units ('RSUs') (FY24: 1,565,000). The RSUs generally vest over a period of three or four years. The fair value was measured based upon the closing price of CleanSpace shares on the ASX on the date of issue of the RSUs. Some of the awards were issued to KMPs as detailed below.

On 1 January 2025, 450,000 RSUs were issued with a vesting period of three years. 250,000 RSUs will vest after one year of employment and the remaining 200,000 RSUs will vest in equal instalments (of 25,000) over the following 8 quarters.

On 1 February 2025, 150,000 RSUs were issued and will vest in equal instalments (of 50,000) over three years.

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

	No. 30 June 2025	WAFV \$	No. 30 June 2024	WAFV \$
Outstanding at the beginning of the financial year	2,251,893	\$0.30	994,378	\$0.32
Granted	1,840,000	\$0.43	1,565,000	\$0.30
Forfeited	(421,343)	\$0.14	(157,926)	\$0.41
Exercised	(616,283)	\$0.30	(149,559)	\$0.32
Outstanding at the end of the financial year	3,054,267	\$0.40	2,251,893	\$0.30

Expense summary

For the year ended 30 June 2025, the Group recognised \$413,458 (FY24: \$269,667) of share based-payment expense in relation to:

- Options \$6,271 (FY24: -\$16,374);
- Restricted Stock Units \$363,027 (FY24: \$254,009); and
- Performance rights \$44,160 (FY24: \$32,032).

Consolidated Entity Disclosure Statement

As at 30 June 2025

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Australian resident or foreign resident (for tax purposes)	Foreign tax jurisdiction(s) of foreign residents
CleanSpace Holdings Pty Ltd	Public Company	Australia	100	Australian	
CleanSpace IP Pty Ltd	Private Company	Australia	100	Australian	
CleanSpace Technology Pty Ltd	Private Company	Australia	100	Australian	
CleanSpace Americas, Inc	Corporation	USA	100	Foreign	USA
CleanSpace Netherlands B.V.	Private Limited Company	Netherlands	100	Foreign	Netherlands

Directors' Declaration

For the year ended 30 June 2025

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

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

26 August 2025

Independent Auditor's Report

For the year ended 30 June 2025



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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CLEANSPACE HOLDINGS LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of CleanSpace Holdings Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising material accounting policy information and other explanatory information, the consolidated entity disclosure statement, and the directors' declaration of the Group and the consolidated entity comprising the Company and the entities it controlled at the year end or from time to time during the financial year.

In our opinion, the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2025 and of its performance for the year ended on that date; and
- ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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.



Key Audit Matters (cont'd)

1. Inventory existence and valuation

Why significant

As at 30 June 2025, the carrying value of inventory was \$2,254,228 (2024: \$2,865,494), as disclosed in Note 9 of the financial report.

The Group's manufacturing planning processes consider forecast customer demand and access to materials from a range of suppliers. These factors impact on the quantity of raw material and finished goods inventory on hand and necessitate minimum inventory levels to ensure that the Group's sales objectives continue to be met.

A standard cost system is used to account for inputs to inventory. Management conducts regular analysis to determine the cost of inventory, and whether adjustment to the carrying amount is required to reflect net realisable value, if that is lower than cost.

Inventory is a significant asset of the Group, and accordingly we considered it a Key Audit Matter.

How our audit addressed the key audit matter

Our procedures included but were not limited to:

- Attending and observing year-end inventory counts performed by Management at locations of significance;
- Obtaining the third-party inventory confirmation in support of inventory held at other locations;
- Testing the accuracy of perpetual inventory records for a sample of products to check descriptions, quantities and the recording of inventory movements, including cut off around the balance date;
- Testing on a sample basis the reasonableness of raw material costs and finished good standard costs compared to actual costs of purchase and production;
- Considering the turnover cycle of inventory, assessing the allocation of purchase price and efficiency variances;
- Challenging the adequacy of provisions and adjustments made to inventory to ensure it is measured at the lower of cost and net realisable value on the basis of actual and forecast sales activity, and Management's assessment of qualitative factors; and
- Validating the data provided by management used to determine the rate of non-conformation raw material in the provision calculation.

Independent Auditor's Report

For the year ended 30 June 2025



Key Audit Matters (cont'd)

2. Revenue Recognition

Why significant

The Group's sales revenue amounted to \$19,764,764 during the year (2024: \$15,721,701). Note 1 describes the accounting policies applicable to distinct revenue streams, noting that revenue from the sale of goods, after adjusting for discounts or allowances, is recognised upon the delivery of goods to customers.

On the basis of the significance of the account and the processes used to determine the recognition point, we have considered revenue recognition as a Key Audit Matter.

How our audit addressed the key audit matter

Our procedures included but were not limited to:

- Documenting the design of the key revenue system and processes in the accounting system;
- Performing controls testing procedures over key controls to ensure the internal controls are operating effectively;
- Performing data analytics over schedule of invoices and credit notes to understand data, provide enhanced insights and identify potential exceptions and anomalies for further investigation;
- Evaluating a sample of revenue transactions and identifying contracted performance obligations, agreeing revenue amounts to purchase orders, proof of delivery, shipping terms and bank records. These procedures facilitated our assessment of the values recorded, and the timing of revenue recognition aligned to fulfilment of the Group's performance obligations, transferred at a point in time;
- Performing monthly gross margin analytics for all significant revenue streams to identify any variances outside expectation;
- Evaluating the cut-off process and its reliability to fairly account for dispatches not yet transferred to customers at the reporting date and the recognition of revenue in accordance with the Group's accounting policies;
- Reviewing the credit notes raised subsequent to balance date to ensure cut off of revenue was correctly applied; and
- Assessing the consistency of the Group's accounting policies disclosed in the financial report in respect of revenue recognition with the criteria prescribed by the applicable standard, AASB 15 *Revenue from contracts with customers*.



Key Audit Matters (cont'd)

3. Recognition and valuation of Deferred Tax Asset

Why significant

As disclosed in Note 14 of the financial report, at 30 June 2025 the Group has recorded a deferred tax asset of \$6,622,258 (2024: \$6,935,244) relating to deductible temporary differences and tax losses incurred.

As noted in Note 1 of the financial report, deferred tax assets are only recognised if the Group considers it probable that future taxable income will be generated to utilise these temporary differences and losses.

Judgement is required in forecasting future taxable income.

Based on the above, we have considered the recognition and valuation of the deferred tax asset to be a Key Audit Matter.

How our audit addressed the key audit matter

We have assessed the appropriateness of management's assumptions and estimates, including the likelihood of generating sufficient future taxable income, in particular regarding the portion relating to tax losses carried forward as disclosed in Note 15 of \$5,860,856.

Our procedures included but were not limited to:

- Considering the recognition criteria under AASB 112 Income taxes;
- Assessing the reasonableness of key assumptions with respect to the FY 2026 forecast, as well as high level forecasts over a subsequent 4 year period;
- Review of the assumptions applied in preparation of the forecast in FY26 against the actual result in July 2025 to ensure it is tracking as expected and is feasible in the circumstances;
- Review of recent financial performance and initiatives to support the level of confidence that the modelling is realistic in the FY 2026 forecast;
- Analysis of historical data relating to trends in revenue growth and cost cutting measures; and
- Assessing the appropriateness of the disclosures included in Note 15 in respect of the deferred tax balances.

Independent Auditor's Report

For the year ended 30 June 2025



Other Information

Other information is financial and non-financial information in the annual report of the Group which is provided in addition to the Financial Report and the Auditor's Report. The directors are responsible for Other Information in the annual report.

The Other Information we obtained prior to the date of this Auditor's Report was the director's report. The remaining Other Information is expected to be made available to us after the date of the Auditor's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, the auditor does not and will not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information in the Financial Report and based on the work we have performed on the Other Information that we obtained prior the date of this Auditor's Report we have nothing to report.

Directors' Responsibilities for the Financial Report

The directors of the Group are responsible for the preparation of:

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individual or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.



Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the consolidated entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and other related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the consolidated entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the consolidated entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the group financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditor's Report

For the year ended 30 June 2025



Report on the Remuneration Report

Opinion

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of CleanSpace Holdings Limited for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

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

PKF

A handwritten signature in black ink, appearing to be 'Kym Reilly'.

KYM REILLY
PARTNER

26 AUGUST 2025
SYDNEY, NSW

Additional Shareholder Information

For the year ended 30 June 2025

CleanSpace has the following securities on issue as at 1 August 2025

Type	Security	Number of Securities	Number of Security Holders
ASX Listed	Fully paid ordinary shares	78,266,363	2,038
Unlisted	Employee Restricted Stock Units	3,054,267	26
Unlisted	Options exercisable at \$4.41 and expiring 21 October 2025	135,137	2
Unlisted	Performance Rights	1,025,000	2

Voting Rights

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands. There are no other classes of equity securities with voting rights.

Distribution of Shareholders as at 1 August 2025

Fully Paid Ordinary Shares (Holdings Ranges)	Number of Holders	Number of Units	%
1 - 1,000	1,071	400,149	0.51
1,001 - 5,000	561	1,444,807	1.85
5,001 - 10,000	135	1,015,395	1.30
10,001 - 100,000	200	6,508,540	8.32
100,001 - over	78	68,897,472	88.03
Totals	2,045	78,266,363	100.00

Marketable Parcel

As at 1 August 2025, there are 852 shareholders holding less than a marketable parcel of CleanSpace shares based on the closing price of \$0.76 on 1 August 2025.

On-Market Buy-back

CleanSpace Holdings Limited is not undertaking an on-market buy-back.

Substantial Holders

The following shareholders have disclosed a substantial:

Holder Name	Number of Shares	% Voting Power
Jencay Capital Pty Limited	9,314,480	12.09
One Fund Services as trustee for CVC Emerging Companies Fund	9,257,535	12.02
Acorn Capital Limited	4,163,550	5.37

Additional Shareholder Information

For the year ended 30 June 2025

20 Largest Shareholders

No.	Name	Number of Ordinary Shares Held	% of Issued Capital
1	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	11,767,258	15.03
2	ACME CO NO 7 PTY LTD <CVC EMERGING COMP INVESTEE>	9,257,535	11.83
3	MUTUAL TRUST PTY LTD	3,788,936	4.84
4	CHATSWOOD WEALTH MANAGEMENT PTY LTD	3,227,400	4.12
5	ALEX BIRRELL <BAF A/C>	2,798,962	3.58
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,583,619	3.30
7	DAN KAO	2,530,000	3.23
8	MIN FANG	2,057,248	2.63
9	ACORN CAPITAL PRIVATE OPPORTUNITIES FUND L P	1,670,391	2.13
10	EST MR ALFRED HARRY HUGH MYERS <LUCY'S A/C>	1,449,481	1.85
11	MISS LINDA YING WANG <KAO AND WANG FAMILY A/C>	1,402,816	1.79
12	UBS NOMINEES PTY LTD	1,391,043	1.78
13	BNP PARIBAS NOMS (NZ) LTD	1,346,778	1.72
14	COLUMBUS INVESTMENT SERVICES LTD <KELLY PARTNERS #2 A/C>	1,191,542	1.52
15	MR CHING-MING LIU	994,842	1.27
16	GARRETT SMYTHE LTD	885,321	1.13
17	JENNY HSU	815,734	1.04
18	MR SUNDEEP KALRA & MR ANOOP KALRA & MRS SHIKHA MOHANTY <GANESH SUPER FUND A/C>	793,544	1.01
19	MR JOE CHING-WEI KAO	782,484	1.00
20	MS CARRIE JANE WARING	728,731	0.93
TOTALS		51,463,665	65.75

Corporate Governance Statement

For the year ended 30 June 2025

CleanSpace Holdings Limited corporate governance practices have been developed by the Board using the framework of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th ed.).

Please refer to the CleanSpace website at <https://cleanspacetechnology.com/governance> to view the Company's Corporate Governance Statement.

Corporate Directory

For the year ended 30 June 2025

Directors

Mr Graham McLean

Ms Lisa Hennessy

Mr Dan Kao

Mr Paul Cassano

Executives

Ms Gabrielle O'Carroll (CEO)

Ms Bree Greeff (CFO)

Company Secretary

Ms Elissa Hansen

Registered Office

Unit 5/39 Herbert Street

St Leonards NSW 2065

Ph: +61 2 8436 4000

Share Register

Boardroom Pty Limited

Level 8, 210 George Street

Sydney NSW 2000

GPO Box 3993

Sydney NSW 2001

Ph: +61 2 9290 9600

Ph: 1300 737 760 (within Australia)

Auditor

PKF(NS) Audit & Assurance Limited Partnership

Level 8, 1 O'Connell Street

Sydney NSW 2000

Tax Advisor

PKF Sydney Pty Limited

Level 8, 1 O'Connell Street

Sydney NSW 2000

Legal Advisors

Steinepreis Paganin

Level 6, 99 William Street

Melbourne VIC 3000

Stock Exchange Listing

CleanSpace Holdings Limited shares are listed on the Australian Securities Exchange

ASX Code: CSX



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RESPIRATORS

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