

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



Free the way
you breathe.

Interim Report

31 December 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.

Contents

For the half-year ended 31 December 2025

2	Directors' Report
8	Auditor's Independence Declaration
9	Statement of Profit or Loss and Other Comprehensive Income
10	Statement of Financial Position
11	Statement of Changes in Equity
12	Statement of Cash Flows
13	Notes to the Financial Statements
25	Directors' Declaration
26	Independent Auditor's Review Report

General information

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

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

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

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

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 26 February 2026.

Directors' Report

For the half-year ended 31 December 2025

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of CleanSpace Holdings Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2025 ('1H FY26').

Directors

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

Name	Position
Graham McLean	Non-Executive Director and Chair
Lisa Hennessy	Non-Executive Director
Paul Cassano	Non-Executive Director
Dan Kao	Executive Director and Director of Operations

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

Principal activities

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

Dividends

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

Review of operations

The profit for the consolidated entity after providing for income tax amounted to \$1,837,048 (31 December 2024: loss of \$404,234).

A summary of the results for the year is below:

	Six months ended 31 Dec 2025 \$	Six months ended 31 Dec 2024 \$	Change %
Revenue from sales of goods and services	10,070,105	9,177,420	10F
Gross profit	7,533,410	6,832,105	10F
Operating expenses	(7,878,856)	(7,280,320)	8U
Operating EBITDA	(345,446)	(448,215)	23F
Share based payment expenses	(305,533)	(137,582)	122U
Foreign currency (loss) profit	(68,006)	113,383	160U
Other gain	2,831,793	-	
EBITDA	2,112,809	(472,414)	547F
Net finance income	87,740	115,579	24U
Depreciation, amortisation and impairment	(849,661)	(462,987)	84U
Profit / (loss) before income tax	1,350,887	(819,822)	265F
Income tax benefit	486,161	415,588	17F
Profit / (loss) after tax for the period	1,837,048	(404,234)	554F

CleanSpace delivered a positive half-year result, with total revenue increasing by 10%, reflecting continued momentum in its core industrial PAPR markets and steady progress against our strategic priorities. The Company's largest and most established European markets performed particularly well, delivering growth of 26%, while the US business grew 8% amid a volatile economic and regulatory environment. Despite this backdrop, our US strategy continues to gain traction and positions the business well for future growth, with our sales pipeline continuing to grow. Performance in APAC and Rest of World (ROW) markets was more variable, influenced by tougher prior-year comparisons that included one-off new business wins. Throughout the period, management remained sharply focused on execution, investing prudently to strengthen sales and marketing capability and to accelerate R&D, ensuring we are well positioned to capture long-term growth opportunities.

The Company's revenue growth was led by Europe, where its 'go-to-market' strategy is well established and it continues to secure opportunities for market share expansion across key end-user segments. Across its major markets, CleanSpace executed its strategy of working closely with its distribution network, expanding coverage in newer markets, and partnering with end users to build brand awareness and demand for its products.

The Company continued to deliver meaningful innovation during the period. CS Work, the latest addition to the product range, continued to gain traction in the market, with sales growth of 70% during the half year. Customers are responding positively to CleanSpace's CS Work product offering, which includes the respirator, mask, and accessories in a ready-to-go kit. Separately, the Company successfully relaunched its Bluetooth-enabled SMART App and enhanced Data Insights reporting platform. At a time when regulatory conditions are getting tougher, these upgraded digital capabilities provide workers with real-time respiratory safety assurance and support organisations with actionable safety intelligence. Practical applications include improved compliance monitoring, more effective fleet management, and enhanced operational insights such as filter usage and lifespan. CleanSpace's data-driven offering remains unique in the market, reinforcing its position as a technology-led leader in respiratory protection.

Directors' Report

For the half-year ended 31 December 2025

Review of operations (cont.)

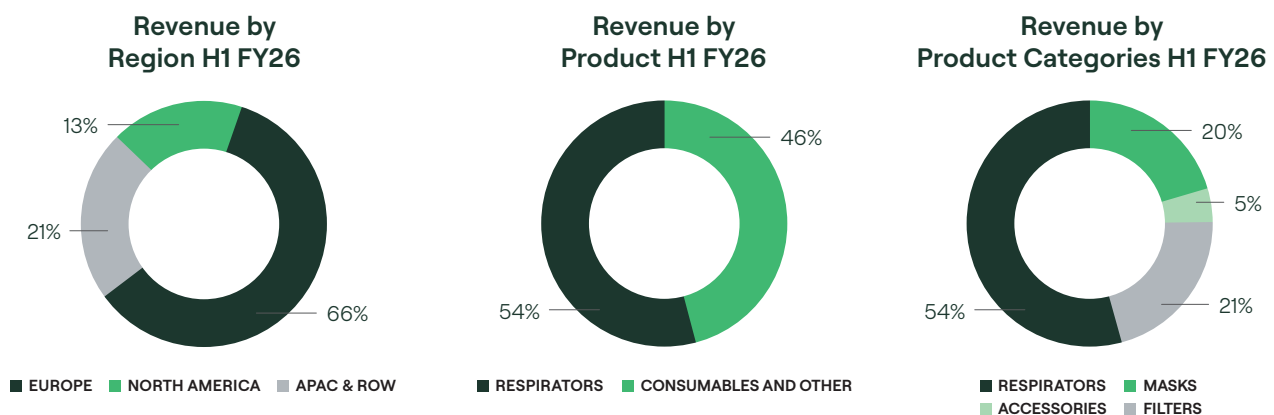
Progress towards the certification of new respirator models is now at an advanced stage in several of CleanSpace's core markets, with launches expected in late FY26 and beyond. These products are anticipated to create additional revenue growth opportunities and further expand the Company's addressable market where compliance and performance standards are becoming more stringent. CleanSpace's intellectual property portfolio and patents provide a strong foundation for ongoing product development and innovation over the medium term.

As previously highlighted at the AGM in November, the Company is continuing to make targeted investments in marketing and sales to support future growth. These included increased participation in industry tradeshows, the development of marketing assets and campaigns to support brand efforts, and independent product studies to reinforce CleanSpace's leadership position and support customer adoption. The Company also increased its R&D spend to support new product development efforts.

During the reporting period, CleanSpace announced a price increase across all markets and products, effective 1 January 2026. This represents the first price adjustment since 2023 and reflects the Company's commitment to reinvesting in product development, customer support, and operational capability, while maintaining a disciplined approach to long-term value creation.

Gross margins remained strong at 75%, an improvement of 1% over the prior corresponding period (PCP), driven by continuous improvement initiatives focused on freight and sourcing efficiencies, and quality of components. Operating EBITDA for the half year was a loss of \$345k. Operating expenses increased by 8% due to additional investments in Sales, Marketing and Research and Development, aligned with the Company's strategy to support future revenue growth.

At period end, cash at bank was \$9.8M (30 June 2025: \$10.5M). The decrease in cash balance reflects the timing of certain first-half payments, which are consistently paid in the first half of the year, as well as ongoing investment in growth initiatives. However, cash at bank increased by \$1.6M versus 31 December 2024. In addition, a research and development tax rebate of \$890k was received in February, supporting the Company's funding position.



Sales Highlights

CleanSpace continued to execute its long-term growth strategy during the first half of FY26, while making targeted investments to support future demand. Commercial activity remains focused on six key geographic markets and on priority end-user sectors including Mining, Construction, Welding, Manufacturing, and Fire Services. The Company's global distribution network continued to strengthen throughout the period, supporting both near-term sales and longer-term market development.

Europe, the Company's most established market, remained the largest contributor to overall revenue generating \$6.7 million during the half year. Asia Pacific and ROW contributed \$2.1 million, with activity in these regions primarily focused on mining-sector opportunities pursued through distributor partnerships.

Review of operations (cont.)

The North American market contributed \$1.3 million in the first half and continues to represent a key growth opportunity for the Company as market awareness of CleanSpace's brand and distribution coverage expand.

Consumables, including masks, filters, and accessories, accounted for 46% of total sales, consistent with FY25. In the short to medium term, CleanSpace remains focused on growing its installed base of respirator units. Over time, consumables revenue is expected to grow at a moderately faster rate than hardware sales, providing a highly profitable and recurring revenue stream that underpins continued margin sustainability.

	Revenue	Growth v PCP
Europe	AUD \$6.7M	+26%
APAC and ROW	AUD \$2.1M	-22%
North America	AUD \$1.3M	+8%
TOTAL	AUD \$10.1M	+10%

Europe (sales \$6.7M, +26% v PCP)

Europe delivered another strong result, with growth led by West Europe (+48%) and the Nordic region (+42%), reflecting continued market penetration and distributor execution. The DACH region (Germany, Austria, and Switzerland) recorded more moderate growth of +9% but is in the early stages of a reinvigorated sales and marketing effort. In the UK and Ireland, sales were softer during the period due to compliance requirements impacting customer purchasing activity.

Asia Pacific and Rest of World (sales \$2.1M, -22% v PCP)

Performance across Asia Pacific and ROW was mixed during the half. Repeat sales contributions from customers in South America and Indonesia helped offset a slower start in Australia. However, a recent landslide incident at a key mining customer in Indonesia will impact sales in that market for the remainder of FY26. The Company's broader Asia expansion strategy continues to evolve, with progress being made alongside partners in Korea, Japan, and Southeast Asia. Sales momentum in the region is expected to improve as product certifications are granted and the distribution network matures. In Australia, sales pipeline development has been slower than expected across multiple sectors, however planned product range expansion remains underway and is expected to improve market accessibility and support future growth.

North America (sales \$1.3M, +8% v PCP)

The Company's United States sales organisation, established in 2025, continued to make solid progress in building a distribution network and engaging directly with end-user customers to increase brand awareness and generate demand for the CleanSpace portfolio. CleanSpace is gaining traction in sectors including Mining, Fire Safety, Welding and Construction, and experienced strong uptake of CS WORK, which was launched in early 2025.

Organisation

During the first half of FY26, the Company added one additional headcount within its engineering group and repositioned a sales role to Western Australia. These changes strengthen CleanSpace's sales presence in the domestic mining sector and enhance internal research and development capability.

Directors' Report

For the half-year ended 31 December 2025

Review of operations (cont.)

Operating expenses

Operating expenses for the half year were \$7.9M, representing an 8% increase over the prior corresponding period. The increase primarily reflects higher sales-related expenses, including tradeshows and commissions on strong performance in France, as well as investments in marketing and R&D, consistent with the Company's strategy to invest in growth.

Operating expenses consist of:

	31 Dec 2025 \$	31 Dec 2024 \$	Change %
Employee benefits and staff related expenses (excluding share-based payments)	4,847,362	4,799,012	1U
Marketing and sales expenses	731,188	391,428	87U
Research, development and intellectual property expenses	333,746	310,686	7U
Other operating expenses (excluding depreciation, amortisation and impairment)	1,966,560	1,779,194	11U
Total	7,878,856	7,280,320	

Marketing and sales expenses include sales commission costs in France and an increase spend on tradeshow participation.

Other operating expenses reflected an increased spend on travel costs for the US sales team and legal fees.

Financial position

The following table provides a snapshot of important balances from the Group's statement of financial position as at 31 December 2025:

	As at 31 Dec 2025 \$	As at 30 Jun 2025 \$	Movement %
Cash (including term deposits)	9,828,470	10,474,291	(6)
Debtors	3,909,071	4,357,636	(11)
Inventories	2,443,931	2,254,228	8
Borrowings	-	(2,831,793)	(100)
Net assets	21,301,084	19,158,455	11

The cash position at 31 December 2025 was \$9.8M. This is a reduction of \$0.7M from 30 June 2025 reflecting the timing of certain first-half payments consistently paid in the first half of the year. However, cash at bank increased by \$1.6M versus 31 December 2024.

Matters subsequent to the end of the half year

No matter of circumstance has arisen since 31 December 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.

Auditor's independence declaration

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

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

On behalf of the Directors,

Graham McLean

Graham McLean

Director

26 February 2026

Auditor's Independence Declaration

For the half-year ended 31 December 2025



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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 half year ended 31 December 2025, there have been:

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

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

PKF

A handwritten signature in blue ink that appears to read 'Kym Reilly'.

KYM REILLY
PARTNER

26 FEBRUARY 2026
SYDNEY, NSW

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

Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2025

	Note	Consolidated 31 Dec 2025 \$	31 Dec 2024 \$
Revenue	3	10,070,105	9,177,420
Cost of sales		(2,536,695)	(2,345,315)
Gross profit		7,533,410	6,832,105
Other income		61	2,333
Employee benefits and staff related expenses	4	(5,152,895)	(4,930,323)
Depreciation, amortisation and impairment expenses		(849,661)	(462,987)
Legal and professional fees		(550,826)	(483,741)
Marketing and sales expenses		(731,751)	(391,428)
Administration and other operating expenses		(1,483,800)	(1,190,674)
Research, development and intellectual property expenses		(333,184)	(310,686)
Operating loss		(1,568,646)	(935,401)
Finance income		166,441	173,468
Finance costs		(78,701)	(57,889)
Other gain	6	2,831,793	-
Profit/(loss) before income tax benefit		1,350,887	(819,822)
Income tax benefit	5	486,161	415,588
Profit/(loss) after income tax benefit for the half-year attributable to the owners of CleanSpace Holdings Limited	12	1,837,048	(404,234)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		48	216
Other comprehensive income for the half-year, net of tax		48	216
Total comprehensive income for the half-year attributable to the owners of CleanSpace Holdings Limited		1,837,096	(404,018)
		Cents	Cents
Basic earnings per share	15	2.35	(0.52)
Diluted earnings per share	15	2.35	(0.52)

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

Statement of Financial Position

As at 31 December 2025

	Note	Consolidated 31 Dec 2025 \$	Consolidated 30 Jun 2025 \$
Assets			
Current assets			
Cash and cash equivalents		1,915,950	2,520,153
Trade and other receivables		3,909,071	4,357,636
Financial assets	7	7,912,520	7,954,138
Inventories	8	2,443,931	2,254,228
Income tax refund due		912,864	910,954
Other assets		512,340	384,078
Total current assets		17,606,676	18,381,187
Non-current assets			
Property, plant and equipment		445,820	583,982
Right-of-use assets		1,751,144	1,985,640
Deferred tax		7,118,493	6,622,258
Total non-current assets		9,315,457	9,191,880
Total assets		26,922,133	27,573,067
Liabilities			
Current liabilities			
Trade and other payables		2,524,144	2,231,454
Lease liabilities		259,024	254,559
Income tax		61,464	101,912
Employee benefits		800,574	856,981
Provisions		120,171	161,818
Other		10,611	10,241
Total current liabilities		3,775,988	3,616,965
Non-current liabilities			
Borrowings	9	-	2,831,793
Lease liabilities		1,313,734	1,449,173
Deferred tax		149,678	139,680
Employee benefits		81,649	77,001
Provisions		300,000	300,000
Total non-current liabilities		1,845,061	4,797,647
Total liabilities		5,621,049	8,414,612
Net assets		21,301,084	19,158,455
Equity			
Issued capital	10	33,903,138	33,868,102
Reserves	11	892,767	784,387
Accumulated Losses	12	(13,494,821)	(15,494,034)
Total equity		21,301,084	19,158,455

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

Statement of Changes in Equity

For the half-year ended 31 December 2025

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

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2025	33,868,102	784,387	(15,494,034)	19,158,455
Profit after income tax benefit for the half-year	-	-	1,837,048	1,837,048
Other comprehensive income for the half-year, net of tax	-	48	-	48
Total comprehensive income for the half-year	-	48	1,837,048	1,837,096
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 13)	-	305,533	-	305,533
Transfer on the expiration of options	-	(162,165)	162,165	-
Transfer to issued capital	35,036	(35,036)	-	-
Balance at 31 December 2025	33,903,138	892,767	(13,494,821)	21,301,084

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

Statement of Cash Flows

For the half-year ended 31 December 2025

	31 Dec 2025 \$	Consolidated 31 Dec 2024 \$
Cash flows from operating activities		
Receipts from customers	10,082,831	8,408,209
Payments to suppliers and employees	(10,601,171)	(9,748,117)
	(518,340)	(1,339,908)
Interest and other finance costs paid	(2,688)	(41,137)
Income taxes paid	(43,514)	(104)
Net cash used in operating activities	(564,542)	(1,381,149)
Cash flows from investing activities		
Payments for property, plant and equipment	(72,682)	(6,993)
Sale of financial assets	41,618	109,425
Interest received	198,390	173,468
Net cash from investing activities	167,326	275,900
Cash flows from financing activities		
Repayment of leases	(206,987)	(279,010)
Net cash used in financing activities	(206,987)	(279,010)
Net decrease in cash and cash equivalents	(604,203)	(1,384,259)
Cash and cash equivalents at the beginning of the financial half-year	2,520,153	2,747,708
Cash and cash equivalents at the end of the financial half-year	1,915,950	1,363,449

In addition to the cash and cash equivalents balance in the Statement of Cash Flows above, the Company had term deposits of \$7,912,520 at 31 December 2025 (December 2024: \$6,906,768). These term deposits are disclosed as financial assets in the balance sheet.

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

Notes to the Financial Statements

For the half-year ended 31 December 2025

Note 1. Material accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2025 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2025 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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

New or amended Accounting Standards and Interpretations adopted

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

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

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 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.

Notes to the Financial Statements

For the half-year ended 31 December 2025

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

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 nonstrategic 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.

Loan from NSW Health Administration Corporation

The Company entered into a funding agreement with the NSW Health Administration Corporation in September 2019 to support the adoption of an innovative reusable respirator in acute care settings. The loan accrues capitalised interest based on the annual Consumer Price Index (CPI). Repayment of the loan is contingent upon the project achieving commercial success, with repayment amounts calculated as a percentage of project EBITDA.

Management has determined that the loan should be classified as a financial liability because the Company has a contractual obligation to deliver cash once the project meets the commercial success threshold.

The loan is measured at amortised cost, determined as the present value of estimated future contractual cash flows discounted at the loan's original effective interest rate. The effective interest rate of the loan is the market

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

rate of interest when the loan was granted. The benefit of the below-market rate of interest is treated as a government grant and recognised in profit or loss at the same time as the associated costs of developing the respirator is expensed.

At each reporting date, management reassesses the likelihood of commercial success and updates its estimated cash outflows accordingly and remeasures the liability at the present value of the estimated future contractual cash flows discounted at the original effective interest rate. Any resulting adjustment to the carrying amount of the liability is recognised in profit or loss.

	Consolidated	
	31 Dec 2025	31 Dec 2024
	\$	\$
Note 3. Revenue		
<i>Disaggregation of revenue</i>		
The disaggregation of revenue from contracts with customers is as follows:		
<i>Major product lines</i>		
Respirators revenue	5,376,785	4,886,735
Consumables, accessories and other revenue	4,693,320	4,290,685
	10,070,105	9,177,420
<i>Timing of revenue recognition</i>		
At a point in time	9,995,105	9,177,420
Over time	75,000	-
	10,070,105	9,177,420

The Company has two main types of revenue:

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

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).

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 31 December 2025	150,000	-
---	---------	---

Management expects that approximately 60% of the transaction price allocated to unsatisfied performance obligations as of 31 December 2025 will be recognised as revenue during the current financial year (\$90,000). The remaining (\$60,000) is expected to be recognised in the financial year ending 30 June 2027.

Notes to the Financial Statements

For the half-year ended 31 December 2025

Note 3. Revenue (cont.)

Segment information

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

	31 Dec 2025 \$	Consolidated 31 Dec 2024 \$
<i>Revenue by region</i>		
Europe and UK	6,706,578	5,343,705
Asia Pacific and Rest of World	2,073,419	2,642,326
North America	1,290,108	1,191,389
	10,070,105	9,177,420

Note 4. Employee benefits and staff related expenses

Total employee benefits and staff related expenses (a)	5,152,895	4,930,323
--	-----------	-----------

(a) An additional \$436,624 (2024: \$373,901) of employment expenses are included in costs of sales.

Note 5. Income tax (benefit)/expense

<i>Income tax (benefit)/expense</i>		
Current tax	-	(444,401)
Deferred tax - origination and reversal of temporary differences	(486,238)	26,434
Adjustment recognised for prior periods	77	2,379
Aggregate income tax benefit	(486,161)	(415,588)
<i>Numerical reconciliation of income tax benefit and tax at the statutory rate</i>		
Profit/(loss) before income tax benefit	1,350,887	(819,822)
Tax at the statutory tax rate of 25%	337,722	(204,956)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
R&D tax incentive	(452,670)	(444,401)
Permanent differences - R&D expenses	293,942	255,403
Permanent differences - Other	(663,670)	(20,758)
	(484,676)	(414,712)
Adjustment recognised for prior periods	77	2,379
Impact of rates of foreign subsidiaries	(1,562)	(3,255)
Income tax benefit	(486,161)	(415,588)

	Consolidated 31 Dec 2025 \$	Consolidated 31 Dec 2024 \$
Note 6. Other gain		
Gain on remeasurement of loan	2,831,793	-

In the half-year ended 31 December 2025, a gain of \$2.8 million has been recognised from the remeasurement of the carrying amount of the liability owing to NSW Health Administration Corporation in respect of the support provided in the development of the innovative reusable respirator project, from \$2.8 million as at 30 June 2025, to nil at 31 December 2025. Management has revised its estimate of the future cash payments to NSW Health Administration Corporation as the project is no longer expected to achieve commercial success in the foreseeable future and future contractual cash flows of the loan are estimated to be nil. The Company has therefore remeasured the liability to nil. Refer to note 9 for information on the loan.

	Consolidated 31 Dec 2025 \$	Consolidated 30 Jun 2025 \$
Note 7. Financial assets		
<i>Current assets</i>		
Financial assets held at amortised cost	7,912,520	7,954,138

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

Note 8. Inventories

<i>Current assets</i>		
Raw materials - at cost	3,122,600	2,972,046
Less: Provision for impairment	(821,133)	(821,624)
	2,301,467	2,150,422
Work in progress - at cost	2,169	-
Finished goods - at cost	278,266	245,266
Less: Provision for impairment	(137,971)	(141,460)
	140,295	103,806
	2,443,931	2,254,228

Notes to the Financial Statements

For the half-year ended 31 December 2025

	31 Dec 2025 \$	Consolidated 30 Jun 2025 \$
Note 9. Borrowings		
<i>Non-current liabilities</i>		
Loan from NSW Health Administration Corporation	-	2,831,793

Loan from NSW Health Administration Corporation

The Company entered into a funding agreement with the NSW Health Administration Corporation in September 2019 to support the adoption of an innovative reusable respirator in acute care settings. The loan accrues capitalised interest based on the annual Consumer Price Index (CPI). Repayment of the loan is contingent upon the project achieving commercial success, with repayment amounts calculated as a percentage of project EBITDA.

Refer to Note 2 for details of the management judgements applied in the accounting treatment of the loan from NSW Health Administration Corporation.

Note 10. Issued capital

Ordinary shares

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

	31 Dec 2025 Shares	30 Jun 2025 Shares	Consolidated 31 Dec 2025 \$	30 Jun 2025 \$
Ordinary shares - fully paid	78,381,563	78,266,363	33,903,138	33,868,102

	31 Dec 2025 \$	Consolidated 30 Jun 2025 \$
Note 11. Reserves		
Foreign currency reserve	31,154	31,106
Share-based payments reserve	861,613	753,281
	892,767	784,387

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.

Note 11. Reserves (cont.)

Movements in reserves

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

Consolidated	Foreign currency reserve \$	Share-based payments reserve \$	Total \$
Balance at 1 July 2025	31,106	753,281	784,387
Foreign currency translation	48	-	48
Transfer on the expiration of options	-	(162,165)	(162,165)
Transfer to issued capital	-	(35,036)	(35,036)
Share-based payments	-	305,533	305,533
Balance at 31 December 2025	31,154	861,613	892,767

	Consolidated 31 Dec 2025 \$	Consolidated 30 Jun 2025 \$
Note 12. Accumulated losses		
Accumulated losses at the beginning of the financial half-year	(15,494,034)	(15,015,758)
Transfer on the expiration of options	162,165	-
Accumulated losses at the beginning of the financial half-year - restated	(15,331,869)	(15,015,758)
Profit/(loss) after income tax benefit for the half-year	1,837,048	(478,276)
Accumulated losses at the end of the financial half-year	(13,494,821)	(15,494,034)

Note 13. 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 half year ended 31 December 2025 under this plan was \$305,533 (31 December 2024: \$137,582).

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.

Notes to the Financial Statements

For the half-year ended 31 December 2025

Note 13. Share-based payments (cont.)

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. On 21 October 2025, 135,137 unexercised vested options expired.

Set out below are summaries of options granted:

1 December 2025								
Recipient	Grant date	Expiry date	Exercise price	Balance at 1 Jul 2025	Granted	Exercised	Expired/forfeited/other	Balance at 31 Dec 2025
Executives	22/10/2020	21/10/2025	\$4.41	135,137	-	-	(135,137)	-

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

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).

Note 13. Share-based payments (cont.)

Set out below are summaries of PRs granted:

31 December 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
					1,025,000	-	-	-	1,025,000

30 June 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

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.

Notes to the Financial Statements

For the half-year ended 31 December 2025

Note 13. Share-based payments (cont.)

Restricted Stock Units

During the half year ended 31 December 2025, the Company did not issue any Restricted Stock Units ('RSUs') (in HY25: NIL).

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

	31 Dec 2025	\$	31 Dec 2024	\$
Outstanding at the beginning of the financial half-year	3,054,267	\$0.40	2,308,514	\$0.30
Forfeited	-	\$0.00	(201,343)	\$0.30
Exercised	(115,200)	\$0.30	(381,221)	\$0.26
Outstanding at the end of the financial half-year	2,939,067	\$0.40	1,725,950	\$0.31

Expense summary

For the half year ended 31 December 2025, the Group recognised \$305,533 (31 December 2024: \$137,582) of share-based payment expense in relation to:

- Options \$0 (31 December 2024: (\$6,271));
- Restricted Stock Units \$281,788 (31 December 2024: \$116,306); and
- Performance Rights \$23,745 (31 December 2024: \$15,005).

Note 14. Dividends

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

	Consolidated 31 Dec 2025 \$	31 Dec 2024 \$
Note 15. Earnings per share		
Profit/(loss) after income tax attributable to the owners of CleanSpace Holdings Limited	1,837,048	(404,234)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	78,213,483	77,355,009
Adjustments for calculation of diluted earnings per share:		
Restricted Stock Units and Performance Rights	36,939	-
Options	52,880	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	78,303,302	77,355,009
	Cents	Cents
Basic earnings per share	2.35	(0.52)
Diluted earnings per share	2.35	(0.52)

Note 16. Contingencies

At balance date, bank guarantees were supported by security deposit guarantees, for which no liabilities have been recorded in the financial statements. Total bank guarantees of the consolidated entity at 31 December 2025 were \$365,151 (30 June 2025: \$406,768).

Note 17. Commitments

The consolidated entity did not have any commitments at 31 December 2025 or 31 December 2024.

Note 18. Related party transactions

Parent entity

CleanSpace Holdings Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 19.

Transactions with related parties

The following transactions occurred with related parties:

	31 Dec 2025 \$	Consolidated 31 Dec 2024 \$
<i>Payment for goods and services:</i>		
Short-term employee benefits	46,823	45,432
Long-term employee benefits	5,619	5,215

Receivables due from/payables due to related parties

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

Loans to/from related parties

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

Terms and conditions

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

Notes to the Financial Statements

For the half-year ended 31 December 2025

Note 19. Interests in subsidiaries

Name of subsidiary	Principal activities	Country of incorporation	Ownership interest Dec 2025
CleanSpace IP Pty Ltd	Owner of the registered intellectual property of the Group	Australia	100%
CleanSpace Technology Pty Limited	Design, manufacture, and distribution of CleanSpace products and services	Australia	100%
CleanSpace Americas, Inc	Provision of sales and customer support in North America	USA	100%
CleanSpace Netherlands B.V.	Provision of service and customer support services in Europe	Netherlands	100%

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

Note 20. Events after the reporting period

No matter or circumstance has arisen since 31 December 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.

Directors' Declaration

For the half-year ended 31 December 2025

In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2025 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors,

Graham McLean

Graham McLean

Director

26 February 2026

Independent Auditor's Review Report

For the half-year ended 31 December 2025



PKF(NS) Audit & Assurance Limited Partnership

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF CLEANSPACE HOLDINGS LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of CleanSpace Holdings Limited (the Group), which comprises the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration of the Group and the consolidated entity comprising the Group and the entities it controlled at the year's end or from time to time during the financial year.

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2025, and of its financial performance for the half-year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Independence

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

Directors' Responsibility for the Half-Year Financial Report

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

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

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2025 and its performance for the half year ended on that date, and complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of CleanSpace Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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Auditor's Responsibility for the Review of the Half-Year Financial Report (cont'd)

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

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

PKF

A handwritten signature in blue ink that appears to read 'Kym Reilly'.

KYM REILLY
PARTNER

26 FEBRUARY 2026
SYDNEY, NSW



CleanSpace[®]

RESPIRATORS

Free the way you breathe[™]