

Save the Date!20th **Bioshares** Biotech
Summit**6 – 7 August 2026**QT Hotel
Queenstown, New Zealand**BIOSHARES***Australia's Independent Biotech Investment Resource, est. 1999***20 February 2026**
Edition 989*Extract from Bioshares –***Clever Culture Systems - Strong 24 Months Ahead**

Over the last 18 months, the majority of Clever Culture Systems' (CC5: \$0.026) instrument sales have been to the first early adopter of the industry, AstraZeneca. The big pharma bought nine APAS Independence instruments in FY2025 (of the total 11 sold) and two of the four sold in the first half of the current financial year were also to AstraZeneca.

AstraZeneca has rolled the APAS unit out across its global sites. It has also now entered 'routine use', which is another milestone for adoption for CCS.

However over the next 18 months, the aim will be to broaden the customer base, achieving global adoption of the technology by targeting 14 of the top 20 pharmaceutical companies.

To reach a breakeven point from sales, the company needs to sell around nine units a year. So far this financial year the company has sold four systems, so the target is to sell another five instruments before the end of June.

In FY2027, the expectation from management is an acceleration of total sales from a wider base.

Currently there are 27 instruments installed around the world, with the company receiving around \$1.2 million a year in licensing and service income, excluding those placed with AstraZeneca (which invested in the development of the technology and does not currently pay a licensing fee). This averages out to around \$71,500 in fees per instrument at the moment.

The total service and software license fees should reach around \$100,000 per installed instrument in the pharmaceutical sector with gross margins of 50% and 75% respectively (47%/53% revenue split at the moment). It should be noted that 14 of the instruments installed are in the pathology sector, where there are lower licensing fees.

CCS currently has 40 companies it is targeting, which represent an addressable market of \$75 million and potential recurring revenue of \$15 million. Its current customers alone represent \$45 million in potential sales (90 instruments) if adopted across their sites.

CCS' major customers so far are: AstraZeneca, Bristol Myers Squibb, Pfizer, Novo Nordisk and Thermo Fisher Pharma Services. In the first half of this year, an instrument was placed with Boehringer Ingelheim for evaluation, and with Novo Nordisk, which bought a system to evaluate. BMS currently has acquired two instruments, and this could increase to 7-10 instruments over time.

Last year three of the company's customers - AstraZeneca, Pfizer and Bristol Myers Squibb - presented on their experience with their technology. The validation from third parties should aid in speeding up adoption of the technology over the next two years.

Continued over

	Bioshares Portfolio
Year 1 (May '01 - May '02)	21.2%
Year 2 (May '02 - May '03)	-9.4%
Year 3 (May '03 - May '04)	70.6%
Year 4 (May '04 - May '05)	-16.3%
Year 5 (May '05 - May '06)	77.8%
Year 6 (May '06 - May '07)	17.4%
Year 7 (May '07 - May '08)	-35.8%
Year 8 (May '08 - May '09)	-7.4%
Year 9 (May '09 - May '10)	50.2%
Year 10 (May '10 - May '11)	45.4%
Year 11 (May '11 - May '12)	-18.0%
Year 12 (May '12 - May '13)	3.1%
Year 13 (May '13 - May '14)	26.6%
Year 14 (May '14 - May '15)	23.0%
Year 15 (May '15 - May '16)	33.0%
Year 16 (May '16 - May '17)	16.8%
Year 17 (May '17 - May '18)	-7.1%
Year 18 (May '18 - May '19)	-2.3%
Year 19 (May '19 - May '20)	39.5%
Year 20 (May '20 - May '21)	86.8%
Year 21 (May '21 - May '22)	-15.6%
Year 22 (May '22 - Dec '22)	-2.2%
Year 23 (CY2023)	-15.4%
Year 24 (CY2024)	40.8%
Year 25 (CY2025)	20.3%
Year 26 (CY2026 - current)	-9.9%
Cumulative Gain	2069%
Av. Annual gain (25 yrs)	17.7%

Companies covered: **ACW, ARX, BOT, CGS, CYC, CC5, PYC**

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One of the impediments to adoption has been having the technology ready for use not just on the agar settle plates (similar to those used in pathology), but also ready for use in the smaller contact plates that are used to test for bacteria on staff clothing or other surfaces. The contact plate module was released in August last year, which was the trigger for Novo Nordisk and Boehringer Ingelheim to take the instrument on for evaluation.

In FY2025, CCS was effectively breakeven before tax, compared to a \$4.7 million loss the year prior. Revenue increased by 330% to \$5.5 million. For the first half of this year, the company generated a loss before tax of \$1.7 million with revenue down 10% to \$2.5 million compared to the PCP. Cash outflow from operations and investing activities was just \$0.3 million for the six months. An appeal with this company is its lean cost base and its proximity to profitability.

Summary

Whilst 2027 will be a year for acceleration of adoption and growing sales, the key metric this year will be adding new customers to purchase and evaluate the APAS product, which may become the first product of choice for pharmaceutical manufacturing clean room monitoring. The advantage the technology has over competitors is the ease to increase volumes, as an incubator, which is the bottleneck in the process, is not incorporated in the APAS instrument, unlike competing systems.

Clever Culture Systems is capitalized at \$56 million with \$3.1 million in cash at the end of last year.

Bioshares recommendation: **Speculative Hold Class B**

Bioshares

How Bioshares Rates Stocks

For the purpose of valuation, Bioshares divides biotech stocks into two categories. The first group are stocks with existing positive cash flows or close to producing positive cash flows. The second group are stocks without near term positive cash flows, history of losses, or at early stages of commercialisation. In this second group, which are essentially speculative propositions, Bioshares grades them according to relative risk within that group, to better reflect the very large spread of risk within those stocks. For both groups, the rating “Take Some Profits” means that investors may re-weight their holding by selling between 25%-75% of a stock.

Group A

Stocks with existing positive cash flows or close to producing positive cash flows.

- Buy** CMP is 20% < Fair Value
- Accumulate** CMP is 10% < Fair Value
- Hold** Value = CMP
- Lighten** CMP is 10% > Fair Value
- Sell** CMP is 20% > Fair Value
(CMP–Current Market Price)

Group B

Stocks without near term positive cash flows, history of losses, or at early stages of commercialisation.

Speculative Buy – Class A

These stocks will have more than one technology, product or investment in development, with perhaps those same technologies offering multiple opportunities. These features, coupled to the presence of alliances, partnerships and scientific advisory boards, indicate the stock is relative less risky than other biotech stocks.

Speculative Buy – Class B

These stocks may have more than one product or opportunity, and may even be close to market. However, they are likely to be lacking in several key areas. For example, their cash position is weak, or management or board may need strengthening.

Speculative Buy – Class C

These stocks generally have one product in development and lack many external validation features.

Speculative Hold – Class A or B or C

Sell

Corporate Subscribers: Cogstate, Syntara Dimerix, Imugene, Chimeric Therapeutics, Neuren Pharmaceuticals, Aroa Biosurgery, Clinuvel Pharmaceuticals, Clever Culture Systems, Actinogen Medical, Cynata Therapeutics

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