

September 4, 2025

KEEPING STOCK

Stock code:	CC5 AU
Price:	A\$0.031
Market cap:	A\$56m
Average daily turnover:	A\$0.05m
Index inclusion:	N/A

Price performance

(%)	1M	3M	12M	3Y
Absolute	-3.1	72.2	106.7	-44.4
Rel ASX/S&P200	-5.2	66.1	95.7	-74.8



Source: IRESS

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Analyst(s) own shares in the following stocks mentioned in this report:

– Clever Culture Systems

Clever Culture Systems

CC5 secures strategic wins with pharma giants

- CC5 delivered a full year profit of A\$1.7m in FY25, a significant turnaround from a loss of A\$3.7m in FY24.
- APAS® Independence gained traction with major pharmaceutical companies, including routine use by AstraZeneca and a purchase order by Novo Nordisk.
- Launch of contact plate module expands APAS® capabilities and strengthens CC5's position in the pharmaceutical monitoring market.

Event

- FY25 result.

FY25 cash flow report

- CC5 delivered total revenue of A\$6.6m, comprising A\$4.7m from sales and lease of APAS® Independence instruments and accessories, A\$0.7m in recurring revenue from software licences and support services, and A\$1.0m in government grants.
- Reported a net profit of A\$1.7m, a significant turnaround from a loss of \$3.7m in FY24. EBITDA was A\$2.0m (pcp: loss of A\$4.0m). The cash balance was A\$1.3m and debt of A\$1.0m. We note there are \$3.2m in-the-money options which expire in November 2025.
- Positive operating cash flow of A\$1.2m (pcp: loss of A\$3.7m) was reported, driven by A\$4.6m in customer receipts from clients, as well as income from maintenance contracts, software renewals and government grants.
- CC5 anticipates A\$3.8m committed cash inflows over the next two quarters; A\$1.2m of AstraZeneca installations, \$1.3m expected from committed sales to Novo Nordisk and BMS, and A\$1.1m for the FY25 R&D Tax claim.
- FY26 sees the launch of contact plate analysis module and is expected to enhance APAS® Independence platform. Sales opportunities from existing customers exceed A\$40m.

Research and development

- CC5 completed validation of its new APAS® Contact Plate Capability, a 55mm contact plate Analysis Module for the APAS® Independence system. The module is now market-ready and available for sale, expanding the technology's addressable market within pharmaceutical manufacturing. This application can be offered both as an upgrade for existing customers and as an additional analysis module, increasing annual recurring revenue potential for each instrument sold.
- AstraZeneca progressed to routine use of the APAS® Independence system, with nine instruments installed across global sites. Novo Nordisk placed its first purchase order, initiating a group wide evaluation of the APAS® platform.

Product description

- CC5's Automated Plate Assessment System APAS uses AI to automate and improve the reading and reporting of microbial growth on culture plates.
- A traditional Microbial Quality Control lab is largely manual and prone to human error, with high volume testing required by regulators. CC5's product streamlines the entire process, improving operational efficacy, quality of results and data integrity. In essence ~98% of plates are negative (have zero microbial growth), APAS® automatically removes >90% of plates, streamlining validation and investigation of successful plates.
- As of 31 March 2025, CC5's installed base of APAS® Independence instruments sits at 27 units and as the installed base grows the recurring revenue will increase.

Catalysts

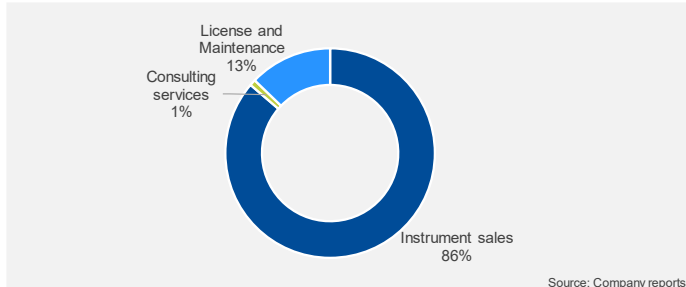
- Other top 10 pharmaceutical companies are expected to engage with CC5 following the AstraZeneca and Bristol Myers Squibb success.
- Presentation at Morgans HealthInvest on 24th September.
- 1Q26 results in late October 2025.

Clever Culture Systems

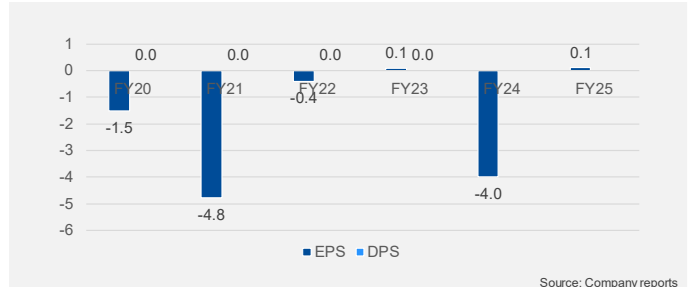
Price (A\$):	0.031	Industry:	IT Services
Market cap (A\$m):	56	Index inclusion:	N/A

CC5 provides intelligent automation solutions to microbiology laboratories and pharmaceutical manufacturing facilities. The technology known as Automated Plate Assessment System (APAS®) is FDA-cleared and uses AI to automate the imaging, analysis and interpretation of microbiology culture plates.

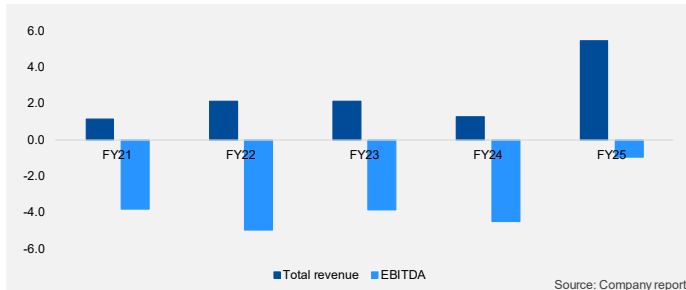
Revenue by segment (A\$m) FY25



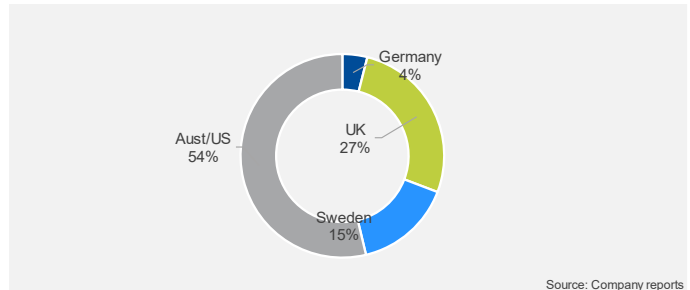
Historical EPS and DPS (cents)



Revenue & EBITDA (A\$m)



Revenue by geography (A\$m) - FY25



Bull points



Focus on biopharma market

CC5 has pivoted to focus on the biopharma market. The company has completed the development of its APAS PhamaQC analysis module for the automated reading of settled plates used in pharmaceutical environmental monitoring.

Addressable market significant

CC5 estimate the top 20 pharmaceutical companies operate ~600 manufacturing facilities, which can potentially use CC5's instrumentation. It is estimated that this potential could translate to 10,000 instruments representing an addressable market of \$5bn.

Bear points



Shift to pharmaceutical market

Given the slower than expected sales in the clinical market CC5 is focussing on the pharmaceutical market which may take time to penetrate.

Funding requirements

Although CC5 has in-the-money options with potential to raise A\$5.4m, funding the growth initiatives may put further strain on the cash reserves.

Source: Morgans

Figure 1: Historical financials

Historical data	FY21	FY22	FY23	FY24	FY25	Period	FY21	FY22	FY23	FY24	FY25
Income Statement (A\$m)						Profitability					
Total revenue	1.1	2.1	2.1	1.3	5.5	Operating Margin	-552.5	-371.2	-334.9	-377.4	-21.5
Growth (%)	-3.4	89.5	0.2	-41.1	334.8	Net Margin	-646.5	-312.1	-1,056.5	-297.8	30.8
Gross Income	-5.7	-6.3	-5.6	-2.9	0.7	Return on Assets	-20.9	-19.8	-115.8	-48.9	18.0
Growth (%)		10.4	-	48.1	125.6	Return on Equity	-29.6	-28.7	-212.2	-322.7	41.7
Gross Margin (%)	-505	-294	-264	-232	14	Return on Invested Capital	-26.1	-25.0	-169.7	-99.8	26.2
EBIT	-6.2	-7.9	-7.1	-4.7	-1.2	Coverage (x)					
Growth (%)	-7.6		9.6	33.6	75.2	Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0
EBIT Margin (%)	-552.5	-371.2	-334.9	-377.4	-21.5	Valuation					
EBITDA	-3.8	-5.0	-3.8	-4.5	-0.9	Sales per Share	0.0	0.0	0.0	0.0	0.0
Growth (%)	-14.1	-30.6	22.6	-17.1	78.9	EPS (diluted)	0.0	0.0	0.0	0.0	0.0
EBITDA Margin (%)	-338.9	-233.5	-180.3	-358.4	-17.4	Growth (%)	-5.4	14.1	-214.5	91.6	0.0
Net Income	-7.3	-6.6	-22.5	-3.7	1.7	Dividends per Share	0.0	0.0	0.0	0.0	0.0
Growth (%)	-28.8	8.5	-239.2	83.4	0.0	Growth (%)	0.0	0.0	0.0	0.0	0.0
Balance Sheet (A\$m)						Book Value per Share	0.1	0.0	0.0	0.0	0.0
Cash & STI	9.6	2.8	2.0	2.3	1.3	Growth (%)	-15.9	-22.5	-100.4	0.0	105.1
Total Assets	35.7	31.5	7.4	7.9	10.8	Shares					
Total Debt (x-lease)	2.9	2.5	1.7	1.7	0.8	Diluted Shares	409.4	435.8	471.2	938.4	2,124.8
Net Debt	-4.8	1.5	1.4	0.8	0.8	Ratios (x)					
Total Liabilities	10.8	10.2	7.5	5.5	5.1	Price / Sales	19.4	11.2	4.6	11.2	6.2
Total Shareholders' Equity	24.9	21.3	-0.1	2.4	5.6	Price / Earnings	-	-	-	-	16.0
Cash Flow (A\$m)						Price / Book Value	0.9	1.2	-100.0	9.6	5.0
Net Operating Cash Flow	-2.7	-4.9	-1.4	-3.7	1.2	Price / Tangible Book Value	2.2	4.8	0.0	9.6	8.8
Capital Expenditures	-0.7	-0.7	-0.3	0.0	-2.3	Price / Cash Flow	-8.1	-4.8	-7.1	-3.8	29.3
Net Investing Cash Flow	-1.7	-1.2	-0.3	0.0	-2.3	Price / Free Cash Flow	0.0	0.0	0.0	0.0	30.0
Net Financing Cash Flow	6.9	-0.6	0.9	4.0	0.1	Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0
Free Cash Flow	-2.8	-5.0	-1.4	-3.7	1.1	Dividend Payout Ratio (%)	0.0	0.0	0.0	0.0	0.0
						Enterprise Value / EBIT	-2.8	-3.3	-1.6	-5.1	-24.7
						Enterprise Value / EBITDA	-4.5	-5.3	-3.1	-5.4	-30.6
						Enterprise Value / Sales	15.3	12.4	5.5	19.2	5.3
						EBIT / Interest Expense	-53.5	-76.0	-15.2	-12.2	26.5

Source: Company data



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