

May 14, 2026

KEEPING STOCK

Stock code:	CC5 AU
Price:	A\$0.024
Market cap:	A\$52m
Average daily turnover:	A\$0.04m
Index inclusion:	N/A

Price performance

(%)	1M	3M	12M	3Y
Absolute	-11.1	-17.2	26.3	-7.1
Rel ASX/S&P200	-11.4	-17.4	18.5	-29.6



Source: IRESS

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

– Clever Culture Systems

Clever Culture Systems

Expanding the customer base nicely

- CC5 has identified over \$45m in sales revenue from its existing client base of seven pharmaceutical companies. The continued rollout of recently launched contact plate now provides a complete automated solution for customers.
- CC5 has ended 3Q26 in a reasonable cash position which will be enhanced in 4Q26 by additional committed sales, R&D tax refund and receivables.
- Further catalysts include additional contracts with new and existing customers.

Event

- 3Q26 cash flow report

Operating update

- CC5 reported steady progress for 3Q26. Key achievements include diversified customer base expansion into the global pharmaceutical customer segment, with three new APAS® Independence installations. This supports CC5's growing recurring revenue model, increasing the global installed base to 30, whilst reducing reliance on AstraZeneca. Two instruments are under evaluation with Pfizer and Boehringer Ingelheim.
- Cash receipts from customers were \$1.1m (YTD A\$4.3m) and the net operating cash outflow was A\$1.1m for the quarter. CC5 had A\$2.0m in cash and expects to receive A\$2.6m over the next two quarters from receivables, committed sales, and R&D tax incentives, supporting liquidity as it focuses on scaling commercial deployments globally.
- CC5 estimates its sales pipeline exceeds 150 APAS® Independence instruments representing over A\$75m in potential upfront sales revenue and up to A\$15m in annual recurring revenues (ARR). Importantly, CC5 has identified increased traction within its existing customer base, to up to 95 APAS® instruments equating to over A\$45m of potential upfront sales revenue and A\$10m in ARR as it progresses its land-and-expand strategy across global clients.

R&D update

- The company's contact plate analysis module, launched in August, continues to gain traction across expanding installed base. The module enables APAS® Independence to process both settle (90mm) and contact plates (55mm) - critical for pharmaceutical environmental monitoring. The ability to monitor both plate types provides a complete solution to customers looking for automation solutions. There has been positive uptake from existing customers with 10 out of 14 APAS® Independence instruments upgraded with the new module.

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.
- CC5's installed base of APAS® Independence instruments sits at 30 units (+ plus 2 units under evaluation) and as the installed base grows the recurring revenue will increase.

Catalysts

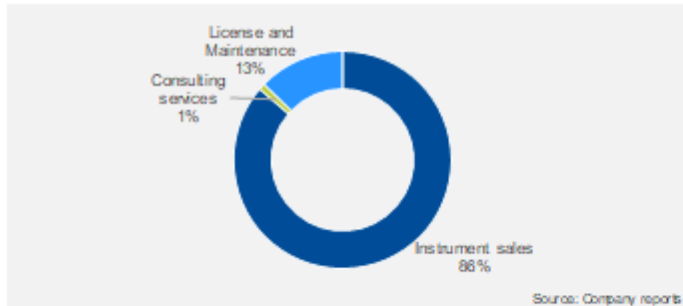
- Other top 20 global pharmaceutical companies (so far seven) are expected to engage with CC5 following the AstraZeneca, Novo Nordisk, Boehringer Ingelheim and Bristol Myers Squibb success. There are 2 new customers under contract and expected to close imminently.
- 4Q26 results in late July 2026.

Clever Culture Systems

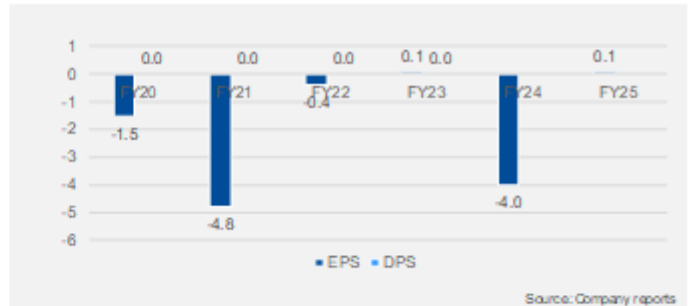
Price (A\$):	0.024	Industry:	IT Services
Market cap (A\$m):	52	Index inclusion:	N/A

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.

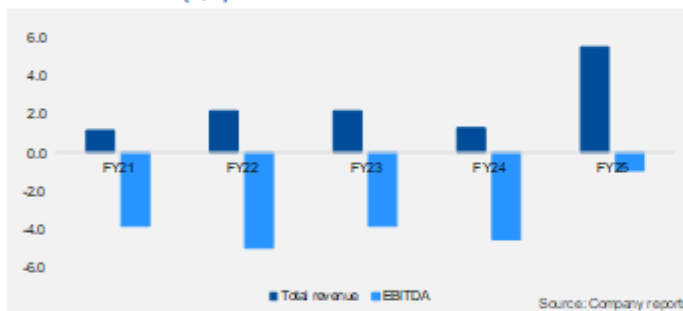
Revenue by segment (A\$m) FY25



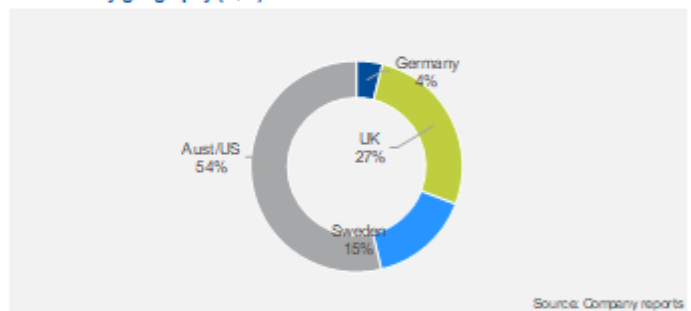
Historical EPS and DPS (cents)



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 PharmaQC 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 ~800 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

Funding the growth initiatives may put further strain on the cash reserves.

Source: Morgans

Figure 1: Historical financial data

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	-	10.2	-	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: FactSet



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