

APAS® INDEPENDENCE PHARMACEUTICAL MARKET UPDATE

Targeting FY25 profitability while building substantial sales pipeline to underpin FY26

Adelaide, Australia, 24 April 2025: Leaders in AI microbiology automation, Clever Culture Systems Ltd (ASX: CC5) (**CCS** or the **Company**), is pleased to provide an update on the Company's sales and marketing activities for its APAS® Independence technology in the pharmaceutical market.

Highlights:

- Sales pipeline for the pharmaceutical industry exceeds 40 active and qualified customer opportunities, representing an estimated \$75 million¹ in potential upfront sales revenue and \$15 million per annum recurring revenue
- Second purchase order received from an additional Bristol Myers Squibb (BMS) facility, which is expected to form a case study for the potential roll out to other BMS sites
- Another multi-national pharmaceutical company is completing an expanded 6,000 plate evaluation, clearing the way for procurement discussions direct with their manufacturing sites
- This progress is being underpinned by the rapid development of a second analysis module, for the reading and interpretation of the smaller contact plates (55mm). An early release is being trialled by potential customers, with formal release expected in mid-2025
- APAS® Independence presented at major industry events in Ireland, United States, and South Korea (new market) with interest building
- Installed base (including orders) of 27 APAS® Independence across pharmaceutical and clinical customers

Brent Barnes, CCS CEO & Managing Director said:

"It has been just over 12 months since we launched the APAS® Independence in the pharmaceutical manufacturing market. The market response has been overwhelmingly positive with 13 instruments sold or ordered to date, including the second order just received from Bristol Myers Squibb. Our strategy has been to target global pharmaceutical manufacturers that operate multiple sites globally and represent multi-instrument sales opportunities. What we have seen from AstraZeneca and Bristol Myers Squibb is that successful implementation with one site paves the way for broader adoption of the technology across the group, as they seek to promote best practices and standardise operations throughout their network."

We commenced 2025 with an expanded sales and marketing plan to fuel our pipeline which currently represents over \$75 million in potential upfront sales and \$15 million in recurring revenue per annum. These are advanced, qualified leads and will continue to grow in alignment with our Company strategy that is intended to deliver top line revenue growth whilst managing costs for sustainable profitability for the Company going forward."

Sales strategy with multi-national pharmaceutical companies is gaining traction

The Company launched the APAS® Independence in the pharmaceutical market in March-2024 [[ASX Announcement](#)]. Over the past 12 months, the Company has been actively marketing the product to build awareness and generate new sales leads with a focus on developing opportunities with multi-national pharmaceutical manufacturers. This strategy is designed to target customers who have the resources to evaluate new technologies and create multiple APAS® instrument sales opportunities. Active engagement with potential customers has accelerated noticeably since the Company announced the planned launch of a second APAS® analysis module for the analysis of the smaller contact plates (55mm) in October-2024 [[ASX Announcement](#)]. Combined with the existing APAS® analysis module for the settle plates (90mm), the APAS® Independence will be able to analyse the two plate types that make up the vast majority of tests used by pharmaceutical manufacturers in environmental monitoring.

¹ Sales pipeline value based on internal estimate of the potential number of APAS® instruments across each of the 40+ active customer opportunities at an indicative average revenue per instrument sale of \$0.5 million (AUD) and recurring annual service and software fees targeted at 20% of the instrument sales price. Assumes a USD:AUD exchange rate of 0.65. The amount is not risk weighted, however the estimated instrument sales for each active customer is at the low end of estimates.

The Company's strategic shift to focus on the pharmaceutical industry has resulted in 13 instruments sales and orders to date, representing approximately \$6 million in revenue, and setting a base for future recurring income from license fees and maintenance support. Simultaneously the Company has also built a robust sales pipeline, estimated to represent over \$75 million in potential upfront sales revenue and \$15 million recurring revenue per annum¹ across over 40 active customer opportunities. The pipeline is concentrated on large multi-national pharmaceutical customers that have the potential to acquire multiple APAS® instruments across their manufacturing network. A number of these opportunities have progressed to discussing terms and timing for evaluations.

Second purchase order from Bristol Myers Squibb (BMS)

The Company has received a second purchase order for an APAS® Independence from BMS. BMS commenced its evaluation of APAS® Independence at its Microbiology Centre of Excellence in July-2024 and purchased this instrument in October-2024 [[ASX Announcement](#)]. CCS has now received the first BMS purchase order for operational deployment, expanding the APAS® independence into a second BMS site.

Following the positive instrument evaluation undertaken by BMS, using the settle plate analysis module, CCS is now in active discussions to identify other BMS sites that could be considered for a purchase of an APAS® Independence. The existing BMS instrument has been upgraded for the contact plate application to provide additional customer feedback prior to formal launch of the product. As part of this, BMS will extend its evaluation of the APAS® Independence to include the new contact plates analysis module, expected to be completed in the coming four months. A positive evaluation will clear the way for individual BMS sites to request a capital budget allocation. The recently received purchase order was expedited as the relevant site had an immediate need for automation and had available budget. Importantly this site will be an early case study for the potential wider adoption across the BMS group.

APAS® Independence evaluation update

In June 2024, CCS announced that two multinational pharmaceutical companies had agreed to undertake an evaluation of the APAS® Independence. One of those companies (the other being BMS) has progressed slower than expected as they undertook an expanded evaluation of the technology covering over 6,000 plates, with the resulting data currently being compiled. Like BMS, the evaluation assessed the performance of the settle plate analysis module and is being extended to the contact plate analysis module. However, on the basis of the positive results from the evaluation to date, CCS has been introduced to a number of their manufacturing sites to progress direct discussions for potential procurement.

AstraZeneca installations

In December-2024, the Company received a second order from AstraZeneca for 4 APAS® Independence instruments [[ASX Announcement](#)]. The first of these instruments has now been installed, with the remaining 3 instruments scheduled to be installed progressively in May and June. CCS will provide support to AstraZeneca as they transition the 9 instruments into routine use.

2025 expanded marketing program: APAS® Independence showcased at global events

Following the initial positive commercial traction in the pharmaceutical market, the Company has expanded its sales and marketing program for calendar year 2025, including showcasing APAS® Independence at new industry events and presentation in new global markets. The Company's focus has been on high impact events, with targeted audiences concentrated on pharmaceutical microbiology and QC decision makers, and to establish further technology leadership through peer reviewed presentations and scientific publications.

Over the past 3 months, the APAS® Independence has been showcased at the following conferences:

- **PDA Ireland Microbiology Conference, Cork, Ireland** – APAS® Independence presented by AstraZeneca's Karen Capper outlining AstraZeneca's global approach to technology implementation
- **ISPE Aseptic Conference, Washington D.C., USA** – APAS® Independence presentation focussing on the validation of artificial intelligence-based technologies.
- **PDA Week, Palm Springs, USA** – APAS® Independence poster publication discussing validation testing requirements for artificial intelligence technologies [[Publication](#)].

This week, the Company have also had a booth and new emerging technology presentation at the KoreaLab conference in South Korea. This has provided an opportunity to showcase and introduce the APAS® Independence to a new market and a focus point for customer visits in the region.

Approved for release by the CCS Board.

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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 remains 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

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