Clever Culture Systems Ltd
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QUARTERLY ACTIVITIES & CASHFLOW REPORT
QUARTER ENDED 30 JUNE 2025

Adelaide, Australia, 29 July 2025: Australian medical technology company Clever Culture Systems Ltd (ASX: CC5) (**CCS** or the **Company**), a leader in microbiology automation using artificial intelligence, is pleased to release its Appendix 4C – Quarterly Cashflow report and business update for the quarter ended 30 June 2025 (the **Quarter**). All financial results are in Australian dollars and are unaudited.

Key Highlights

- **AstraZeneca progresses to routine use**: 9 APAS® Independence installed across global sites
- **Novo Nordisk initial purchase order, new global pharmaceutical customer**: Group wide evaluation of APAS® Independence for their global manufacturing network
- **Sales opportunity from existing customers exceeds $40m**: 5 existing customers represent opportunity of 60-80 APAS® instruments[1] - equating to $36-48 million of potential upfront sales revenue and $7-9 million in annual recurring revenues[2]
- **New contact plate analysis module doubles APAS® capability**: Contact plates account for roughly 50% of culture plates used in environmental monitoring - instrument hardware and software completed, AI analysis module and launch targeted for August 2025
- **Positive financial start to FY26 supported by sales pipeline & receivables:** 30 June 2025 cash balance of $1.3 million, and $3.8 million in known/committed cash inflows expected over the next two quarters

Regarding the Quarter, Brent Barnes, CEO and Managing Director said:

"Fiscal year 2025 has been a turning point for the Company, resulting in a major milestone towards becoming a sustainably profitable business. Importantly, this is just the first year of establishing APAS® Independence in the pharmaceutical manufacturing market. We launched with the ability to automate approximately 50% of environmental monitoring tests through our settle plate capability. In the September quarter, we will introduce contact plates allowing APAS® to automate the vast majority of tests performed by customers for environmental monitoring.

The traction we have achieved, in a relatively short period, reflects the strength of our technology and its ability to deliver tangible value to our customers. Importantly big pharma is taking notice, and this momentum is translating into new sales and an expanding pipeline of high-quality opportunities.

The successful validation of the APAS® Independence for 90mm settle plates by AstraZeneca marks a significant milestone for the Company. We are now the only end point culture plate reading technology in routine use within a pharmaceutical manufacturing setting. This achievement demonstrates the maturity and reliability of our product and importantly, it materially de-risks the technology, paving the way for broader adoption across the industry."

Targeted sales strategy advances commercialisation

Novo Nordisk place first order as part of group evaluation: Top-tier pharmaceutical customers delivering

The Company's sales strategy is focussed on the largest global pharmaceutical manufacturers, within a large estimated $2.8 billion total addressable market[3]. This strategy has proven successful, with multiple sales completed to leading

[1] CCS management estimate based on customer discussions
[2] Sales estimate range is based on the potential number of APAS® instruments sold to current APAS users at an indicative average revenue per instrument sale of $0.5 million (AUD) and recurring annual service and software fees of 20% of the instrument sales price. Assumes a USD:AUD exchange rate of 0.65. The amount is not risk weighted.
[3] Global Pharmaceuticals & Medicine Manufacturing; IBISWorld Industry Report + internal company analysis (based on sales and recurring revenues over 5 years)

pharmaceutical companies such as AstraZeneca, Bristol Myers Squibb (**BMS**) and Thermo Fisher Pharma Services since product launch last year.

In July 2025, Novo Nordisk placed a purchase order for an APAS® Independence instrument, reflecting the effectiveness of our targeted sales strategy. They will commence a formal evaluation of the APAS® technology to assess its suitability for broader deployment across their global manufacturing network. The evaluation will consider both 90mm settle plate and 55mm contact plate applications, as well as the potential integration with other existing Novo Nordisk systems. Like many potential customers, the development of the analysis module for processing of 55mm contact plates was important to Novo Nordisk's decision to proceed with the instrument purchase.

Following the purchase by Novo Nordisk, the Company will have completed sales and/or supported evaluations by five leading pharmaceutical companies: AstraZeneca, BMS, Thermo Fisher Pharma Services, and Novo Nordisk. The fifth customer, a top 20 pharmaceutical company by revenue, has recently completed an extensive evaluation of 6,000 settle plates and will imminently extend this to contact plates. Collectively, these companies operate extensive global manufacturing networks, representing an early-stage sales opportunity of 60-80 APAS® instruments. This translates to a potential $36-48 million in upfront sales and $7-9 million in annual recurring revenue as commercial adoption expands.

In addition to the five top-tier pharmaceutical companies already evaluating or adopting APAS® Independence, CCS is currently engaged in advanced discussions with several qualified opportunities. The Company expects to further expand evaluations to additional companies within this top-tier customer segment over the next 6 months, increasing the immediate commercial opportunity.

This broadening interest base validates the scalability of the technology beyond initial early adopter customers and supports management's confidence in building a sustainable sales trajectory.

Customer expansion – First AstraZeneca sites go live with APAS® Independence in routine use

The global roll out of APAS® Independence across AstraZeneca's key manufacturing sites has been completed, with 9 instruments installed across their network. Following successful completion of their secondary validation, APAS® Independence has transitioned into routine use at multiple global locations. This marks an important milestone in demonstrating the successful performance of the technology for reading of environmental monitoring culture plates.

The Company has also completed the second sale and installation of APAS® Independence to BMS in the United States. The sale comes after positive experience and successful evaluation of APAS® Independence at their global centre of excellence. This highlights the 'land' and 'expand' strategy where an initial sale for evaluation creates an opportunity to standardise the technology across global manufacturing networks.

*Clinical market – Health Services Laboratory (**HSL**) complete purchase of third APAS® instrument*

In the clinical market, the Company completed the installation of a third APAS® instrument at HSL (part of the Sonic Group, ASX: SHL) in the United Kingdom. The sale was completed by Thermo Fisher Scientific (**TFS**), the Company's exclusive distribution partner for APAS® Independence in the United States and Europe (*note: distribution partnership excludes the pharmaceutical market*). TFS continues to progress a number of sales opportunities in these regions.

Product Development: 55mm contact plate doubles APAS® capability

The Company has completed the necessary hardware and software updates to support contact plate reading on the APAS® Independence. These technology enhancements have been successfully transferred to production, and the latest APAS® Independence units shipped include this functionality. Contact plate upgrade kits are also available for sale to existing APAS® customers creating an immediate opportunity within our installed base.

The contact plate analysis module is in the final stages of validation, with all study data collected and final analysis underway. Early versions of the module have already been provided to AstraZeneca and BMS for customer testing. In addition, as noted above, a top 20 pharmaceutical company by revenue, that has recently completed an extensive evaluation of 6,000 settle plates, will imminently extend this evaluation to contact plates.

Adding the contact plate analysis module significantly enhances the APAS® Independence value proposition to customers by offering a comprehensive solution for automated environmental monitoring plate reading. With the new analysis module available on APAS® Independence, this enhancement is expected to accelerate broader adoption across pharmaceutical manufacturing customers and drive instrument sales from both new and existing customers.

Financial & Corporate:

Financial Summary – Positive outlook maintained with $5.1 million in cash, receivables and committed sales over the next two quarters, together with an estimated Research & Development Tax Incentive (RDTI) claim.

The Company remains in a solid financial position underpinned by $1.3 million in cash at 30 June 2025, together with expected cash inflows of at least $3.8 million in the next two quarters, including:

- $1.4 million in receivables at 30 June 2025;
- $1.3 million to be invoiced for the committed sale and installation of APAS® Independence to Novo Nordisk, in addition to the second instrument now installed at BMS; and
- $1.1 million estimated for the FY25 RDTI receipt.

Cashflows over the coming two quarters will be further improved by additional potential sales. The current outlook is conservatively based only on known or committed inflows.

For the Quarter, the Company had total net cash outflows for the Quarter of $0.95 million, represented by:

- Net cash outflows from Operating and Investing activities of $0.91 million, which included:
    - $1.02 million in cash inflows comprising $0.68 million for sales to AstraZeneca, $0.21 million other income for maintenance and software renewals, together with $0.13 million received for the CTCM grant which has part funded the contact plates development; and
    - $1.93 million in cash outflows from expenditures which was higher than usual, with $0.30 million in payments relating to the final design changes for the APAS® Independence to enable processing of the smaller contact plates and $0.16 million for the purchase of instrument parts;
- net cash outflows from Financing activities of $0.04 million, largely the regular office lease payments.

Cashflows for the Quarter include related party payments of $132,000 to Directors, comprising the Managing Director's salary and Non-Executive Directors' fees.

Cashflow break-even or better expectations maintained, influenced by product sales and invoicing

In the Activity Report for the quarter ending 31 December 2024, the Company indicated that it "expected total net operating and investing cashflows to continue to be break-even or better over the next two quarters in total, subject to the timing of instrument installations and invoice receipts". Over that period, the Company reported a modest net outflow of $0.3 million, impacted only by the timing of the final APAS® Independence installations and related cash receipts from AstraZeneca.

As at 30 June 2025 all AstraZeneca installations have been completed and invoiced, with receipts of $1.2 million expected in the next quarter, ended 30 September 2025.

The Company has 397,502,346 listed options (ASX: CC5OA) that remain outstanding at 30 June 2025, with an exercise price of $0.008 per option, that if fully exercised prior to their expiry date of 15 November 2025, would raise $3.2 million, with $0.8 million of these proceeds committed to the final repayment of the loan from the South Australian Government.

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Outlook

Contact plate launch sets platform to maximise opportunities in pharmaceutical market

The Company plans to formally release the contact plate application for the APAS® Independence in the September quarter. This will include the updated instrument hardware and software for processing the 55mm contact plates as well as the fully validated contact plate analysis module. Once completed this will enable APAS® Independence to process both 90mm settle plates and 55mm contact plates in bulk on the same instrument. This is a unique value proposition for APAS® Independence and a key differentiator in delivering a comprehensive automated solution for pharmaceutical environmental monitoring.

The dual plate capability of the APAS® Independence will offer a complete solution for automated environmental monitoring plate reading. Customer feedback has consistently reinforced the importance of capability to process both plate types in order to realise the platform's full operational value and efficiency benefits. It is expected that the availability of the contact plates application will remove a key barrier for future broader adoption.

Sales and marketing priorities

The Company has achieved strong early traction with five global pharmaceutical companies and is expanding a diversified and growing sales pipeline. The strategy is concentrated on broader deployment of APAS® Independence across top-tier pharmaceutical networks. The Company is also receiving growing interest from several mid-tier pharmaceutical companies and is pursing these opportunities as well. Over the next 6 months, the Company anticipates converting sales and placements with new pharmaceutical companies to diversity the current installed base and build a platform for sustainable growth.

In parallel, the Company will continue to work closely with existing customers to support their successful evaluation of the APAS® technology and enable a smooth transition into routine use. This is a key commercial inflection point, serving as the final proof point of the technology before broader roll out across their manufacturing sites.

The second half of the 2025 calendar year marks an important period for market engagement with major pharmaceutical microbiology conferences taking place following the northern hemisphere summer period. The Company expects to showcase significant new customer data at these events. Presenting these results will be instrumental in building further credibility, deepening customer trust and reinforcing APAS® Independence's position as the leading technology for automated culture plate reading in the global pharmaceutical market.

Investor Conference Call

The Company will hold a conference call at **9.00am AEST on Monday, 4 August 2025** to discuss the Company's activities, financial results for the Quarter and the business outlook. The Company's CEO and Managing Director, Brent Barnes, will host the call.

All attendees must register to attend the call. Please register using the link below. After registering, you will receive a confirmation email about joining the webinar including options to attend via computer or telephone.

https://us06web.zoom.us/webinar/register/WN_k4YPF2OPRRWc9DfIgEarOw

A Q&A session will be held at the end of the conference call; to participate in this, you will need to join the conference via a computer. A recording of the call will be available on the Investor Centre section of the Company's website for 60 days after the call.

Approved for release by the CCS Board.

– ENDS –

About Clever Culture Systems
Clever Culture Systems (CCS) provides intelligent automation solutions to microbiology laboratories. Based in Adelaide, South Australia, the Company has developed a best-in-class technology, the Automated Plate Assessment System (APAS® Independence), using artificial intelligence and machine learning software to automate the imaging, analysis and interpretation of microbiology culture plates. The technology is the only US FDA-cleared artificial intelligence technology for automated culture plate reading. The product is currently being sold to microbiology laboratories in the pharmaceutical manufacturing sector for the reading of environmental monitoring culture plates

and to clinical laboratories as an in vitro diagnostic for infectious diseases. Thermo Fisher Scientific, Inc is exclusive distributor of the APAS® Independence to clinical customers in the United States and selected countries in Europe.

INVESTOR ENQUIRIES

Clever Culture Systems
Brent Barnes Chief Executive Officer & Managing Director Tel: +61 8 8227 1555 E: info@cleverculturesystems.com

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity	
Clever Culture Systems Ltd	
ABN	**Quarter ended ("current quarter")**
95 107 670 673	June 2025

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	888	4,650
1.2	Payments for		
	(a) research and development	(9)	(65)
	(b) operating costs & manufacturing	(536)	(2,415)
	(c) advertising and marketing	(75)	(343)
	(d) short term leases		
	(e) staff costs	(547)	(2,052)
	(f) administration and corporate costs	(99)	(734)
1.3	Dividends received (see note 3)		
1.4	Interest received	15	57
1.5	Interest and other costs of finance paid	(13)	(78)
1.6	Income taxes paid		
1.7	Government grants and tax incentives	128	2,123
1.8	Other	-	18
1.9	**Net cash from / (used in) operating activities**	**(248)**	**1,161**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment	(19)	(27)
	(d) investments		
	(e) intellectual property	(645)	(2,299)
	(f) other non-current assets		

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	**Net cash from / (used in) investing activities**	**(664)**	**(2,326)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options	7	1,065
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(1)	(4)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings	-	(768)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (Repayment of lease principal)	(44)	(210)
	Other (Repayment of share placement facility)		
3.10	**Net cash from / (used in) financing activities**	**(38)**	**83**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2,215	2,347
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(248)	1,161

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(664)	(2,326)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(38)	83
4.5	Effect of movement in exchange rates on cash held		
4.6	**Cash and cash equivalents at end of period**	**1,265**	**1,265**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	1,185	2,135
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (term deposits)	80	80
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**1,265**	**2,215**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(132)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Item 6.1 relates to Cash remuneration paid to the Directors, including remuneration paid to the Managing Director.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	975	975
7.2	Credit standby arrangements	50	16
7.3	Other (please specify)		
7.4	**Total financing facilities**	1,025	991

7.5	**Unused financing facilities available at quarter end**	34

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Item 7.1 relates to the remaining balance of $0.97 million from a loan facility provided by the South Australian Government. Monthly repayments are interest only (at an interest rate of 2.8%), with principal repayments due in 2026. Under the terms of the loan, the loan will be repaid early, on 15 December 2025, to the extent that proceeds are received by CCS for the exercise of options (ASX: CC5OA, expiring November 2025). Taking into account such proceeds already received prior to 30 June 2025, the loan will be repaid as follows:

- $0.18 million payable on 15 December 2025; and
- $0.79 million payable on 31 October 2026.

Any further proceeds from options exercised, will increase the amount to be repaid at 15 December 2025 and reduce the amount to be repaid at 31 October 2026.

The SA Government continues to hold a first ranking general security.

Item 7.2 is a corporate credit card facility which is paid off in full each month.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(248)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,265
8.3	Unused finance facilities available at quarter end (item 7.5)	34
8.4	Total available funding (item 8.2 + item 8.3)	1,299
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	5.2

Item 8.1 above is net of receipts of $1,016,000 from customers and government grants received in the Quarter. Therefore, the accuracy of the above calculation, in predicting the number of quarters of funding available, is dependent on the timing and amount of inflows from customers and other sources in the coming quarters.

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 28 July 2025

Authorised by: the Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.