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Clever Culture Systems Ltd

(formerly LBT Innovations Ltd)

ACN 107 670 673

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2025

Annual Financial Report

30 June 2025

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DIRECTORS' REPORT

Your Directors present their report on Clever Culture Systems Ltd (**CCS** or the **Company**) and its 100% owned subsidiary Clever Culture Systems AG (together the **Group**) for the year ended 30 June 2025 (the **Year**) as at the date of this report.

At the Company's 2024 AGM, shareholders agreed to change the Company's name to Clever Culture Systems Ltd (formerly LBT Innovations Ltd). This was completed on 21 November 2024. This was an important change for the Company, creating a unified single brand for both customers and investors.

Directors

The names of the Directors of CCS, in office at any time during or since the end of the year, are:

- Rebecca Wilson

  Independent Chair and Non-Executive Director

- Brenton Barnes

  Chief Executive Officer and Managing Director

- Daniel Hill

  Non-Executive Director

- Ian Wisenberg (commenced 1 October 2024)

  Non-Executive Director

- Brian O'Dwyer (retired 14 November 2024)

  Non-Executive Director

Directors have been in office since the start of the financial year to the date of this report, unless otherwise stated.

Company Secretary

The names of the individuals holding the position of Company Secretary at any time during or since the end of the year are:

- Raymond Ridge

Principal Activities

The principal activities of the Group during the Year remained those of developing and commercialising the APAS® Independence.

There were no significant changes in the nature of the Group's principal activities during the Year.

Operating Results

The Group recorded a net profit after tax for the year of $1.68 million (2024: $3.74 million loss).

Dividends Paid or Recommended

No dividends were paid, nor recommended to be paid for the year ended 30 June 2025.

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Review of Operations

In the 2025 financial year, Clever Culture Systems (CCS) has focused on positioning the APAS® Independence as the leading technology for culture plate reading in pharmaceutical environmental monitoring. Environmental monitoring is a mandatory process for all drug manufacturers and is required to demonstrate facilities are operating in a state of control throughout drug production. Culture plates are used continuously to monitor contamination, typically in a cleanroom setting. This process is highly regulated and relies on the manual inspection of culture plates. The APAS® Independence delivers a fully automated alternative to traditional manual methods, significantly improving process efficiency, enhancing result quality through digitalisation and minimising the risk of human error.

CCS's pharmaceutical market strategy has focussed on establishing the APAS® technology with leading manufacturers worldwide, targeting top-tier global pharmaceutical companies and Contract Drug Manufacture Organisation's (CDMOs). These customers typically operate multiple global manufacturing sites representing substantial multi-instrument sales opportunities across their networks. With dedicated resources to evaluate new technologies and significant market influence, they play a key role in building credibility for APAS® and driving demand for the technology amongst smaller manufacturers.

Since the product launch in March-24, CCS has made rapid progress in establishing the APAS® Independence in this market segment, completing installations at many leading global pharmaceutical companies. In 2025 Financial Year, the first full year of product availability, CCS completed 11 APAS® Independence instrument sales. This was underpinned by 9 sales completed to AstraZeneca [Aug-24, Dec-24], along with individual sales to Perth-based CDMO, BioCina (formerly NovaCina [Aug-25]), and leading pharmaceutical manufacturer, Bristol Myers Squibb (BMS) [Oct-24]. Following the end of the 2025 Financial Year, a second sale has been completed to BMS [Jul-25], ahead of completing their full evaluation to include contact plates. Novo Nordisk also purchased one APAS® Independence up-front as part of an evaluation of the technology for routine use across their global manufacturing network [Jul-25].

AstraZeneca has been an important development partner and early adopter of APAS® Independence. In Jan-23, CCS partnered with AstraZeneca to develop APAS® Independence for pharmaceutical environmental monitoring. Since then, AstraZeneca has become the leading customer in evaluating and validating the technology and has now implemented APAS® Independence into routine use across multiple global manufacturing sites. Their customer voice has been influential, with representatives presenting at numerous global conferences to share their experiences with the APAS® technology. This advocacy has been instrumental in building awareness of APAS® Independence within the pharmaceutical market. More recently, another top 20 pharmaceutical company has completed an extensive evaluation of the technology with its findings to be presented at the upcoming PharmaLab Congress in Europe in Nov-25.

Throughout the 2025 Financial Year, CCS has participated in global conferences to promote and present APAS® Independence in the pharmaceutical market. This has included events in Australia, United States, Europe and Asia. These conferences have been instrumental in building awareness of the technology and positioning CCS as a thought leader in microbiology through high profile presentations, webinars and publications. Efforts have been strategically focused on pharmaceutical microbiology events to identify and engage key decision makers and generate leads for new sales opportunities. The strategy has proven effective, developing a sales pipeline of over 40 qualified customer opportunities, representing an estimated $75 million in potential upfront sales and $15 million in annual recurring revenues[1].

In the clinical market, CCS has continued to collaborate with its global distribution partner Thermo Fisher Scientific Inc, to develop and progress sales opportunities (distribution partnership excludes the pharmaceutical market). During the 2025 financial year, an additional APAS® Independence instrument was sold to Health Services Laboratory in the United Kingdom, and CCS has continued to support existing clinical customers (in their use of the APAS® instrument) maintaining annual recurring revenues of approximately $0.5 million.

Over the past 12 months, CCS has enhanced the utility of APAS® Independence for pharmaceutical market customers through the addition of a new application for reading contact plates (smaller 55mm plates used for sampling of surfaces in cleanrooms). This development project included both new hardware capabilities for APAS® Independence and a new APAS® analysis module for reading of contact plates. The new application was installed with several customers for early feedback and following successful completion of formal technology validation, was officially released as a product in Aug-25. This development has expanded the Company's revenue opportunities with the contact plate application offered both as an upgrade for existing customers and as an additional analysis module thereby increasing the annual recurring revenue potential for each instrument sold by automating more tests.

During Year, the Group has recognised $2.1 million in grant funding that has partially funded the contact plate development project, being the $1.1 million R&D tax incentive claim relating to the 2025 financial year and $1.0 million received from CCS's Clinical Translation and Commercialisation Medtech grant (an initiative of the Medical Research Future Fund).

In Nov-24, CCS changed its name to Clever Culture Systems Ltd, ASX: CC5, (formerly LBT Innovations Ltd). Clever Culture Systems AG was a subsidiary to LBT Innovations Ltd and the name change was completed to streamline and simplify communications for customers and shareholders under a single unified identity.

Financial Overview

The consolidated net profit after income tax for the Year was $1.68 million, comprising a loss before income tax of $0.09 million and income tax benefit of $1.77 million. The loss before income tax of $0.09 million comprises:

- $6.63 million in total revenue, including: $5.28 million of revenue from APAS® Independence sales, license fees and maintenance & support income; $1.0 million grant income; and $0.35 million other income;
- ($1.50) million for cost of goods sold;
- ($2.99) million for total employee expenses;
- ($0.73) million corporate expenses
- ($0.33) million in marketing expenses
- ($0.94) million other expenses including R & D consumables, travel, patents and support of customers; and
- ($0.23) million depreciation expenses.

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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 $0.54 million (AUD) and recurring annual service and software fees at 20% of the instrument sales price. Assumes a USD: AUD exchange rate of 0.655. The amount is not risk weighted, however the estimated instrument sales for each active customer is at the low end of estimates.

Financial Position

Net assets of the Group increased by $3.2 million from $2.4 million at 30 June 2024 to $5.6 million at 30 June 2025.

The Group's cash reserves decreased by $1.1 million. The 30 June 2025 cash position is bolstered by $1.5 million in short term receivables that are expected to be received by the end of September, a current tax asset of $1.1 million which is attributable to the Research and Development Tax Incentive claim and $1.3 million to be invoiced for the committed near term sales including Novo Nordisk and the second instrument now installed at BMS.

During the Year, CCS received $1.1 million in proceeds from options exercised, with $0.8 million of these proceeds being used to partly repay the South Australian Government loan, in accordance with an early repayment clause. The balance of that loan is now $1.0 million at 30 June 2025 (refer Note 13 of the annual financial statements).

Significant Changes in State of Affairs

There have been no significant changes in the state of affairs of the Group during the year.

After Balance Date Events

On 14 July 2025, CCS announced that it received a purchase order from Novo Nordisk in Europe for the purchase of an APAS Independence system in order to undertake an evaluation of the technology for uses across their manufacturing network.

On 27 August 2025, CCS announced completion of the development of an Analysis Module for the application of contact plates. This is a significant milestone for the Group, with the two Analysis Modules ensuring that the APAS® Independence is able to provide a complete solution for all culture plates used in environmental monitoring within pharmaceutical manufacturing globally.

Other than the above, there has not arisen any other matters or circumstances, since the end of the financial year, which significantly affected or could affect the operations of the Group, the results of those operations, or the state of the Group in future years.

About CCS

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.

Environmental Issues

The Group's operations are not subject to significant environmental regulation under the laws of Australia or Switzerland.

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Key Risks

This section contains an outline of the material business risks that may impact on CCS achieving its strategic objectives and business operations.

Business Specific Risks

Key risks relating to CCS are set out below. It is not, however, possible to describe all the risks to which CCS and its business may become subject to, and which may impact adversely on CCS's prospects and performance. Specific risk factors which may have a significant impact on the future performance of CCS include the following:

Funding risk
The future viability of the Group is largely dependent on the number and timing of APAS® instrument sales, and on its ability to raise capital to finance its operations if required. An inability to achieve the Group's expected level or timing of sales, or to raise capital if needed, could have a negative impact on its financial condition and its ability to pursue its business strategies.

Risks relating to expansion in the pharmaceutical market
Whilst sales into the pharmaceutical market are expected to drive the Group's future sales growth, the level of sales that may be achieved remain impacted by several risks including the wider commercial appeal of the APAS® instrument and general economic and other conditions impacting end customers, including the potential re-emergence of a pandemic or other factors disrupting global trade. However, the level of uncertainty associated with the commercial appeal of the APAS® instrument has reduced over the past year, noting the successful installation of nine instruments at AstraZeneca, an expanding pipeline of other advanced sales opportunities and the development of a second analysis module for the processing of Contact Plates.

Development risk
Recently, in August 2025, the Group completed the development of an additional Analysis Module for use in environmental monitoring in the pharmaceutical industry. This new Analysis Module is considered critical to underpinning the commercial attractiveness of the APAS Independence and a reduced risk remains that the desired level of performance and reliability may not be achieved in the coming customer evaluations of the new Analysis Module for Contact Plates. This may delay the adoption of the technology and the timing of sales.

Supply chain risk
The COVID-19 pandemic highlighted supply chain risks in many industries. The Group is reliant on domestic and international supply chains for the parts used in the manufacture of the APAS® instrument. Any factors that disrupt global trade generally or that impact particular suppliers, may result in prolonged lead times for instrument parts. The Group has taken pragmatic and cost-conscious risk mitigation measures for known long lead time parts. However, despite this mitigation strategy, there remains an inherent risk that lack of availability of parts may impact the Group's ability to fulfill sales demand, resulting in reduced or delayed sales, or may result in increased cost of parts.

Competitor risk
The APAS® Independence is the only automated instrument with off-the-shelf validated Analysis Modules available, with capacity to process both plate types commonly used in environmental monitoring. To date, the Group's main competitors have chosen different technology approaches. As sales of the APAS® instrument grow, it is possible the Group's competitors will seek to develop similar technologies that may compete directly or indirectly with the Group's products. This has the potential to impact the future growth prospects of the APAS® instrument. If competitors develop products or technologies that are more effective, the Group's current or future products may become obsolete or uncompetitive.

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Exchange rate risk
The Group operates internationally and therefore fluctuations in prevailing exchange rates may negatively affect the Group's profitability and financial position. Unhedged and unfavourable movements in foreign exchange rates may have an adverse effect on the Group's revenue and/or cost of operating. The most common foreign currency utilised is US dollars.

Regulatory risk
In the pharmaceutical market, the APAS® instrument is not directly regulated, however there is an indirect risk that changes in the highly regulated processes for microbial quality control testing within pharmaceutical manufacturing, may impact demand for the APAS® instrument.

In the clinical market, where the Group has an installed base of fourteen instruments, the Group's APAS® instrument and each Analysis Module is subject to regulatory clearance, product surveillance and registration. Although the APAS® instrument and certain Analysis Modules are already cleared and registered for sale in its key markets, there is a risk that regulatory requirements may change, increasing the costs and resources associated with maintaining regulatory compliance in this market. In addition, if regulators took the view that the Group had failed to comply with regulatory requirements, this could lead to enforcement action resulting in public warnings, infringement notices or the imposition of a pecuniary penalty.

Intellectual property risk
The Group seeks to protect its intellectual property through patents, trademarks, trade secrets, copyright and know-how. In particular, the Group has registered patents over the core APAS® technology for image capture and AI assisted software development for image reading and interpretation.

Whilst the Group protects its intellectual property through these measures, there can be no guarantee that there will not be any unauthorised use or misuse of its intellectual property or reverse engineering of its software by competitors. If the Group fails to protect its intellectual property, competitors may gain access to proprietary information which could harm the Group's business.

There is a risk that the Group will not be able to register or otherwise protect new intellectual property it develops in the future. Competitors may be able to work around any of the applications or other intellectual property rights used by the Group, or independently develop technologies or competing products that are not covered by the Group's intellectual property rights.

If the Group believes its intellectual property rights have been infringed, it may initiate or otherwise be involved in litigation against third parties for infringement, or to establish the validity, of the Group's rights. Any litigation, whether or not successful, could result in significant expense to the Group and divert the efforts of its personnel. In addition, any infringement could result in revenue loss and may be detrimental to CCS's reputation and brand value.

The Group's commercial success is, to a large extent, reliant upon its intellectual property being suitably protected and providing the Group with enforceable rights (through the registration of patents and trademarks). The Group cannot give assurance that the patents, trademarks or other intellectual property in existence today, or created in the future, will be able to be adequately protected.

Artificial Intelligence Risk
The increasing adoption of artificial intelligence (AI) in imaging presents both opportunities and risks for Clever Culture Systems. There is a risk that rapid advancements in AI technologies, coupled with evolving regulatory requirements, may outpace the Company's product development and approval processes, potentially impacting competitiveness. Furthermore, reliance on AI-driven outputs without rigorous validation may expose the Company to compliance, reputational, or legal consequences if clinical outcomes do not meet required standards. To mitigate this risk, the Company maintains ongoing oversight of AI developments, regulatory trends, and ensures strict validation of AI applications in its solutions.

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General Risks

Economic and government risks
The future viability of the Group is also dependent on a number of other factors affecting performance of all industries including, but not limited to, the following:

a) general economic conditions in jurisdictions in which the Group operates;
b) changes in government policies, taxation and other laws in jurisdictions in which the Group operates;
c) the interpretation of taxation laws by the relevant taxation authority differing from the Group's interpretation;
d) the strength of the equity and share markets in Australia and throughout the world;
e) movement in, or outlook on, exchange rates, import duties, interest rates and inflation rates in jurisdictions in which the Group operates; and
f) natural disasters, industrial disputes, social upheaval or war in jurisdictions in which the Group operates.

Financial markets risks
Share market conditions may affect the value of the Company's quoted Shares regardless of the Group's operating performance. Share market conditions may be affected by many factors including, but not limited to, the following:

a) general economic outlook;
b) interest rates and inflation rates;
c) currency fluctuations;
d) changes in investor sentiment toward particular market sectors;
e) the demand for, and supply of, capital; and
f) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. Neither the Company, nor the directors warrant the future performance of the Company or any return on an investment in the Company.

Reputational risk
Various issues may arise that could pose reputational risk and negatively impact the Group's business dealings and prospects. These issues include appropriately dealing with potential conflicts of interest, legal and regulatory requirements, issues of ethics, money laundering laws, trade sanctions legislation, privacy, information security policies, trading practices and conduct by companies in which the Group holds strategic collaboration interests. Failure to address these issues appropriately could give rise to additional legal risk, subject entities within the Group to regulatory actions, fines and penalties, or harm the reputation of CCS or the Group among its shareholders, customers and investors.

Risk of litigation, claims and disputes
The Group is exposed to the risk of actual or threatened litigation or legal disputes in the form of claims by shareholders, regulatory authorities, employees, customers, competitors or partners, personal injury and property damage claims, environmental and indemnity claims, employee claims and other litigation and disputes. The Group may also need to institute proceedings from time to time, such as to defend a proprietary right. There is a risk that such litigation, claims and disputes could materially and adversely affect the Group's operating and financial performance due to the cost of defending and/or settling such claims, and could affect the Group's reputation.

Legislative risk
Changes in government regulations and policies, including potential changes to Australia's tax laws and foreign tax laws relevant to the Group, may adversely affect the financial performance or the current and proposed operations of the Group.

Force majeure

Events may occur within or outside Australia that could impact upon the Australian economy, the Group's operations and the price of the Company's Shares. These events include but are not limited to acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other natural or man-made events or occurrences that can have an adverse effect on the Group's ability to conduct business.

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Information on Directors

Information on the Directors of CCS as at the date of this report is as follows.

- Rebecca Wilson
  Independent Chair of the Board of Directors

Qualifications
Bachelor of Arts (Deakin University)
Post Graduate Certificate Applied Finance & Investment (FINSIA)
GAICD (Australian Institute of Company Directors)

Experience

Rebecca Wilson is an experienced company director with private, ASX listed and not-for-profit organisations and has significant experience leading companies in important commercial activation phases working with CEOs as both an advisor and Non-executive Director to develop and execute effective business strategies that support accelerated and sustained growth.

In an executive career that spanned 25 years, Rebecca held global leadership roles in marketing communication, investor relations, ESG, capital management, and corporate affairs.

Rebecca is the Non-Executive Chair of global healthcare enterprise technology company Alcidion Limited (ASX ALC), Non-Executive Director of ASX listed enterprise technology company Hansen Technologies (ASX HSN), and Vitura Health (ASX VIT). She is also an Independent Non-Executive Director of Not-for-profit Tomisich Foundation and Veski.

Direct Interest in Shares	Nil	Ordinary Shares
Direct Interest in Options		Options Expiring
	1,250,000	19 December 2025
	3,814,286	10 December 2027
Indirect Interests (Third Party Holdings)		
	20,396,100	Ordinary Shares
Parker and Wilson Investments Pty Ltd		Options Expiring
	6,798,700	15 November 2025
Directorships held in Other Listed Entities		Alcidion Limited (ASX: ALC)
		Hansen Technologies (ASX: HSN)
		Vitura Health Ltd (ASX: VIT)
Interest in Contracts	Nil	

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- Brenton Barnes
  Chief Executive Officer and Managing Director

Qualifications

Master of Project Management (University of Adelaide)
Diploma of Commerce (Sydney Institute of Business and Technology)
Graduate, Australian Institute of Company Directors (Australian Institute of Company Directors)

Experience

Brent became CEO and Managing Director of Clever Culture Systems in 2016 and is a major shareholder. He brings a global, big-company vision and is strongly backing the Company's growth potential. Brent has led the successful transition of its flagship AI and
machine vision technology, APAS®, from invention to commercialisation. His focus on global commercial execution is driving sales growth while maintaining the Company's leadership in technology innovation.

Previously, Brent spent 11 years at Cochlear Limited (ASX:COH) as a Senior Executive, overseeing a broad range of global operational and strategic functions.

Direct Interest in Shares	70,000,000	Ordinary Shares
Direct Interest in Options		Options Expiring
	25,000,000	15 November 2025
	1,500,000	7 August 2026
	40,000,000	10 December 2028
	10,000,000	Performance shares
Indirect Interests (Third Party Holdings)		
• Barnes' Love Work Live	713,606	Ordinary Shares
• Hawkeye SMSF Pty Ltd	30,000,000	Ordinary Shares
		Options Expiring
	10,000,000	15 November 2025
Directorships held in Other Listed Entities	Nil	
Interest in Contracts	Nil	

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- Daniel Hill

Non-Executive Director

Qualifications

Member of the Institute of Chartered Accountants Australia and New Zealand
Masters of Applied Finance
Masters of Business Administration
Fellow of FINSIA
Certificate in Governance Practice

Experience

Dan has a background working in finance, funds management and private equity. He is an experienced investor and business owner, with a track record of building successful businesses across a variety of industry sectors.

With an entrepreneurial mindset, Dan brings a focus on revenue generation to drive the commercialisation and growth of the Company's APAS® technology in the pharmaceutical and clinical markets.

Dan is an experienced Company Director, having held board and company secretarial positions on a number of public and private companies. He strengthens the Board's skillset through his business acumen and expertise in company strategy.

Direct Interest in Shares	NIL	Ordinary Shares
Direct Interest in Options	2,314,286	Options Expiring 10 December 2027
Indirect Interests (Third Party Holdings)		
• Viking BCM PTY LTD	212,665,188	Ordinary Shares
Directorships held in Other Listed Entities	Nil	
Interest in Contracts	Nil	

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- Ian Wisenberg

Non-Executive Director (Commenced 1 October 2024)

Qualifications

Bachelor of Commerce (University of Cape Town)
Certificate in Theory of Accounting (University of Cape Town)
CPA (Certified Public Accountant – USA) – retired

Experience

Ian is a professional with over 35 years extensive experience in international business. Born and educated in Cape Town, South Africa, his career has been characterised by an emphasis on business and corporate development, access to capital, and finance. Ian has established himself as a pivotal figure in fostering strategic financial partnerships and international relations, aiding numerous companies in accessing global opportunities.

Since exiting the full-time operational role at BioCina and Bridgewest, Ian has begun offering support to companies in Australia by leveraging his experience and extensive relationships in the life sciences industry in the United States, Europe and Asia.

Ian's career is marked by his skill at forging strategic financial partnerships with a wide array of institutions. His ability to connect local, national, and international organisations has been a cornerstone of his professional journey. Additionally, Ian has excelled in fostering international relations with both government agencies and private institutions, further amplifying his impact in the global business arena. He has an investor network encompassing Australia, New Zealand, Asia and United States.

Ian is Executive Director of Triovance Holdings, LLC, a biotech company based in San Diego and Advisor to BiomeBank, a microbiome platform company based in Adelaide, Australia.

Direct Interest in Shares	NIL	Ordinary Shares
Direct Interest in Options	2,314,286	Options Expiring 10 December 2027
Indirect Interests (Third Party Holdings)	Nil	
Directorships held in Other Listed Entities	Nil	
Interest in Contracts	Nil	

Company Secretary

The following person held the position of Company Secretary at the end of the financial year:

- Raymond Ridge

Qualifications

Bachelor's Degree, Accounting and Finance at the University of South Australia
Member of the Institute of Chartered Accountants Australia and New Zealand
Certificated Member of the Governance Institute of Australia.

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Experience

Ray has held senior executive positions in finance, compliance and commerce across a range of industries. Ray is currently Company Secretary for one other ASX listed company and has previously held the role of Company Secretary for a number of other ASX listed companies.

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REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration of each Key Management Person of the Group.

Remuneration Policy

The Remuneration Policy of the Group has been designed to align Key Management Personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific short-term incentives (STI) and long-term incentives (LTI) based on key performance areas affecting the Group's financial performance.

The key Nominations and Remuneration objectives of the Board are to appropriately and effectively attract and retain the best Executives and Directors to lead and manage the Group.

This Remuneration Policy has been approved by the Board and has been tailored to ensure alignment between management and shareholder interests through:

- Executive performance bonuses based on key performance indicators (KPIs) comprising of financial and non-financial elements, and
- Issue of options to the Directors and Executives to encourage the alignment of personal and shareholder interests.

The fixed remuneration component is determined by market conditions, with advice from remuneration specialists as required, so that the Group can recruit and retain the best available talent.

The Board is responsible for approving remuneration structures and processes for incentives, bonuses and options. The Board is responsible for setting the CEO & Managing Director's annual key performance targets and assessing/measuring annually the achievement of the CEO & Managing Director against those targets.

The relationship between the Board's policy and the Group's performance in terms of earnings and shareholder wealth is illustrated by the following table that shows the gross revenue, profits/(losses), available cash and closing CCS share prices on 30 June for the past five years. During the financial year, CCS's share price traded between a low of $0.012 and a high of $0.020

	2025	2024	2023	2022	2021
Revenue & Other Income	$6.63m	$1.71m	$2.27m	$2.90m	$2.11m
Net Profit / (Loss) for the Year	$1.68m	($3.74m)	($22.52m)	($6.64m)	($7.26m)
Available Cash	$1.27m	$2.35m	$2.02m	$2.79m	$9.62m
Year-End Share Price	$0.016	$0.015	$0.030	$0.078	$0.076

The year ended 30 June 2025 was an important period for CCS, establishing its APAS® technology as a global leader in automated reading of culture plates in the pharmaceutical market. In this context, the following milestones were considered most relevant in assessing the Group's performance for the Year and were taken into account in the assessment of the STI award for the CEO\Managing Director and the Executive Team:

- Substantially completing the development of the APAS® Analysis Module for the Contact Plates application in the pharmaceutical market, including upgraded instrument hardware and operating system software. This has been the Company's primary R&D priority and was subsequently released in August 2025. This is a significant milestone for the Group, with the two Analysis Modules ensuring that the APAS® Independence is able to provide a complete solution for all culture plates used in environmental monitoring within pharmaceutical manufacturing globally.

- Building on the initial five APAS® Independence instruments sold to AstraZeneca, the Group secured the sale of a further four instruments to AstraZeneca. During the Year, the Group and successfully supported the installation and qualification for all nine instruments, whilst also continuing to collaborate with AstraZeneca on the development of the Analysis Module for Contact Plates. AstraZeneca remains an important and vocal advocate for the APAS® technology.
- Outside of the nine sales to AstraZeneca, the Group has made meaningful inroads on expanding the sales pipeline in the pharmaceutical market, with a particular strategy of focusing on large multinational pharmaceutical companies. During the Year, in addition to AstraZeneca, the Group completed the sale of a further two instruments, one to BioCina and the other to leading pharmaceutical manufacturer, Bristol Myers Squibb (BMS). In addition, another top 20 pharmaceutical company has successfully completed an extensive 6,000 plate evaluation of the APAS technology over the course of the Year and is now expanding the evaluation to include the new Analysis Module for Contact Plates. Other opportunities with large pharmaceutical companies have been progressed with some of this being announced subsequent to the 30 June 2025, including the completion of a second sale to BMS and a purchase commitment received from Novo Nordisk for an instrument to be evaluated for potential roll out across their global manufacturing network. CCS expects to provide further information on these and other opportunities as they progress in the new financial year ending 30 June 2026.
- During this phase of building both the reputation of the APAS technology and the pipeline of advanced sales opportunities, the Group has successfully maintained a tight control on its operating costs, taking a measured approach in investing in additional resources to accelerate sales opportunities.

Non-Executive Director Terms and Conditions

The Board's policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required.

The maximum aggregate remuneration pool for Non-Executives Directors is $400,000, as approved by shareholders at CCS's 2023 AGM. Amounts in excess of this maximum, or a change to this maximum, are subject to approval by shareholders.

Fees paid to Non- Executive Directors are $54,000 per annum and $89,000 for the Chair.

Fees for Non-Executive Directors are not linked to the performance of the Group to maintain independence. Directors' fees for Australian resident Non-Executive Directors are inclusive of the superannuation guarantee contribution required by the government, which was 11.5% in the 2024/25 financial year. They do not receive any other retirement benefits.

To align Directors' interests with shareholder interests, the Board has set a framework where options are proposed to be issued to all existing Non-Executive Directors and newly appointed Non-Executive Directors in the future, subject to shareholder approval. The number of options are to be calculated as 60% of the Non-Executive Director's annual fees divided by the exercise price. The exercise price being set by the 10-day VWAP immediately prior to Board approval. The options will vest two years following their issue date provided continued service as a Director and will expire three years following their issue date. In accordance with this new framework the following options, with an exercise price of $0.014 were issued to existing directors, following approval at the Company's 2024 AGM:

Ms Wilson (Chair)	3,814,286
Mr Hill	2,314,286
Mr Wisenberg	2,314,286

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The above options vest on 10 December 2026 provided continued service as a Director and expire 10 December 2027.

To further strengthen alignment between Directors' interests with that of shareholders, Non-Executive Directors are required to hold shares in CCS. This was formalised as a Board policy in March 2021, requiring all Non-Executive Directors to acquire the equivalent of one year's Directors fees within the first four years of their engagement as a Director.

Executive Terms and Conditions

CEO and Managing Director

The remuneration for the CEO and Managing Director has four components:

- A salary package of $346,500 inclusive of statutory superannuation applied for the year ended 30 June 2025. The Board approved an increased to $363,825, effective 1 July 2025.
- An annual STI comprising a maximum annual bonus of 30% of the CEO and Managing Director's annual salary package. The maximum bonus was $103,950 for the Year . The proportion of the maximum bonus that is awarded each year is determined by the Board, based on their assessment of the achievement of preset objectives. At the commencement of each financial year, the objectives are set by the Board in key result areas of Sales & Distribution, Finance, Partnering/Pipeline Development and Corporate Strategy with an emphasis on achieving the Group's financial goals. Mr Barnes was awarded 88% or $91,476 of his potential STI award for Year, taking into account the milestones as noted above. Mr Barnes has elected to receive 3,545,581 shares as payment for the bonus, subject to shareholder approval, calculated at the July 2025 VWAP of $0.0258 per share.
- As part of a refreshed Long-Term Incentive (LTI), the Company issued 40,000,000 unlisted options and 10,000,000 performance shares to incentivise, retain and reward the Company's CEO / Managing Director. This follows the voluntary relinquishment of the previous LTI structure. The securities were issued on 10 December 2024, following shareholder approval. The 40,000,000 options have an exercise price of $0.024, vest 10 June 2026 subject to continuity of service and expire 10 December 2028. The 10,000,000 performance shares vest into the same number of ordinary shares on 10 December 2028, subject to a share price performance hurdle $0.07 (based on a 90-day VWAP immediately prior to 10 December 2028) and continuity of service.

Executives

All Executives receive a base salary, based upon performance, professional qualifications and experience, and superannuation, fringe benefits, options and performance incentives. The Managing Director reviews Executive packages annually with reference to the Group's performance, individual performance, and comparable information from industry sectors and other listed companies in similar industries.

In 2022, the Board finalised the terms of an STI and LTI structure for the Executive team, that aligns with performance targets, consistent with the Group's and the Managing Director's objectives for adding shareholder value. The purpose of the STI and LTI for the Executive team is to align and motivate/reward individual performance in contributing to the Group's objectives and to assist with retention of Executives that are key to building shareholder value.

All Executives participate in the STI structure which is an annual bonus of up to a maximum of 10% of an individual's base remuneration including superannuation. KPIs for the Executive Team are set in alignment with the CEO and Managing Director's KPIs, adapted as appropriate for each individual. The CEO/Managing Director assesses the performance of each individual against these KPI's, which is then reviewed and approved by the Board. All Executive annual bonuses are payable in shares, with the number of shares being calculated by reference to the July VWAP following the end of the financial year.

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The Executive Team LTI was refreshed during the Year, in alignment with the updated CEO/Managing Director LTI options. Under the Executive Team LTI, 10,000,000 unlisted options were issued to each of the four Executives on 15 January 2025. The options have an exercise price of $0.024, vest 10 June 2027 subject to continuity of service and expire 10 December 2028. The previous LTI structure was voluntarily relinquished. Further details are provided in Note 16 to the Financial Statements.

The above remuneration framework is designed to attract the highest caliber of Executives and reward them for performance that results in long-term growth in shareholder wealth.

1,474,716 performance shares were issued to CCS Executives on 30 August 2024 as part of their annual remuneration review, to minimise cash-based remuneration increases. The shares vested on 31 July 2025. Further details are provided in Note 16 to the Financial Statements.

Executive Key Performance Indicators (KPIs):

KPIs are set annually by the Board:

- To target areas believed to hold greater potential for business expansion and profit;
- To cover financial and non-financial as well as short and long-term goals; and
- Compared to budgeted figures for the Group and respective industry standards.

Performance in relation to the KPIs is formally assessed annually, with bonuses being awarded depending on an assessment of the KPIs achieved.

KPIs are reviewed by the Board considering their desired and actual outcomes. The efficacy of the KPIs is assessed in relation to the Group's goals and shareholder wealth, before the KPIs are set for the following year. KPIs for the Executive Team are set in alignment with the CEO and Managing Director's KPIs, adapted as appropriate for each individual. Any bonus payment is negotiated in line with achievement of KPIs and is approved by the Board.

Superannuation

Executives receive a superannuation guarantee contribution required by the government, which was 11.5% in the 2024/25 financial year, they do not receive any other retirement benefits. Individuals may choose to sacrifice part of their salary to increase payments towards superannuation.

Valuation of Shares and Options

Shares are valued at the fair value of the services provided, or otherwise valued based on the market price of the shares provided, at the date of Board or shareholder approval to issue the shares, as applicable.

Performance Shares are valued by reference to the underlying share price at the date of Board or shareholder approval to issue the shares, as applicable. Options are valued at their fair value using the Binomial option-pricing model.

However, where Performance Shares or Options contain share-based hurdles, the valuation is determined using a Monte Carlo simulation.

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Key Management Personnel Remuneration

2025	Cash Salary, Fees & Commissions	Cash Bonus	Superannuation Contributions	Shares	Options & Performance Shares	Total	Proportion Performance Based
	$000	$000	$000	$000	$000	$000	
Directors							
Mr B Barnes [1][2][3]	313	-	33	91	143	580	19%
Ms Wilson [4][5]	89	-	-	-	16	105	-
Mr D Hill [5]	54	-	-	-	8	62	-
Mr I Wisenberg [5][6]	27	-	-	14	8	49	-
Mr B O'Dwyer [7]	20	-	-	-	-	20	-
Other Key Management							
Mr R Ridge [8][9][10][11][12]	132	-	-	22	43	197	15%
Total	**635**	**-**	**33**	**127**	**218**	**1,013**	

2024	Cash Salary, Fees & Commissions	Cash Bonus	Superannuation Contributions	Shares	Options & Performance Shares	Total	Proportion Performance Based
	$000	$000	$000	$000	$000	$000	
Directors							
Mr B Barnes [1][2]	302	58	28	-	70	458	28%
Ms Wilson [4][13]	93	-	-	-	3	96	-
Mr D Hill [14]	29	-	-	-	-	29	-
Mr D Lismore [15]	31	-	-	-	-	31	-
Mr B O'Dwyer [16]	58	-	-	-	8	66	-
Other Key Management							
Mr R Ridge [8][9][10]	159	-	-	16	10	185	14%
Total	**672**	**58**	**28**	**16**	**91**	**865**	

1. The Board determined an annual bonus for the CEO and Managing Director, based on an assessment of performance against the annual Corporate KPI's, up to a maximum of 30% of his annual salary. The annual bonus for the 2025 year was $91,476 (2024: $58,410). Mr Barnes has elected to receive 3,545,581 shares as payment for the $91,476 bonus, subject to shareholder approval – the number of shares is based on the July 2025 VWAP of $0.0258 per share.

2. Based on the conclusions of a report from a Remuneration Specialist, 6,000,000 unlisted options were previously issued to the Company's CEO/Managing Director as a Long Term Incentive (LTI) in the year ended 30 June 2021. These options were voluntarily relinquished on 8 October 2024, ahead of shareholder consideration of a new LTI structure for the Company's CEO/Managing Director at the AGM held 14 November 2024 (refer Footnote 3 for details of the new LTI structure for the CEO/Managing Director). In accordance with AASB 2 "Share based Payments", the $418,000 fair value of the options was being expensed over the vesting period through to 25 November 2025. Expensing of the Options ceased upon the relinquishment date of 8 October 2024, with $8,000 being expensed in the year ended 30 June 2025 (2024: $70,000)

3. As part of a refreshed Long-Term Incentive (LTI), the Company issued 40,000,000 unlisted options and 10,000,000 performance shares to incentivise, retain and reward the Company's CEO / Managing Director. This follows the voluntary relinquishment of the previous LTI structure (refer Footnote 2). The securities were issued on 10 December, following shareholder approval on 14 November 2024. The options have an exercise price of $0.024, vest on 10 June 2027 subject to continued service and expire 10 December 2028. The fair value of the options was calculated as $473,311, using the Binomial method. In accordance with AASB 2 "Share based Payments", the $473,311 fair value of the options is being expensed over the vesting period through to 10 June 2027, with $115,000 expensed in the year ended 30 June 2025. The 10,000,000 performance shares vest into the same number of ordinary shares on 10 December 2028, subject to a share price performance hurdle of $0.07 (based on a 90-day VWAP immediately prior to 10 December 2028) and continuity of service. The fair value of the performance shares was calculated as $130,000, using a Monte Carlo simulation. In accordance with AASB 2 "Share based Payments", the $130,000 fair value of the shares is being expensed over the vesting period through to 10 December 2028, with $20,000 expensed in the year ended 30 June 2025. Due to the vesting hurdles, the performance shares are considered performance based.

4. 1,250,000 options issued to CCS Chair, Ms Rebecca Wilson, as approved by shareholders on 29 November 2023. The options have a two-year vesting period and an expiry date of 19 December 2033. The combined fair value of the options was calculated to be $6,066. In accordance with AASB 2 "Share based Payment", the fair value of the options is being expensed from the date of engagement on 1 July 2023 to the vesting date of 19 December 2025, with $2,066 being expensed in the year ended 30 June 2025 (2024: $3,000).

5. An issue of 3,814,286 options to Ms Rebecca Wilson (Non-executive Chair) and 2,314,286 options each of Messrs Dan Hill and Ian Wisenberg (Non-executive directors) on 10 December 2024, following shareholder approval. The options have a two-year vesting period and an expiry date of 10 December 2027. The fair value of the options valuation was calculated to be $45,031 for the options issued to Ms Wilson , and $27,322 each for Messrs Hill and Wisenberg. In accordance with AASB 2 "Share based Payment", the fair value of the options are being expensed over the two-year vesting period.

6. Mr Wisenberg commenced as Non-Executive Director on 1 October 2024.

7. Mr O'Dwyer retired as Non-Executive Director on 14 November 2024.

8. An Executive team LTI was implemented to mirror the LTI share price growth targets for the CEO and Managing Director. As part of this LTI, 550,000 options were issued on 14 January 2022 to Mr Ridge, to take up ordinary shares at an exercise price of $0.12 each. The options vest on 14 January 2026, subject to share price performance hurdles, and if not exercised will expire on 14 April 2026. These options were voluntarily

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relinquished on 15 January 2025, as part of a refreshed Executive Team LTI options (refer Footnote 12). The fair value of the options was calculated as $30,250, using a Monte Carlo simulation, and was being expensed over the vesting period through to 14 January 2026. The expensing of the options ceased on the date of relinquishment with the expense for the year ended 30 June 2025 being $4,028 (2024: $7,573). Due to the vesting hurdles, these options were considered performance based. Further details are provided in Note 16 to the Financial Statements.

9. The performance shares were granted on 15 February 2024 to Mr Ridge as part of a wider incentive provided to a number of staff in relation to the development of additional analysis module for use on the APAS® Independence in the pharmaceutical industry. The performance shares converted into the same number of ordinary shares on 31 January 2025, following successful completion of the analysis module. The performance shares were valued at $0.015 each, being the ASX closing price of the Company's Ordinary Shares the day prior to Board approval to offer the performance shares. The total value of $5,250 was being expensed over the vesting period through to 31 January 2025, with $3,084 expensed in the year ended 30 June 2025 (2024: $2,166). Due to the vesting hurdles, these options were considered performance based.

10. All Executives participate in the STI structure which is an annual bonus of up to a maximum of 10% of an individual's base remuneration including superannuation. KPIs for the Executive Team are set in alignment with the CEO and Managing Director's KPIs, adapted as appropriate for each individual. The CEO/Managing Director assesses the performance of each individual against these KPI's, which is then reviewed and approved by the Board. All Executive annual bonuses are payable in shares. The annual bonus for Mr Ridge for the year ended 30 June 2025 was assessed as $22,097 (2024: $16,000), payable through the issue of 856,473 shares (2024: 940,729 shares). The remuneration under the STI is considered performance based.

11. 1,474,716 performance shares were issued to CCS executives on 30 August 2024 as part of their annual remuneration review, to minimise cash-based remuneration increases. 438,269 of these shares were issued to Mr Ridge. The fair value of the shares issued to Mr Ridge was calculated as $7,400, being the estimated cash renumeration increase otherwise forgone. The number of shares issued was based on $0.01688 per share, being 5-day VWAP of the CCS shares traded on the ASX immediately prior to Board approval. In accordance with AASB 2 "Share based Payments", the fair value of the performance shares is being expensed over the vesting period through to 31 July 2025, with $6,772 expensed in the year ended 30 June 2025 . The resulting shares were issued on 4 August 2025.

12. 40,000,000 options were issued to four executives on 15 January 2025, as a refreshed Executive Team LTI to incentivise, retain and reward key staff. The option terms align with that of the refreshed LTI options issued to the Company's CEO / Managing Director (refer Footnote 3), with an exercise price of $0.024, vesting on 10 June 2027 subject to continuity of service and expire 10 December 2028. Mr Ridge received 10,00,000 of these options. The options were valued at $0.0118 per option or $118,328 in total using the binomial method on 14 November 2024, being the date the Board approved the offer to employees. In accordance with AASB 2 "Share based Payments", the $118,328 total fair value of the options is being expensed over the vesting period through to 10 June 2027, with $28,762 expensed in the year ended 30 June 2025. The previously issued executive team LTI was voluntarily relinquished (refer Footnote 8).

13. Ms Wilson commenced as Non-Executive Director and Chair on 1 July 2023.

14. Mr Hill commenced as Non-Executive Director on 14 December 2024.

15. Mr Lismore retired as Non-Executive Director on 29 November 2023.

16. 500,000 options issued to Mr O'Dwyer following shareholder approval on 29 November 2021. The options vested 29 December 2023, have an exercise price $0.136 and expire 29 December 2031. The fair value of the options was expensed over the two year vesting period to 29 December 2023, with $8,000 expensed in the prior year ended 30 June 2024.

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Voting at 2024 AGM

CCS received 99.18% of 'yes' votes on its remuneration report for the 2024 financial year. CCS did not receive any specific feedback at the AGM on its remuneration report.

This concludes the Remuneration Report, which has been audited.

Meetings of Directors

During the financial year to 30 June 2025, eight meetings of Directors were held. Attendances by each Director during the reporting period were:

	Number Eligible to Attend	Number Attended
Ms R Wilson	8	8
Mr B Barnes	8	8
Mr D Hill	8	8
Mr Ian Wisenberg (commenced 1 October 2024)	5	5
Mr B O'Dwyer (retired 14 November 2024)	3	3

The functions of the Audit and Risk Committee are being performed by the Board.

The functions of the Nominations and Remuneration Committee being performed by the Board.

Indemnifying Officers or Auditor

CCS has paid a premium to insure each of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct, while acting in the capacity of Director of CCS or any subsidiary, other than conduct involving a willful breach of duty. The amount of premium has not been disclosed as it is confidential under the terms of the insurance policy.

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor. During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

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Option Details

At the date of this report, the unissued ordinary shares of CCS under option are as follows:

Date of Expiry	Exercise Price	Number of Options	No of Shares due on Conversion
26/08/2025	$0.175	786,667	786,667
15/11/2025 (ASX: CC5OA)	$0.008	385,856,694	385,856,694
08/01/2026	$0.014	2,500,000	2,500,000
11/04/2026	$0.141	500,000	500,000
07/08/2026	$0.157	1,500,000	1,500,000
22/12/2026	$0.320	100,000	100,000
15/01/2027	$0.019	2,500,000	2,500,000
28/02/2027	$0.400	100,000	100,000
23/03/2027	$0.050	7,500,000	7,500,000
22/05/2027	$0.025	11,500,000	11,500,000
10/12/2027	$0.014	8,442,858	8,442,858
10/12/2028	$0.024	80,000,000	80,000,000
28/11/2029	$0.080	500,000	500,000
28/11/2029	$0.063	500,000	500,000
29/12/2031	$0.136	500,000	500,000
19/12/2033	$0.033	1,250,000	1,250,000
		504,036,219	504,036,219

No person entitled to exercise an option had or has any right by virtue of the option to participate in any share issue of CCS or any other body corporate.

Performance Shares

At the date of this report, 14,200,000 performance shares are held by employees with the following terms:

- 4,200,000 performance shares, with each performance share converting to one Ordinary Share for nil consideration contingent on continuity of employment through to 2 February 2026.
- 10,000,000 performance shares with each performance share converting to one Ordinary Share for nil consideration contingent on achievement of a $0.07 share price hurdle.

Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or any subsidiary company, or to intervene in any proceeding to which the Company or a subsidiary company is a party, for the purpose of taking responsibility on behalf of the Company or any subsidiary company for all or any part of those proceedings.

The Company nor its subsidiary were a party to any proceedings during the reporting period.

Non-Audit Services

There were no fees for non-audit services paid/payable to the external auditors during the years ended 30 June 2025 and 30 June 2024.

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Auditor Independence Declaration

The auditor's independence declaration for the year ended 30 June 2025 has been received and can be found on the following page.

Rounding of Amounts

CCS has applied the relief available to it under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. Accordingly, amounts in the financial statements have been rounded off to the nearest $1,000.

Signed in accordance with a resolution of the Board of Directors.

Rebecca Wilson

Chair

Brenton Barnes

Chief Executive Officer and Managing Director

Dated at Adelaide this 28th day of August 2025.

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CLEVER CULTURE SYSTEMS LIMITED

ABN 95 107 670 673

AUDITOR'S INDEPENDENCE DECLARATION

As the lead auditor for the audit of the financial report of Clever Culture Systems Limited and controlled entity for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(b) any applicable code of professional conduct in relation to the audit.

HLB Mann Judd Audit (SA) Pty Ltd
Chartered Accountants

Travis Rickard
Director

Adelaide, South Australia
28 August 2025

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME/(LOSS)
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025	2024
		$000	$000
Revenue	2	5,461	1,256
Other Income	2	1,169	453
Cost of Sales		(1,497)	(149)
Employee Benefits Expense	3b	(2,993)	(3,786)
Corporate Expenses	3a	(728)	(608)
Research & Development Expenses		(69)	(665)
Marketing Expenses		(329)	(126)
Finance Expenses	3c	(80)	(388)
Other Expenses	3d	(794)	(424)
Depreciation & Amortisation Expense		(225)	(238)
Consolidated Profit (Loss) Before Income Tax		**(85)**	**(4,675)**
Income Tax (Expense) Benefit	4	1,769	935
Consolidated Net Profit (Loss)		**1,684**	**(3,740)**
Basic Earnings (Loss) per Share (cents per share)	18	**0.10**	**(0.40)**
Diluted Earnings (Loss) per Share (cents per share)	18	**0.08**	**(0.40)**

The accompanying notes form part of the financial statements.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Note	2025 $000	2024 $000
Assets			
Current Assets			
Cash and Cash Equivalents	5	1,265	2,347
Trade and Other Receivables	6	1,490	557
Inventory	7	1,428	1,618
Current Tax Asset		1,077	1,001
Total Current Assets		**5,260**	**5,523**
Non-Current Assets			
Trade and Other Receivables		233	-
Property Plant and Equipment	8	34	25
Right of Use Assets	9	1,209	1,416
Deferred Tax Assets	19a	1,584	967
Intangible Assets	10	2,449	-
Total Non-Current Assets		**5,509**	**2,408**
Total Assets		**10,769**	**7,931**
Current Liabilities			
Trade and Other Payables	11	1,101	940
Lease Liabilities	12a	226	209
Other Financial Liabilities	13a	656	72
Provisions	14a	371	305
Total Current Liabilities		**2,354**	**1,526**
Non-Current Liabilities			
Lease Liabilities	12b	1,014	1,241
Other Financial Liabilities	13b	798	1,743
Deferred Tax Liabilities	19b	914	967
Provisions	14b	44	31
Total Non-Current Liabilities		**2,770**	**3,982**
Total Liabilities		**5,124**	**5,508**
Net Assets		**5,645**	**2,423**
Equity			
Issued Capital	15	54,164	53,106
Share Based Payments Reserves	16	1,673	2,087
Accumulated Losses		(50,192)	(52,770)
Total Equity		**5,645**	**2,423**

The accompanying notes form part of the financial statements.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025

	Share Based Payments Reserve	Share Capital	Accumulated Losses	Total
	$000	$000	$000	$000
Balance at 30 June 2023	**1,947**	**47,017**	**(49,069)**	**(105)**
New Shares Issued	-	6,378	-	6,378
Shares Granted as Remuneration expensed in F23	-	180	-	180
Share Based Payments (Options & Performance Shares)	179	-	-	179
Options Lapsed	(39)	-	39	-
Capital Raising Costs	-	(535)	-	(535)
Tax Effect Attributable to Capital Raising Costs	-	66	-	66
Net Loss for the Year	-	-	(3,740)	(3,740)
Balance at 30 June 2024	**2,087**	**53,106**	**(52,770)**	**2,423**
New Shares Issued	-	1,065	-	1,065
Shares Granted as Remuneration expensed in F24	-	60	-	60
Share Based Payments (Options & Performance Shares)	480	-	-	480
Options Relinquished	(523)	-	523	-
Options Forfeited	(5)	-	5	-
Options Lapsed	(278)	-	278	-
Performance Shares Vested	(88)		88	
Capital Raising Costs	-	(4)	-	(4)
Tax Effect Attributable to Capital Raising Costs	-	(63)	-	(63)
Net Profit for the Year	-	-	1,684	1,684
Balance at 30 June 2025	**1,673**	**54,164**	**(50,192)**	**5,645**

The accompanying notes form part of the financial statements.

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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 $000	2024 $000
Cash Flows from Operating Activities			
Revenue from Customers		4,650	1,079
Government Grants Received		1,170	225
Payments to Suppliers and Employees		(5,669)	(5,878)
Research and Development Tax Concession		953	849
Interest Received		57	52
Net Cash used in Operating Activities	17	**1,161**	**(3,673)**
Cash Flows from Investing Activities			
APAS® Analysis Module Development (intangible asset)		(2,299)	-
Payments for Plant and Equipment		(27)	(6)
Net Cash used in Investing Activities		**(2,326)**	**(6)**
Cash Flows from Financing Activities			
Cash Proceeds from New Shares Issued		1,065	6,123
Repayment of Share Placement Facility		-	(1,380)
Loan Repayments		(768)	-
Repayment of Lease Principal		(210)	(194)
Capital Raising Costs		(4)	(543)
Net Cash provided by Financing Activities		**83**	**4,006**
Net Increase (Decrease) in Cash and Cash Equivalents		(1,082)	327
Cash and Cash Equivalents at Beginning of Year		2,347	2,020
Cash and Cash Equivalents at End of Year	5	**1,265**	**2,347**

The accompanying notes form part of the financial statements.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

1. Statement of Material Accounting Policies

The financial reports present the financial information of Clever Culture Systems Limited (CCS Ltd or the Company), formerly LBT Innovations Ltd, consolidated with its 100% owned company, Clever Culture Systems AG (CCS AG) (collectively, CCS or the Group).

CCS is a public company incorporated and domiciled in Australia and the consolidated financial report was authorised for issue on 28th August 2025 by the Directors of CCS.

The following is a summary of the material accounting policies adopted by the Group in the preparation of the consolidated financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

The consolidated report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, and the Corporations Act 2001.

The consolidated financial report complies with all International Financial Reporting Standards (IFRS) in their entirety and are presented in Australian dollars, which is the Group's functional and presentation currency.

The consolidated financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Parent Entity Information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 24.

Principles of Consolidation

The consolidated financial statements incorporate the results, assets and liabilities of all subsidiaries of Clever Culture Systems Limited for the year ended 30 June 2025. The consolidated financial statements incorporate the assets and liabilities of both Clever Culture Limited and its subsidiary Clever Culture Systems AG as at 30 June 2025, together they are referred to in these financial statements as the 'Group'.

Subsidiaries are any entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interests in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

1. Statement of Material Accounting Policies cont.

Going Concern basis of Accounting

The Group's financial statements have been prepared on the basis of continuity of operations, the realisation of assets and the satisfaction of liabilities in the ordinary course of business. As disclosed in the financial statements, for the year ended 30 June 2025 the Group has incurred a net loss before taxes of $85,000 and net cash outflows from operating and investing activities of $1,165,000. At 30 June 2025, the Company has a cash balance of $1,265,000 and net assets of $5,645,000. These events and conditions represent a material uncertainty on the ability of the Group to continue as a going concern.

The future viability of the Group is largely dependent on the number and timing of sales, and on its ability to raise capital to finance its operations if needed. The Group believes that it has access to sufficient liquidity to prepare the financial statements on a going concern basis based on potential sales and its ability to raise capital if required. However, the Group's level of sales and ability to raise capital in the near term could have a negative impact on its financial condition and its ability to pursue its business strategies. The Group may be required to delay, reduce or eliminate research and development programs, reduce costs, reduce or eliminate commercialisation efforts, obtain funds through arrangements with collaborators, pursue merger or acquisition strategies or cease operations. As the Group believes that it has sufficient liquidity to prepare the financial statements on a going concern basis, the financial statements do not include adjustments relating to the recoverability and classification of recorded assets amounts, nor to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

Accounting Policies

a) Income Tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income or loss based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred tax assets arise from deductible temporary differences and previously booked tax losses, for both CCS AG and CCS Ltd. The benefit of these future tax deductions are only recognised as a deferred tax asset to the extent that it is probable that future taxable profits will be available against which the deferred tax assets may be utilised. In the current year ended 30 June 2025, the Group has recognised the full value of its deferred tax assets on the basis of an estimate of future net cash inflows and profitability of the Group, underpinned by potential pharmaceutical sales. The assessment of the potential pharmaceutical sales is based on 1) the expected imminent completion of the development of a second analysis module (Contact plates) that will then provide a complete solution for both plate types used in environmental monitoring in pharmaceutical manufacturing and 2) the Group's existing pipeline of advanced and qualified sales prospects in the pharmaceutical market. In the prior year ended 30 June 2024, given the lower than expected sales into the clinical market and the then early stage of the Group's pivot to the pharmaceutical market, the Group considered that there was insufficient evidence of future taxable profits to utilise such deferred tax assets. Therefore, in the prior year, a deferred tax asset was only recognised to the extent it was recoverable against available deferred tax liabilities.

b) Plant and Equipment

Plant and equipment is measured on the cost basis less, where applicable, any accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

All repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all plant and equipment is depreciated on a straight-line basis over its useful life to the Group, commencing from the time the asset is held ready for use.

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1. Statement of Material Accounting Policies cont.

Plant and Equipment cont.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate Per Annum
Plant and Equipment	20 – 33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.
Any asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.
Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.

c) Intangibles

APAS® Independence Development Costs

Capitalised APAS® Development costs include software development, consulting and some internal salaries incurred from December 2013.

Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these costs can be reliably measured.

The development was finalised for the APAS® Independence instrument in August 2019, and amortisation commenced at that point.

At that time, the Group conservatively assessed the useful life of the instrument to be 8 years, based on a review of other similarly priced capital items involving new technology within the same culture plate process. The amortisation was calculated on a straight-line basis as being the most appropriate method to reflect the realisation of the future economic benefits arising from the development of the APAS® technology.

APAS® Analysis Module Development Costs – Clinical Market

The APAS® Independence instrument will not function without the Analysis Module software. A separate AM needs to be developed for each particular type of culture plate media used. These development costs for Analysis Modules for use in the clinical market were capitalised as a separate asset from August 2018 onwards.

CCS AG Development Costs (Fair Value on Acquisition)

CCS AG Development costs include costs incurred by CCS AG for the engineering and design of the physical APAS® Independence instrument, and the costs associated with clinical trials and regulatory clearance for Analysis Modules. These costs were restated to fair value as at 31 December 2021, being the date that CCS Ltd obtained control of CCS AG through the completion of its full acquisition of CCS.

Impairment of Development Costs

At 30 June 2023 the Company reviewed sales performance and sales projections and it became evident that there was not a "reasonable and supportable" basis for forecast future sales within the context of Australian Accounting Standard AASB 136 Impairment of Assets, and as such the Group wrote down the carrying value of the intangible assets to nil. As such, amortisation was paused from 30 June 2023.

APAS® Analysis Module Development Costs – Pharmaceutical Market

The development of an Analysis Module for use on the APAS Independence in the environmental monitoring process for pharmaceutical manufacturing was completed in March 2024. This was part of a strategic pivot from the clinical market to the pharmaceutical market. The development costs associated with this first Analysis Module (for the analysis of Settle Plates) were expensed as incurred, given the lack of a "reasonable and supportable" basis for forecast future sales into this new market. However, development costs incurred during the year ended 30 June 2025 have been capitalised. These costs relate to the development of a second Analysis Module for the pharmaceutical market (for the analysis of Contact Plates). As the Group has expanded further into the pharmaceutical market, the ability to estimate future sales potential within this market improved, and the importance of having that second Analysis Module became clear.

License Fees and Option Fees

Licence fees and option fees are valued in the accounts at cost of acquisition and are amortised over the period in which their benefits are expected to be realised.

Research Expenditure

Expenditure during the research phase of a project is recognised as an expense when incurred.

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1. Statement of Material Accounting Policies cont.

d) Financial Instruments

Financial instruments are initially measured at fair value on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Trade and Other Receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 60 days. The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

e) Impairment of Non-Financial Assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset. An impairment test is also performed annually for intangible assets with indefinite lives and intangible assets not yet available for use.

The Group performed a formal impairment test as at 30 June 2025.

An impairment test compares the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in the profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit or loss.

f) Critical Accounting Estimates and Judgements

The Directors evaluate managements' estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key Estimates – Impairment

The carrying amount for intangible assets before any provision for impairment is $15.9million (2024: $13.4 million), relating to expenditure incurred in developing the APAS Independence and the Software (Analysis Modules) that enables the APAS Independence to read and interpret specific types of culture plates.

CCS originally targeted the clinical microbiology market, with the development of Analysis Modules for the reading and interpretation of culture plates for infectious diseases, routinely used in clinical microbiology laboratories. Sales into the clinical market did not meet expectations and a step change in sales potential was achieved in March 2024 with the development of an Analysis Module for the reading and interpretation of 'settle' culture plates used in environmental monitoring within pharmaceutical manufacturing. As this was a new market, the expenditure incurred in the development of an Analysis Module for settle plates was expensed as incurred. The Group has since focused its sales resources on this significant new market and based on early market feedback, CCS has commenced development of a second Analysis Module for the pharmaceutical market, for the reading and interpretation of 'contact' culture plates. This is a significant development as contact plates account for approximately 50% of the global volume of culture plates used in environmental monitoring within pharmaceutical industry, while the settle plates account for the other half of the volume.

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1. Statement of Material Accounting Policies cont.

Subsequent to the end of the financial year ended 30 June 2025, the development of this new Analysis Module was completed and made available for sale. With this development now completed, the APAS® Independence is the only automated instrument with off-the-shelf validated Analysis modules available, with capacity to process both plate types used in environmental monitoring. Expenditure incurred in the development of contact plates Analysis Module, including associated enhancements to the physical instrument to enable processing of the smaller contact plates, have been capitalised as an intangible asset.

The carrying value for all intangible assets are assessed against their estimated recoverable amount, consistent with Accounting Standard AASB 136 Impairment of Assets. This formal assessment is undertaken whereby the recoverable amount is assessed using a value-in-use calculation, comprising a forecast of cash flows associated with future sales of the APAS® instrument, discounted to net present value. For this purpose, the cash generating unit has been identified as comprising the Group in its entirety. This assessment has been considered for the following intangible assets:

Pharma Contact Plates Expenditure: $2.5 million (2024: nil). Based on the expanding pipeline of advanced sales prospects with large multinational pharmaceutical companies, together with near complete enhancement to extend capability to processing of contact plates (subsequently completed in late August 2025), the Group considers there to be a 'reasonable and supportable' level of forecast future sales. The discounted cash flow forecast indicates a recoverable amount of $18.9 million, well in excess of the $2.5 million carrying value. On this basis, Directors have concluded an impairment of this intangible asset is not required. The Directors are confident that management's cash flow forecast is achievable, supported by underlying market opportunities and execution plans. While some uncertainty naturally exists with regards to the key assumptions such as sales volumes and sales growth rates, the Board believes these assumptions are reasonable. Should sales outcomes fall materially short of expectations, this could impact the carrying value of the $2.5 million intangible assets. The forecast incorporates various key assumptions outlined further below.

Pre-Pharma Market Expenditure: $13.4 million (2024: $13.4 million). This carrying amount was last assessed against its estimated recoverable amount, at 30 June 2023. At that date, the Board determined that the Group was not in a position to provide a "reasonable and supportable" forecast for a level of sales to the clinical microbiology market that would indicate a recoverable amount of the APAS® assets. Accordingly, a non-cash impairment expense of $13.4 million was recognised in the Group's Statement of Comprehensive Income/(Loss) in that financial year. While the impending completion of the contact plates Analysis Module at 30 June 2025 was anticipated to significantly grow the market potential for APAS® Independence in the pharmaceutical market, this sales potential is specifically excluded from the recoverable amount assessment under Accounting Standard AASB 136 Impairment of Assets, being a future product enhancement. Therefore, with the Group's sales to the clinical market continuing to underperform, the impairment provision of $13.4 million has been maintained at 30 June 2025. The Company will reconsider this recoverable amount assessment once the enhancement to process contact plates is completed, and available to pharmaceutical customers (subsequently completed late August 2025).

Key Forecast Assumptions

A description of the assumptions underlying the forecast cash flows is described below.

Sales Projections

Given the relatively early stage sales into the pharmaceutical market, a conservative short term approach has been taken to estimating future sales. The sales forecast aligns with the Group's initial focus on direct sales to large pharmaceutical companies. As such, the sales estimate is predominantly based on advanced and qualified sales opportunities with these large pharmaceutical companies over an initial four year period, with only modest expansion of CCS sales resources. Over the four year period, total sales are estimated at 92 units, reaching peak sales of 29 instruments in that fourth year. 82% of the sales estimates are based on existing advanced and qualified larger customer prospects, with the remainder being opportunistic sales to smaller customers. Sales to these large customers have been weighted to 63% of the estimated total potential number of instrument sales for these customers. The sales estimates do not take into account the potential sales uplift when shifting the focus to the wider pharmaceutical market through an expansion of direct sales resources or engaging one or more distributors.

Revenue estimates are based on a price for an APAS Independence of USD350,000 ($534,000) per instrument , an annual Analysis Module license fee of USD50,000 ($76,000) and annual maintenance support fees of up to USD25,000 ($38,000). Other incidental revenue estimates are allowed installation and validation support services. The recurring annual revenues continue over the four year forecast period. The physical instrument has an expected minimum useful life of at least 7 years.

Terminal Value

The terminal value calculation is simply based the recurring income at the end of the fourth year of $4.1 million per annum after tax. A price earnings multiple of three times earning has been used. This does not take into account further sales potential beyond the initial four-year period. Terminal value is discounted to present value of $6.7 million, accounting for 35% of the total $18.9 million net present value.

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1. Statement of Material Accounting Policies cont.

Discount Rate

A real post-tax discount rate of 17.5% has been used in the discounted cash flow modelling. This is based on the discount rate used by independent valuer, engaged by the Group during the year ended 30 June 2025, to value the CCS AG business to support a corporate restructure. The discount rate factored in a rate appropriate to an ASX listed entity.

Sensitivity of Assumptions

Sensitivity of the discounted cash flow forecast to separate changes in the above assumptions is provided as follows:

- The post-tax real discount rate can be increased to 160% per annum before the discounted cash flow forecast approximates the carrying value of $2.5 million;
- The number of units sold can be reduced by 57% across the forecast period before the discounted cash flow forecast approximates the carrying value of $2.5 million;
- The average sales price per instrument together with the ongoing license fees and maintenance fees can be reduced by 38% before the discounted cash flow forecast approximates the carrying value of $2.5 million; or
- AUD exchange rate against the USD would need to increase by 80%, without any increase in the instrument pricing, before the discounted cash flow forecast approximates the carrying value of $2.5 million. For example, the AUD:USD would need to increase from 0.6550 to 1.18.

Key Estimates – Deferred Tax Asset Recoverability

In the addition to the carrying value of the intangible assets noted above, the Group also has net deferred tax assets of $670,000 (2024: $nil), arising from deductible temporary differences and unused carried forward tax losses, for both CCS AG and CCS Ltd. These are recognised to the extent that it is probable that future tax profits will be available against which the deductible temporary differences and carried forward tax losses may be utilised. In the current year ended 30 June 2025, the Group has recognised the full value of its deferred tax assets on the basis of an estimate of future net cash inflows and profitability of the Group, underpinned by potential pharmaceutical sales. The assessment of the potential pharmaceutical sales is based on 1) the expected imminent completion of the development of a second analysis module (Contact Plates) that will then provide a complete solution for both plates types used in environmental monitoring in pharmaceutical manufacturing and 2) the Group's existing pipeline of advanced and qualified sales prospects in the pharmaceutical market. In the prior year ended 30 June 2024, given the lower than expected sales into the clinical market and the then early stage of the Group's pivot to the pharmaceutical market, the Group considered that there was insufficient evidence of future taxable profits to utilise such deferred tax assets. Therefore, in the prior year, a deferred tax asset was only recognised to the extent it was recoverable against available deferred tax liabilities.

Key Estimates – Share Based Payments

A key area of judgement relates to the calculation of the market value of the unlisted options and performance shares granted to Directors, employees and other service providers. The fair value of each option series was assessed using the Binomial method and for performance shares with vesting conditions linked to the achievement of CCS share price hurdles, a Monte Carlo pricing model was used to calculate the fair value. A key assumption used in both the Binomial and Monte Carlo calculations is the Company's future share price volatility. Future volatility was based on the historic daily price movements of the Company's ASX listed shares prior to the relevant valuation date. For further information in relation to the options and performance shares granted, refer to Note 1 (i), Note 16 and Note 22.

g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and at call deposits with banks or financial institutions.

h) Revenue Recognition

Revenue from Contracts with Customers

In accordance with AASB 15, sales are recognised by the Group by dividing the sales contracts into two performance obligations, each being a promise to transfer to the customer a good or service that is distinct. Revenue is then recognised when (or as) the Group satisfies each performance obligation by transferring a promised good or service (i.e. an asset) to the customer. An asset is transferred when (or as) the customer obtains control of that asset. The performance obligations are as follows:

- One year maintenance and support. Part of the total contracted sale price is attributed to this service based on the list price of $40,000 per annum for annual maintenance and support following the one-year 'free' maintenance and support included in the contract price. This portion of the contracted sales price is recognised as revenue over the course of that 12-month warranty period.
- The remainder of the contracted sales price is attributed to the sale of the instrument. This portion of the contracted sales price is recognised as revenue once the instrument is delivered at the customer site.

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1. Statement of Material Accounting Policies cont.

Each Analysis Module enables the instrument to read and interpret different specimen types. An annual end user licence agreement is entered into by CCS for each Analysis Module required by a customer. Annual licence fees are recognised as revenue when the end customer enters into the annual end user license agreement.

Annual fees payable for maintenance & support are recognised progressively over the year that these services are provided.

Interest Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Government Grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expenses are recognised as income over the periods necessary to match grants to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

Other Revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

i) Share-Based Payments

Equity Settled Transaction

The Group currently has a Directors and Employee Incentive Plan in place to provide benefits to Directors and Executives in the form of share-payments whereby they render services in exchange for shares or rights over shares (equity-settled transactions).

The Group may also provide options to selected consultants in exchange for their services.

The cost of these equity-settled transactions is measured by reference to the fair value of the equity instruments at the date Board approval or in the case of options subject to shareholder approval, then fair value is determined at the date of shareholder approval. The fair value is determined using the Binomial option pricing model. The market value of performance shares are generally determined by reference to the underlying CCS share price on the valuation date. For more complex options and performance shares that include market vesting conditions, the Group utilises a Monte Carlo simulation together with a net present value calculation.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant party becomes fully entitled to the award (the vesting period).

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition. The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the assets or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

k) Foreign Currency Transactions and Balances

Foreign currency transactions during the year were converted to Australian currency at the rates of exchange applicable at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date were converted at the rates of exchange ruling at that date.
Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income.

k) Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

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1. Statement of Material Accounting Policies cont.

l) Leases - the Group as lessee

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Group. However, all contracts that are classified as short-term leases (i.e. a lease with a lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

m) Adoption of New and Revised Accounting Standards (issued but not yet effective)

At the date of authorisation of the financial statements, the Group has not applied any new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective, as they will not have a material impact on the financial statements of the Group.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2025. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, is set out below.

AASB 18 Presentation and Disclosure in Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2027 and early adoption is permitted. The standard replaces AASB 101 'Presentation of Financial Statements', with many of the original disclosure requirements retained and there will be no impact on the recognition and measurement of items in the financial statements. But the standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The Group will adopt this standard from 1 July 2027 and it is expected that there will be a change to the layout of the statement of profit or loss and other comprehensive income.

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2. Revenue

	2025	2024
	$000	**$000**
Instrument Sales	4,570	292
Instrument Leasing	128	-
License Fees	232	215
Maintenance Revenue	445	20
Revenue from Consulting Services [1]	50	720
Instrument Accessories	36	9
Revenue	**5,461**	**1,256**
Government Grants [2]	996	399
Foreign Exchange Gain (Loss)	108	-
Interest	56	54
Other	9	-
Other Income	**1,169**	**453**

1. In the prior year ending 30 June 2024, revenue from consulting services related to the funding received from AstraZeneca for the development of the APAS® technology for pharmaceutical application.
2. Grant income related to matched funding being provided by the government under the CTCM grant for the development of an analysis module for the reading and interpretation of the smaller 55mm Contant Plates, being the second plate type routinely used in environmental monitoring within pharmaceutical manufacturing.

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3. Loss for the Year

Loss Before Income Tax Benefit includes the following Items:

	2025 $000	2024 $000
(a) Corporate Expenses		
ASX Fees and Share Registry costs	94	81
Auditors Remuneration [1]	63	78
Insurance	85	91
Corporate Consulting and Legal	247	96
General Office Expenses and Other	239	262
Total Corporate Expenses	**728**	**608**
(b) Employee Benefits Expense		
Cash Based Employee Benefits Expense (includes directors' fees, contractor fees, salaries and wages, executive bonuses) [2]	2,513	3,607
Share Based Payments (refer Note 22) [3]	480	179
Total Employee Benefits Expense	**2,993**	**3,786**
(c) Finance Expenses		
Interest Expense	80	115
Share Placement Obligation (refer Note 13) [4]	-	273
Total Finance Expenses	**80**	**388**
(d) Other Expenses		
Travel and Accommodation	358	259
Patents and Trademarks	78	77
APAS® Independence customer maintenance and support	285	16
Sustaining Engineering	65	70
Other	8	2
Total Other Expenses	**794**	**424**

1. The Auditor did not provide any Non-Audit Services to the Group during the Year.
2. Employee benefits expense includes a total liability of $188,000 (2024: $60,000) of remuneration to Directors and Executives proposed to be settled, through the issuance of CCS Shares (refer Note 13), consisting of the following:
   - $14,000 (2024: $NIL) of Directors Fees, where a Director, Mr Ian Wisenberg, has elected to receive part of his cash-based Directors fees in CCS shares.
   - $91,000 (2024: $NIL) payable as an annual cash bonus to the CEO/Managing Director. The CEO/Managing Director elected to receive the bonus in CCS Shares to be issued following approval at CCS's 2025 AGM.
   - $83,000 (2024: $60,000) payable in CCS Shares as an annual bonus for the Executive Team. The maximum annual bonus is 10% of an individual's annual salary, with the actual amount awarded according to performance of the Group against its annual Corporate KPI's (70%) and against individual performance (30%). The Shares owing for the year ended 30 June 2024 were issued during August 2024.
3. Share based payments relate to amounts expensed in the period for options and performance shares granted to employees and Directors (refer Notes 16 and 22).
4. The expense for the year ended 30 June 2024 relates to the discount to market at the time the shares were issued for the third and fourth subscription notices and upon repayment in cash of the remaining $1,380,000 balance payable under the share placement agreement with Lind Global Fund II. This settlement in cash terminated the share placement agreement. (Refer to Note 15).

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4. Income Tax

	2025 $000	2024 $000
a) The Components of Tax Benefit Comprise:		
Current Tax	1,077	1,001
Deferred Tax - Origination and Reversal of Temporary Differences	733	(1,010)
Adjustment recognised for prior periods	(41)	-
Derecognition of Deferred Tax Assets	-	944
Income Tax (Expense) Benefit	**1,769**	**935**
b) The Prima Facie Income Tax Benefit on the Pre-Tax Accounting Loss is Reconciled to the Income Tax as follows:		
Prima Facie Income Tax Benefit (Expense) on the Pre-Tax Accounting Loss, at the domestic tax rates applicable in the countries concerned	(176)	996
Adjusted for the Tax Effect of:		
R&D Concession Claim	274	352
Capital Raising Costs	63	(66)
Non-Deductible Expenses	(826)	(47)
Derecognition of Deferred Tax Assets	107	944
Deferred Tax Asset on Losses Recognised (Not Recognised)	2,368	(1,244)
Other	(41)	-
Income Tax Benefit	**1,769**	**935**

5. Cash and Cash Equivalents

Cash on Hand and at Bank	1,185	1,558
Cash on Deposit	80	789
Total Cash and Cash Equivalents	**1,265**	**2,347**

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6. Trade and Other Receivables

	2025 $000	2024 $000
Trade Receivables	1,329	238
Other Receivables	143	269
GST Refundable	18	50
Trade and Other Receivables	**1,490**	**557**

Current Trade Receivables includes receivables of $1,242,000 for amounts due from AstraZeneca for the sale of instruments.

Credit Risk

All material receivables are within agreed payment terms.

The Group currently has no significant concentration of credit risk with respect to any single counterparty or group of counterparties, other than as disclosed in this Note 6. The class of assets described as "Trade and Other Receivables" is considered to be the main source of credit risk related to the Group.

On a geographical basis, the Group has credit risk exposures in Australia, the EU and the US.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtor, general economic conditions of the industry in which the debtor operates and an assessment of both the current and the forecast direction of conditions at the reporting date. As at 30 June 2025, the Group has determined that no credit loss provision is required.

7. Inventory

	2025 $000	2024 $000
Finished Goods	402	849
Work in Progress	93	744
Spare Parts	933	25
Total Inventory	**1,428**	**1,618**

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8. Plant and Equipment

	2025 $000	2024 $000
Plant and Equipment at Cost	231	242
Less: Accumulated Depreciation	(197)	(217)
Total Plant and Equipment	**34**	**25**

Movements in Carrying Amount

Movements in carrying amounts of plant and equipment between the beginning and the end of the financial year were as follows:

Opening Balance	25	51
Additions	27	6
Disposals	-	-
Depreciation Expense	(18)	(32)
Closing Balance	**34**	**25**

9. Right of Use Assets

The Group's right of use assets is a property lease for its sole office in Adelaide CBD, which commenced 15 April 2021. This is a non-cancellable lease with a five-year term, with rent payable monthly in advance. The remaining term of the non-cancellable lease term is 9 months. The rent increases on an annual basis by 3.5% or CPI whichever is the greater.

Options to extend or terminate

An option exists to renew the lease at the end of the five-year term for an additional term of five years. The extension option is only exercisable by the Group. The extension option is included in the calculation of the lease liability and right to use asset only to the extent management are reasonably certain to exercise that option.

Variable Lease Payments

The Group does not have any variable lease payments.

(i) AASB 16 related amounts recognised in the Statement of Financial Position

Leased Building	2,088	2,088
Less: Accumulated Depreciation	(879)	(672)
Total Right of Use Assets	**1,209**	**1,416**

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9. Right of Use Assets (cont.)

Movements in Carrying Amount

Movements in carrying amounts of Right of Use Assets between the beginning and the end of the year were as follows:

	2025 $000	2024 $000
Opening Balance	1,416	1,622
Depreciation Expense	(207)	(206)
Closing Balance	**1,209**	**1,416**

(ii) AASB 16 related amounts recognised in the Statement of Statement of Comprehensive Income/(Loss)

Depreciation Charge related to Right of Use Assets	(207)	(206)
Interest Expense on Lease Liabilities (Finance Expense)	(45)	(52)
(iii) Total Year Cash Outflows for Leases	(210)	(194)

10. Intangible Assets

	2025 $000	2024 $000
APAS® Development Costs	18,491	18,491
Less: Accumulated Amortisation	(11,419)	(11,419)
	7,072	7,072
Analysis Module Development	4,038	4,038
Less: Accumulated Amortisation	-	-
	4,038	4,038
CCS AG Development Costs (Fair Value on Acquisition)	3,416	3,416
Less: Accumulated Amortisation	(1,118)	(1,118)
	2,298	2,298
Contact Plate Development [(1)]	2,449	-
Less: Accumulated Amortisation	-	
	2,449	
Provision for Impairment	(13,408)	(13,408)
Total Intangible Assets	**2,449**	**-**

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10. Intangible Assets (cont.)

Movements in Carrying Amount

	AM Development Costs	APAS® Development Costs	CCS Development Costs	Contact Plate Development	Total Intangible Assets $000
Balance 30 June 2023	**-**	**-**	**-**	**-**	**-**
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Amortisation Expense	-	-	-	-	-
Balance 30 June 2024	**-**	**-**	**-**	**-**	**-**
Additions [1]	-	-	-	2,449	-
Disposals	-	-	-	-	-
Amortisation Expense	-	-	-	-	-
Balance 30 June 2025	**-**	**-**	**-**	**2,449**	**-**

1. Costs associated with the development of an analysis module for the reading and interpretation of Contact plates on the APAS® Independence

11. Trade and Other Payables

	2025 $000	2024 $000
Trade Creditors	587	436
Annual Leave Entitlements	253	236
Other	261	268
	1,101	**940**

12. Lease Liability

The Group's Lease Liability relates to the lease of CCS's office space (refer Note 9 for further details). The lease liability has been calculated with the assumption that the lease will be extended to 2031.

	2025 $000	2024 $000
a) Current Lease Liability	226	209
b) Non-Current Lease Liability	1,014	1,241
Total Lease Liability	1,240	1,450

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13. Other Financial Liabilities

	2025	2024
	$000	$000
a) Current		
Loan [1]	177	-
Unearned Income [2]	291	-
Share-Based Liability to Directors and Executives [3]	188	60
Share-Based Liability to Shareholders for Exercise of Options	-	12
Total Current Other Financial Liabilities	**656**	**72**
b) Non-Current		
Loan [1]	798	1,743
Total Non-Current Other Financial Liabilities	**798**	**1,743**

1. Pursuant to the loan agreement the South Australian Government, during the Year, CCS repaid $768,000 of the loan, utilising part of the funds received from options exercised (ASX: LBTO, expired 15 September 2024). The loan agreement includes a further early repayment clause, where all proceeds received by CCS on the exercise of options expiring 15 November 2025 (ASX: CC5OA) shall first be applied to repayment of the loan. As at 30 June 2025, CCS has received proceeds of $177,000 from the exercise of these options which it is therefore required to remit to the SA Government by 15 December 2025 (together with any further proceeds received). Accordingly, the amount of $177,000 is classified as the Current portion of the loan outstanding, being repayable within 12 months. The remainder of the loan is repayable on 31 October 2026 and has been classified a Non-Current. Interest of 2.8% pa is calculated on the outstanding loan balance and payable monthly. The SA Government holds a first ranking general security.
2. At 30 June 2025, unearned income consists of unearned maintenance income. Customers pay an annual fee for CCS to provide maintenance and support services. The revenue is recognised by CCS as the services are provided over the course of the year.
3. CCS has accrued $188,000 of liabilities to be settled through the issue of shares comprising $83,000 for the executive team annual bonus (2024: $60,000), together with two amounts subject to shareholder approval 1) $91,000 payable to the Managing Director who elected to receive his annual bonus in CCS Shares and 2) $14,000 where a Director, Mr Ian Wisenberg, has elected to receive part of his cash-based Directors fees in CCS shares. Refer Note 3(b) and the Remuneration Report.

14. Provisions

	2025	2024
	$000	$000
a) Current Employee Provisions – Long Service Leave	371	305
b) Non-Current Employee Provisions – Long Service Leave	44	31
Total Provisions	**415**	**336**

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15. Issued Capital

	2025	2024
	$000	$000
Issued and Paid Up Capital		
1,766,590,293 (30 June 2024: 1,553,986,346) Ordinary Shares Fully Paid	58,473	57,348
Less: Costs Associated with Capital Raising		
Opening Balance	(4,242)	(3,773)
Capital Raising Costs	(4)	(535)
Tax Effect of Capital Raising Costs	(63)	66
Total Issued Capital	**54,164**	**53,106**

Ordinary Shares	No.	No.
At the Beginning of the Reporting Period	1,553,986,346	345,795,679
New Shares Issued during the Period:		
Share Placement Agreement Subscription Notices [1]	-	8,916,410
Employee Incentive Plan [2]	3,561,955	1,185,959
In Lieu of CEO/Managing Director Bonus [3]	-	1,031,250
In Lieu of Directors Fees [4]	-	2,191,422
Employee Performance Shares [7]	5,850,000	-
Rights Issue November 2023 [5]	-	716,000,000
Placements [6]	-	184,000,000
Exercise of Options	203,191,992	294,865,626
At Balance Date	**1,766,590,293**	**1,553,986,346**

1. 8,916,410 shares issued pursuant to two subscription notices received under a Share Placement Agreement with Lind Partners. Following this,the Group elected to terminate the Share Placement Agreement through the repayment in cash of the remaining balance of $1,380,000 in October 2023 (refer ASX Announcement 13 October 2023).
2. The issue of shares to Executives under the Group's Employee Incentive Plan. The value of the shares to be awarded to each Executive is made following an assessment of individual performance against preset KPI's and is approved by the Board. The total value of the CCS Shares issued under the short-term incentive was $60,000 (30 June 2024: $28,000) and has been recognised as an expense in the prior year. The number of shares was determined using the VWAP for the last five days traded to that date of Board approval being $0.015 per CCS Share (30 June 2024: $0.024 per CCS Share).
3. As part of his remuneration, the CEO / Managing Director is eligible for a maximum annual cash bonus of 30% of his annual salary, subject to achievement of performance targets set annually by the Board. For the bonus related to the year ended 30 June 2023, the Board awarded a bonus of $25,000 at a price per share of $0.024, being the VWAP of the CCS shares for the last 5 days traded prior to the date of Board approval on 24 August 2023. These shares were issued on 19 December 2023 following shareholder approval at the AGM held on 29 November 2023.
4. Directors may elect to acquire shares on market or sacrifice a portion of their gross Directors fees. The following shares were issued to Directors (or former Directors) on 19 December 2023 in lieu of a portion of their Directors fees following requisite shareholder approval: 524,379 Brian O'Dwyer, 500,765 Damian Lismore, 821,277 Joanne Moss, 345,001 Simon Arkell.
5. The issue of shares on 15 November 2023 at $0.005 per share under the Partly Underwritten Renounceable Entitlement Offer, raising gross proceeds of $3,580,000.
6. CCS issued a total of 184,000,000 in two placements on 20 November 2023 and 8 December 2023 to investors, at a price of $0.005 per Share, raising $920,000. The placements were on the same terms as the offer to eligible shareholders under the Entitlement Offer.
7. The vesting of performance shares that were originally granted on 15 February 2024 to incentivise a number of staff in relation to the development of an additional analysis modules for use on the APAS® Independence in the pharmaceutical industry. The performance shares converted into the same number of ordinary shares on 31 January 2025, following the achievement of the development milestones.

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15. Issued Capital (cont.)

Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary Shares

Each ordinary share is entitled to one vote when a poll is called. CCS decides all resolutions at a general meeting by a poll, consistent with ASX Corporate Governance Principles 4th edition.

Option Holders

Each option entitles the holders to subscribe for one ordinary share in the capital of CCS. Options do not have voting rights attached, however ordinary shares issued on conversion carry the same voting rights as described above.

Capital Management

Management controls the capital of the Group with the objective of the Group funding its operations and continuing as a going concern.

The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels and share issues.

The balance of the loan provided by the South Australian government at 30 June 2025 is $974,000. Loan repayments have been restructured to be interest only with principal repayments from the proceeds of options exercised (ASX: CC5OA) or are otherwise deferred to October 2026 calendar year (refer Note 13).

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16. Share Based Payments Reserve

The share-based payments reserve represents the cumulative amortised value of share options and performance shares issued as share based remuneration (refer Note 22).

The following details the change in the number and value of options and performance shares during the Year:

	Number of options and performance shares	Value
		$000
Share Based Payments		
Share Based Payments Reserve Opening Balance 1 July 2024	**44,011,667**	**2,087**
Share Based Payments Expensed in the Profit or Loss Statement:		
Options Granted to Incoming Chair [1]	-	2
Options Granted to a Consultant [2]	-	6
Options Granted to a Consultant [3]	2,500,000	14
Options Granted to a Consultant [4]	11,500,000	57
CEO / Managing Director Long Term Incentive Options [5]	40,000,000	115
CEO / Managing Director Long Term Incentive Options - relinquished [6]	-	8
Director Options [7]	8,442,858	30
Executive Team Long Term Incentive Options [8]	40,000,000	115
Executive Team Long Term Incentive Options - relinquished [9]	-	23
Performance Shares Granted to Employees [10]	-	53
Performance Shares Granted to Employees [11]	-	16
Performance Shares Granted to Employees [12]	1,474,716	23
CEO / Managing Director Long Term Incentive Performance Shares [5]	10,000,000	20
Performance Shares Forfeited Prior to Vesting [13]	(150,000)	(2)
Total Share Based Payments Expensed in the Profit or Loss Statement		**480**
Options Lapsed	(8,935,000)	(278)
Options Forfeited (cessation of employment)	(40,000)	(5)
Options relinquished (former LTI structure) [6] [9]	(9,100,000)	(523)
Performance Shares vested [10]	(5,850,000)	(88)
Share Based Payments Reserve Closing Balance 30 June 2025	**133,854,241**	**1,673**

The total of $480,000 (2024: $179,000) for employee options is included in the share-based payments expense for the Year (refer to Note 3(b)).

Other Options (Non-Share Based Payments)	
Other Options Opening Balance 1 July 2024	**607,709,823**
Unlisted options lapsed (November 2022 Rights Issue)	(2,573,174)
Listed options exercised (ASX: CC5O)	(186,869,812)
Listed options lapsed (ASX: CC5O)	(4,442,311)
Listed options exercised (ASX: CC5OA)	(16,322,180)
Other Options Closing Balance 30 June 2025 (ASX: CC5OA)	**397,502,346**
Total Options and Performance Shares Closing Balance 30 June 2025	**531,356,587**

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16. Share Based Payments Reserve (cont.)

1. 1,250,000 options issued to incoming CCS Chair, Ms Rebecca Wilson, as approved by shareholders on 29 November 2023. The options have a two-year vesting period and an expiry date of 19 December 2033. The combined fair value of the options was calculated to be $6,066. In accordance with AASB 2 "Share based Payment", the fair value of the options is being expensed over the two-year vesting period, with $2,000 being expensed in the year ended 30 June 2025.
2. Options issued to an investor relations consultant in the year ended 30 June 2024, as part of their contract. The options have an exercise price of $0.014 (based on the VWAP of the Company's shares in the month of December 2023) and expire on 8 January 2026. The fair value of the options was calculated to be $11,323, based on the binomial method determined at the date of signing the contract. In accordance with AASB 2 "Share based Payment", the fair value of the options were expensed over the vesting period to 8 January 2025, with $6,000 being expensed in the year ended 30 June 2025. The options vested on 8 January 2025, having met the precondition of continued provision of services over the preceding 12-month period.
3. Options issued to an investor relations consultant on 15 January 2025, as part of their contract. The options will vest on 15 January 2026 subject to the continued provision of services by the consultant over the preceding 12-month period. The options have an exercise price of $0.019 (based on the VWAP of the Company's shares in the month of December 2024) and expire on 15 January 2027. The fair value of the options was calculated to be $26,695, based on the binomial method determined at the date of signing the contract. In accordance with AASB 2 "Share based Payment", the fair value of the options is being expensed over the vesting period to 15 January 2026, with $14,000 being expensed in the year ended 30 June 2025.
4. Options issued to an investor relations consultant on 22 May 2025 as part of their contract. 5,750,000 options vest immediately and 5,750,000 options will vest on 8 November 2025 provided both parties agree to continue with the contract for the second 6-month term. The options have an exercise price of $0.025 and expire on 22 May 2027. The combined fair value of the options was calculated to be $113,470. In accordance with AASB 2 "Share based Payment", the $56,735 fair value of the vested options was expensed immediately. The remaining fair value of $56,735 for the unvested options, will be expensed when the options vest (when both parties elect to continue with the contract for the second 6-month term).
5. As part of a refreshed Long-Term Incentive (LTI), the Company issued 40,000,000 unlisted options and 10,000,000 performance shares to incentivise, retain and reward the Company's CEO / Managing Director. This follows the voluntary relinquishment of the previous LTI structure (refer Footnote 6). The securities were issued on 10 December, following shareholder approval on 14 November 2024. The options have an exercise price of $0.024, vest on 10 June 2027 subject to continued service and expire 10 December 2028. The fair value of the options was calculated as $473,311, using the Binomial method. In accordance with AASB 2 "Share based Payments", the $473,311 fair value of the options is being expensed over the vesting period through to 10 June 2027, with $115,000 expensed in the year ended 30 June 2025. The 10,000,000 performance shares vest into the same number of ordinary shares on 10 December 2028, subject to a share price performance hurdle of $0.07 (based on a 90-day VWAP immediately prior to 10 December 2028) and continuity of service. The fair value of the performance shares was calculated as $130,000, using a Monte Carlo simulation. In accordance with AASB 2 "Share based Payments", the $130,000 fair value of the shares is being expensed over the vesting period through to 10 December 2028, with $20,000 expensed in the year ended 30 June 2025.
6. 6,000,000 unlisted options were previously issued to the Company's CEO/Managing Director as a LTI in the year ended 30 June 2021. In accordance with AASB 2 "Share based Payments", the $418,000 fair value of the options was being expensed over the vesting period through to 25 November 2025. However, these options were voluntarily relinquished on 8 October 2024, ahead of shareholder consideration of a new LTI structure for the Company's CEO / Managing Director at the AGM held 14 November 2024 (refer Footnote 5). Expensing of the Options ceased upon the relinquishment date of 8 October 2024, with $8,000 being expensed in the year ended 30 June 2025.
7. An issue of 3,814,286 options to Ms Rebecca Wilson (Non-executive Chair) and 2,314,286 options each of Messrs Dan Hill and Ian Wisenberg (Non-executive directors) on 10 December 2024, following shareholder approval. The options have a two-year vesting period and an expiry date of 10 December 2027. The fair value of the options was calculated to be $45,031 for the options issued to Ms Wilson, and $27,322 each for Messrs Hill and Wisenberg. In accordance with AASB 2 "Share based Payment", the fair value of the options are being expensed over the two-year vesting period, with $30,000 being expensed in the year ended 30 June 2025.
8. The Company issued 40,000,000 unlisted options to four executives on 15 January 2025, as a refreshed Long-Term Incentive (LTI) to incentivise, retain and reward key staff. The option terms align with that of the refreshed LTI options issued to the Company's CEO / Managing Director (refer Footnote 5), with an exercise price of $0.024, vesting on 10 June 2027 subject to continuity of service and expire 10 December 2028. The options were valued at $0.0118 per option or $473,311 in total using the binomial method on 14 November 2024, being the date the Board approved the offer to employees. In accordance with AASB 2 "Share based Payments", the $473,311 total fair value of the options is being expensed over the vesting period through to 10 June 2027, with $115,000 expensed in the year ended 30 June 2025. The previously issued executive team LTI was voluntarily relinquished (refer Footnote 9).
9. 3,100,000 unlisted options were previously issued to the Executive Team in the year ended 30 June 2022, as an LTI. The fair value of the options was calculated as $0.055 per option or $231,000 in total, using a Monte Carlo simulation, and was being expensed over the four-year vesting period through to 14 January 2026. However, these options were voluntarily relinquished, following the issuance of a refreshed Executive Team LTI options (refer Footnote 8). Expensing of the Options ceased upon the relinquishment date of 15 January 2024, with $23,000 being expensed in the year ended 30 June 2025.
10. The performance shares were granted on 15 February 2024 to incentivise a number of staff in relation to the development of additional analysis modules for use on the APAS® Independence in the pharmaceutical industry. The performance shares converted into the same number of ordinary shares on 31 January 2025, following the achievement of development milestones. The performance shares were valued at $0.015 each, being the ASX closing price of the Company's Ordinary Shares the day prior to Board approval to offer the performance shares. The total value of $90,000 was expensed over the vesting period through to 31 January 2025, with $53,000 being expensed in the year ended 30 June 2025 (2024: $37,000).
11. 4,200,000 performance shares were granted on 15 February 2024 to a key technical employee as part of a retention strategy. The performance shares convert into the same number of ordinary shares on 7 February 2026, subject to continued employment through to that date. The performance shares were valued at $0.015 each, being the ASX closing price of the Company's Ordinary Shares the day prior to Board approval to offer the performance shares. The total value of $63,000 is being expensed over the vesting period through to 7 February 2026, with $16,000 expensed in the year ended 30 June 2025.
12. 1,474,716 performance shares were issued to four executives on 30 August 2024, as part of their annual remuneration review, to minimise cash-based remuneration increases. The performance shares have subsequently vested on 31 July 2025. The fair value of the shares was calculated as $24,900, being the cash renumeration increase otherwise forgone. The number of shares issued was based on the 5-day VWAP of the CCS shares traded on the ASX immediately prior to Board approval. In accordance with AASB 2 "Share based Payments", the $24,900 fair value of the performance shares is being expensed over the vesting period through to 31 July 2025, with $23,000 expensed in the year ended 30 June 2025.

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17. Cash Flow Information

	2025	2024
	$000	$000
Reconciliation of Cash Flow from Operations with Profit (Loss) after Income Tax		
Net Profit (Loss) for the Year	1,684	(3,740)
Add Back Non-Cash Items		
Depreciation	225	238
Share Based Payments Expense	480	179
Employee Benefits Expense paid/payable through CCS Shares	60	180
Tax Effect Attributable to Capital Raising Costs	(63)	66
Changes in Assets and Liabilities		
(Increase) / Decrease in Current Trade and Other Receivables	(933)	(75)
(Increase) / Decrease in Non-current Trade and Other Receivables	(233)	-
(Increase) / Decrease in Inventory	190	(128)
(Increase) / Decrease in Deferred Tax Asset	(617)	(111)
(Increase) / Decrease in Current Tax Asset	(76)	(152)
Increase / (Decrease) in Current Trade and Other Payables	418	(340)
Increase / (Decrease) in Provisions	79	99
Increase / (Decrease) in Deferred Tax Liability	(53)	111
Cash Flow used in Operating Activities	**1,161**	**(3,673)**

18. Profit (Loss) Per Share

	2025	2024
	$000	$000
Reconciliation of Net Profit (Loss) to Earnings (Loss) per Share		
Net Profit (Loss)	1,684	(3,740)
Net Profit (Loss) used in the Calculation of Basic Earnings per Share	1,684	(3,740)
Net Profit (Loss) used in the Calculation of Diluted Earnings per Share	1,684	(3,740)
Weighted Average Number of Ordinary Shares used in Calculating Basic Earnings (Loss) per Share	1,726,329,475	938,427,571
Adjustments for calculation of Diluted Earnings per Share:		
Weighted Average Number of Options over Ordinary Shares	393,052,311	-
Weighted Average Number of Performance Shares	5,432,297	-
Weighted Average Number of Ordinary Shares Outstanding used in the Calculating Diluted Earnings (Loss) per Share	2,124,814,083	938,427,571

In the prior year ended 30 June 2024, the number of ordinary shares used in the calculation of Diluted Loss per Share is the same as the number used in the calculation of Basic Loss per Share, as options are not considered dilutive where a loss is incurred.

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19. Tax

		2025 $000	2024 $000
a)	**Assets**		
	Deferred Tax Assets Comprise:		
	Accrued Expenses	27	40
	Leave Entitlements	167	143
	Capital Raising Costs	99	162
	Lease Liabilities	310	362
	CCS Intangible Assets Fair Value Adjustment	-	641
	Tax losses	693	-
	Other	288	550
	Derecognised Deferred Tax Asset in excess of Deferred Tax Liability	-	(931)
	Total Deferred Tax Assets	**1,584**	**967**
b)	**Liabilities**		
	Deferred Tax Liabilities Comprise:		
	Intangible Assets	612	-
	Right of Use Assets	302	354
	Other	-	613
	Total Deferred Tax Liabilities	**914**	**967**
c)	**Reconciliations**		
i	**Gross Movements**		
	The Overall Movement in the Net Deferred Tax balance is as follows:		
	Opening Balance (Net Deferred Tax Liability)		-
	CCS Intangible Assets Fair Value Adjustment (refer Note 26)		-
	CCS Tax losses Acquired (refer Note 25)		-
	(Charge) / Credit to Income Statement	733	(66)
	(Charge) / Credit to Equity	(63)	66
	Closing Balance – Net Deferred Tax Asset / (Net Deferred Tax Liability)	**670**	**-**
ii	**Deferred Tax Assets**		
	The Movement in Deferred Tax Assets for Each Temporary Difference		
	Accrued Expenses		
	Opening Balance	40	20
	(Charge) / Credit to Income Statement	(13)	20
	Closing Balance	**27**	**40**
	Provision for Leave		
	Opening Balance	143	131
	(Charge) / Credit to Income Statement	24	12
	Closing Balance	**167**	**143**
	Capital Raising Costs		
	Opening Balance	162	94
	(Charge) / Credit to Income Statement	-	2
	(Charge) / Credit to Equity	(63)	66
	Closing Balance	**99**	**162**

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19. Tax (cont.)

	2025 $000	2024 $000
c) Reconciliations cont.		
ii Deferred Tax Assets cont.		
The Movement in Deferred Tax Assets for Each Temporary		
Lease Liabilities		
Opening Balance	362	411
(Charge) / Credit to Income Statement	(52)	(49)
Closing Balance	310	**362**
CCS Intangible Assets Fair Value Adjustment		
Opening Balance	641	949
CCS Acquisition		-
(Charge) / Credit to Income Statement	(641)	(308)
Closing Balance	**-**	**641**
Tax Losses		
Opening Balance	-	-
(Charge) / Credit to Income Statement	693	-
Closing Balance	**693**	**-**
Other		
Opening Balance	550	1,126
(Charge) / Credit to Income Statement	(262)	(576)
(Charge) / Credit to Equity	-	-
Closing Balance	**288**	**550**
Derecognised Deferred Tax Asset in excess of Deferred Tax Liability		
Opening Balance	(931)	(1,874)
(Charge) / Credit to Income Statement	931	943
(Charge) / Credit to Equity	-	-
Closing Balance	**-**	**(931)**
iii Deferred Tax Liabilities		
The Movement in Deferred Tax Liabilities for Each Temporary		
Intangible Assets		
Opening Balance	-	-
Charge / (Credit) to Income Statement	612	-
Closing Balance	**612**	**-**
Right of Use Asset		
Opening Balance	354	405
Charge / (Credit) to Income Statement	(52)	(51)
Closing Balance	**302**	**354**
Other		
Opening Balance	613	451
Charge / (Credit) to Income Statement	(613)	162
Closing Balance	**-**	**613**

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20. Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

a) Names and positions of key management personnel of CCS in office at any time during the financial year:

Directors

Mr B Barnes	Chief Executive Officer and Managing Director
Ms R Wilson	Independent Chair and Director – Non-Executive
Mr D Hill	Independent Director – Non-Executive
Mr I Wisenberg (commenced 1 October 2024)	Independent Director – Non-Executive
Mr B O'Dwyer (retired 14 November 2024)	Independent Director – Non-Executive

Key Management Personnel

Mr R Ridge	Chief Financial Officer and Company Secretary

Key Management Personnel (KMP) remuneration has been included in the remuneration section of the Directors' Report.

The totals of remuneration paid to KMP of the Group during the year was as follows:

	2025	2024
	$000	$000
Short-Term Employee Benefits	635	672
Post-Employment Benefits	33	28
Share-Based Payments (Shares)	127	74
Share-Based Payments (Options and Performance Shares)	218	91
Total KMP Compensation	**1,013**	**865**

Short-Term Employee Benefits

These amounts include fees and benefits payable to the Non-Executive Directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to Executive Directors and other KMP.

Post-Employment Benefits

These amounts are the current year's superannuation contributions made during the year.

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20. Related Party Transactions (cont.)

b) Option Holdings

2025

Directors	Balance 01/07/24	Granted as Remuneration	Options Exercised [1]	Options Relinquished	Options Expired	Balance 30/06/25	Total Vested & Exercisable 30/06/25	Total Unvested 30/06/25
Mr B Barnes [2] [3]	77,500,000	40,000,000	(35,000,000)	(6,000,000)	-	76,500,000	36,500,000	40,000,000
Ms R Wilson [4]	8,048,700	3,814,286	-	-	-	11,862,986	6,798,700	5,064,286
Mr I Wisenberg [4] [5]	-	2,314,286	-	-	-	2,314,286	-	2,314,286
Mr B O'Dwyer [6]	500,000	-	-	-	-	500,000	500,000	-
Mr D Hill [4]	-	2,314,286	-	-	-	2,314,286	-	2,314,286
Key Management								
Mr R Ridge	20,897,400	10,000,000	(10,098,700)	(550,000)	(100,000)	20,148,700	10,148,700	10,000,000
	106,946,100	**58,442,858**	**(45,098,700)**	**(6,550,000)**	**(100,000)**	**113,640,258**	**53,947,400**	**59,692,858**

2024

Directors	Balance 01/07/23	Granted as Remuneration	Options Exercised [1]	Options Sold on Market	Net Change Other [7]	Balance 30/06/24	Total Vested & Exercisable 30/06/24	Total Unvested 30/06/24
Mr B Barnes	7,500,000	-	-	-	70,000,000	77,500,000	71,500,000	6,000,000
Ms R Wilson [8]	-	1,250,000	(6,798,700)	-	13,597,400	8,048,700	6,798,700	1,250,000
Mr D Lismore [9]	525,691	-	-	-	4,160,000	4,685,691	4,685,691	-
Mr B O'Dwyer	500,000	-	-	-	-	500,000	-	500,000
Mr D Hill [10]	141,776,792	-	(70,888,396)	(70,888,396)	-	-	-	-
Key Management								
Mr R Ridge	700,000	-	-	-	20,197,400	20,897,400	20,347,400	550,000
	151,002,483	**1,250,000**	**(70,687,096)**	**(70,888,396)**	**107,954,80**	**111,631,791**	**103,331,791**	**8,300,000**

1. Exercise of options previously received through participation in the underwritten renounceable entitlement offer to eligible shareholders or underwriting thereof.
2. 6,000,000 unlisted options were previously issued to the Company's CEO/Managing Director as a Long Term Incentive (LTI) in the year ended 30 June 2021. These options were voluntarily relinquished on 8 October 2024, ahead of shareholder consideration of a new LTI structure for the Company's CEO/Managing Director at the AGM held 14 November 2024 (refer Footnote 3 for details of the new LTI structure for the CEO/Managing Director)..
3. As part of a refreshed Long-Term Incentive (LTI), the Company issued 40,000,000 unlisted options and 10,000,000 performance shares to incentivise, retain and reward the Company's CEO / Managing Director. This follows the voluntary relinquishment of the previous LTI structure (refer Footnote 2). Shareholder approval was obtained on 14 November 2024. The options have an exercise price of $0.024, vest on 10 June 2027 subject to continued service and expire 10 December 2028.
4. An issue of 3,814,286 options to Ms Rebecca Wilson (Non-Executive Chair) and 2,314,286 options each of Messrs Dan Hill and Ian Wisenberg (Non-executive directors) on 10 December 2024, following shareholder approval. The options have a two-year vesting period and an expiry date of 10 December 2027.
5. Mr I Wisenberg commenced as a director on 1 October 2024.
6. The ending balance for Mr B O'Dwyer for the 2025 financial year is as at the date of his retirement, being 14 November 2024.
7. Participation in the underwritten renounceable entitlement offer to eligible shareholders or underwriting thereof (announced 13 October 2023). One option was attached to every share subscribed, with 50% being exercisable at $0.005 expiring 15 September 2024 (ASX: CC5O) and 50% exercisable at $0.008 expiring 15 November 2025 (ASX: CC5OA).
8. Ms Wilson commenced on 1 July 2023. 1,250,000 options issued as part of her engagement as Chair, following shareholder approval on 29 November 2023.
9. The ending balance for Mr Lismore for the 2024 financial year is as at the date of his retirement, being 29 November 2023.
10. Mr Hill commenced on 14 December 2023 and the opening balance represents the options held to the date of his appointment as a director. Prior to becoming a Director, an entity associated with Mr Hill had participated in the underwriting and subsequent shortfall placements related to the renounceable entitlement offer described at footnote 7 above.

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20. Related Party Transactions (cont.)

c) Shareholdings

2025					
Directors	Balance 30/06/24	Received as Remuneration	Options Exercised [2]	Net Change Other [1]	Balance 30/06/25
Mr B Barnes [1]	73,153,047	-	35,000,000	(7,439,441)	100,713,606
Ms R Wilson	20,396,100	-	-	-	20,396,100
Mr I Wisenberg [3]	-	-	-	-	-
Mr B O'Dwyer [4]	805,053	-	-	-	805,053
Mr D Hill	212,665,188	-	-	-	212,665,188
Key Management Personnel					
Mr R Ridge [5]	20,877,089	1,290,729	10,098,700	-	32,266,518
Total	**327,896,477**	**1,290,729**	**45,098,700**	**(7,439,441)**	**366,846,465**

2024					
Directors	Balance 30/06/23	Received as Remuneration	Options Exercised [2]	Net Change Other [6]	Balance 30/06/24
Mr B Barnes [7]	2,121,797	1,031,250	-	70,000,000	73,153,047
Ms R Wilson [8]	-	-	6,798,700	13,597,400	20,396,100
Mr D Lismore [9]	539,494	-	-	4,160,000	4,699,494
Mr B O'Dwyer [10]	280,674	524,379	-	-	805,053
Mr D Hill [11]	141,776,792	-	70,888,396	-	212,665,188
Key Management Personnel					
Mr R Ridge [5]	381,772	297,917	-	20,197,400	20,877,089
Total	**145,100,529**	**1,853,546**	**77,687,096**	**107,954,800**	**332,595,971**

1. Sale of shares on market.
2. The exercise of options previously received through participation in the underwritten renounceable entitlement offer to eligible shareholders or the underwriting thereof.
3. Mr I Wisenberg commenced as a director on 1 October 2024.
4. The ending balance for Mr B O'Dwyer for the 2025 financial year is as at the date of his retirement, being 14 November 2024.
5. The 1,290,729 (2024: 297,917) shares issued to Mr Ridge comprised two amounts 1) Mr Ridge participated in the in the Executive Team annual bonus received in shares. The value of the shares to be awarded is made following an assessment of corporate performance against preset KPI's and is approved by the Board. In the year ended 2025 Mr Ridge was awarded 940,729 shares (2024: 297,917) relating to performance in the prior financial year. 2) Mr Ridge was granted 350,000 performance shares on 15 February 2024 as part of a wider incentive provided to incentivise a number of staff in relation to the development of additional analysis modules for use on the APAS® Independence in the pharmaceutical industry. The performance shares converted into the same number of ordinary shares on 31 January 2025, following achievement of the required development milestones.
6. Participation in the underwritten renounceable entitlement offer to eligible shareholders or underwriting thereof (announced 13 October 2023). One option was attached to every share subscribed, with 50% being exercisable at $0.005 expiring 15 September 2024 (ASX: CC5O) and 50% exercisable at $0.008 expiring 15 November 2025 (ASX: CC5OA).
7. As part of his remuneration, the CEO / Managing Director is eligible for a maximum annual cash bonus of 30% of his annual salary, subject to achievement of performance targets set annually by the Board. For the year ended 30 June 2023, the board award a cash bonus of $24,750. Mr Barnes elected to receive this cash bonus in CCS shares, at the price per share of $0.024, being the VWAP of the CCS shares for the last 5 days traded up to and including the date of Board approval on 24 August 2023. The bonus was recognised as an expense in the year ended 30 June 2023. The shares were issued on 19 December 2023 following shareholder approval at the AGM held on 29 November 2023.
8. Ms R Wilson commenced on 1 July 2023.
9. The ending balance for Mr Lismore for the 2024 financial year is as at the date of his retirement, being 29 November 2023.
10. Under a Board policy, all Non-Executive Directors are required to invest a minimum of one year's Directors fees within four years of commencing. Directors may elect to acquire shares on market and/or sacrifice a proportion of their gross Directors fees to acquire CCS shares. If electing to sacrifice a portion of their Directors fees, the number of CCS Shares to be issued in lieu of 25% of each month's Directors fees is determined by a monthly volume weighted average price (VWAP) of CCS's shares traded on the ASX. Following shareholder approval on 29 November 2023, a total of 2,191,422 shares were issued to Directors and former Directors in lieu of directors' fees. These shares were issued on 19 December 2023 comprising of 524,379 shares to existing Director Brian O'Dwyer as shown in the table above, while the remaining shares were issued to former directors and are therefore not shown above.
11. The opening number of shares are as at the date of commencement as a Director on 14 December 2023. Prior to becoming a Director, an entity associated with Mr Hill had participated in the underwriting and subsequent shortfall placements related to the renounceable entitlement offer described at footnote 2 above.

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20. Related Party Transactions (cont.)

d) Performance Shares

On 30 August 2024, 438,269 performance shares were granted to Mr Ridge as part of the Executives annual remuneration review, to minimise cash-based remuneration increases. Subsequent to 30 June 2025, the performance shares converted to the same number of shares.

At the end of the prior year ended 30 June 2024, Mr Ridge held 350,000 performance shares which converted to the same number of shares during the year ended 30 June 2025.

10,000,000 performance shares were granted to Mr Barnes on 10 December 2024 as part of a refreshed LTI. The 10,000,000 performance shares vest into the same number of ordinary shares on 10 December 2028, subject to achievement of $0.07 share price performance hurdle (based on a 90 day VWAP immediately prior to that date) and continuity of service.

Directors' Related Entity Transactions with the Group

There were no Director related entity transactions during the year.

21. Financial Risk Management

a) Financial Risk Management Policies

The Group's financial instruments consist mainly of deposits with banks, and accounts receivable, borrowings and payables. The Group does not invest in any derivative instruments.

ii) Treasury Risk Management

The Board receives regular reports to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The Board's overall risk management strategy seeks to assist the Group in meeting its financial targets, while minimising potential adverse effects on financial performance.

ii) Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are interest rate risk, foreign currency risk, liquidity risk and credit risk.

Interest Rate Risk

Interest rate risk is managed with a mixture of short-term fixed and floating rate deposits. At 30 June 2025 $0.08 million (2024: $0.79 million) of the Group's cash was held in short-term deposits with a fixed interest rate. At the current level of cash this is not considered a material risk.

CCS has a loan from the South Australian Government. The original amount drawdown was $4,000,000, with the remaining balance of the loan at 30 June 2025 being $974,000. The interest rate for the loan is a 2% margin above the South Australian Government cost of funds and the South Australian Government have received a first ranking general security over CCS and its assets. The loan is interest only, with the principal repayment deferred to 31 October 2026. There is an early repayment clause contingent on sufficient future proceeds being received by CCS for the exercise of options expiring 15 November 2025 (CC5OA). At 30 June 2025, CCS hold $177,000 in cash proceeds received from these options that will be repaid on 15 December 2025, together with any further options exercised prior to their expiry, up to the maximum $974,000 full repayment of the loan.

Foreign Currency Risk

The consolidated Group is exposed to the impact of fluctuations in exchange rates on instrument sales which are predominantly denominated or quoted based on a list price of US$350,000 as at 30 June 2025. This is equivalent to AU$534,000 based on the USD:AUD exchange rate of 0.6550 at 30 June 2025. A 10% increase in the USD:AUD exchange rate to 0.7205 would impact revenue by reducing the instrument price to AU$486,000. Conversely a 10% decrease in the USD:AUD exchange rate to 0.5895 would impact revenue by increasing the instrument price to AU$594,000.

Liquidity Risk

The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash deposits are maintained.

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21. Financial Risk Management (cont.)

a) Financial Risk Management Policies cont.

Credit Risk

The Group manages credit risk by reviewing exposures and ensuring it maintains sufficient cash deposits to meet its operational needs. The maximum exposure to credit risk is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

The Board monitors credit risk by actively assessing the rating quality and liquidity of counter parties:

- Only banks and financial institutions with a credit rating of 'A' long term (Standard and Poors rating) are used; and
- All potential customers are assessed for credit worthiness, taking into account their size, market position and financial standing.

b) Financial Instrument Composition and Maturity Analysis

The tables below provide the amounts related to the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the statement of financial position.

	Weighted Average Effective Interest Rate %		Floating Interest Rate $ 000		Within 1 Year $ 000		1 to 5 Years $ 000		Over 5 Years $ 000		Non-Interest Bearing $ 000		Total $ 000	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Financial Assets														
Cash and Cash Equivalents	0.7%	2.3%	1,265	2,347	-	-	-	-	-	-	-	-	1,265	2,347
Receivables	0%	0%	-	-	-	-	-	-	-	-	1,457	519	1,457	519
Total Financial Assets			**1,265**	**2,347**	**-**	**-**	**-**	**-**	**-**	**-**	**1,457**	**519**	**2,722**	**2,866**
Financial Liabilities														
Trade Payables	0%	0%	-	-	-	-	-	-	-	-	1,516	1,275	1,516	1,275
Lease Liabilities	3.4%	3.4%	-	-	226	209	981	908	32	333	-	-	1,239	1,450
Share-based Liability	0%	0%	-	-	-	-	-	-	-	-	104	12	104	12
Loan	2.8%	2.8%	-	-	-	-	974	1,743	-	-	-	-	974	1,743
Total Financial Liabilities			**-**	**-**	**226**	**209**	**1,955**	**2,651**	**32**	**333**	**1,620**	**1,287**	**3,833**	**4,480**

All current trade payables are expected to be paid within four months of balance date.

c) Net Fair Values

The net fair values of all current financial assets and liabilities approximate their carrying value, except where otherwise stated.

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22. Share-Based Payments

The total of $480,000 (2024: $179,000) was expensed as Share Based Payments relating to options and performance shares granted to Directors, employees and consultants – refer to Note 16 which contains detailed disclosures related to the share based payment expenses. A further $188,000 (2024: $60,000) is included in Employee Benefits Expense relating to remuneration planned to be satisfied through the issue of CCS Shares subsequent to the end of the financial year (refer Note 3(b)). During the financial year $60,000 (2024: $180,000) in amounts owing to Directors and employees were satisfied through the issue of CCS Shares, having been expensed in a prior year (refer Note 15).

The following tables detail the unlisted options and performance shares issued as share-based payments.

Unlisted options

Grant Date	Expiry Date	Exercise Price	Balance 30 June 2024	Granted	Forfeited	Relinquished	Expired	Balance 30 June 2025
28 November 2019	18 November 2024	$0.237	965,000	-	(30,000)		(935,000)	-
30 December 2021	31 December 2024 (1)	$0.250	8,000,000	-	-		(8,000,000)	-
18 December 2020	30 June 2025 (2)	$0.160	6,000,000	-	-	(6,000,000)	-	-
31 August 2020	26 August 2025	$0.175	796,667	-	(10,000)		-	786,667
8 January 2024	8 January 2026 (3)	$0.014	2,500,000	-	-			2,500,000
9 May 2016	11 April 2026	$0.141	500,000	-	-		-	500,000
13 January 2022	14 April 2026 (4)	$0.120	3,100,000	-	-	(3,100,000)	-	-
18 November 2016	7 August 2026 (5)	$0.157	1,500,000	-	-		-	1,500,000
31 January 2016	22 December 2026	$0.320	100,000	-	-		-	100,000
15 January 2025	15 January 2027 (6)	$0.019	-	2,500,000	-	-	-	2,500,000
1 March 2017	28 February 2027	$0.400	100,000	-	-		-	100,000
23 March 2023	23 March 2027 (7)	$0.050	7,500,000	-	-		-	7,500,000
22 May 2025	22 May 2027 (8)	$0.025	-	11,500,000	-		-	11,500,000
10 December 2024	10 December 2027 (9)	$0.014	-	8,442,858	-		-	8,442,858
10 December 2024	10 December 2028 (10)	$0.024	-	40,000,000	-		-	40,000,000
15 January 2025	10 December 2028 (11)	$0.024	-	40,000,000	-		-	40,000,000
27 November 2019	28 November 2029 (5)	$0.630	500,000	-	-		-	500,000
27 November 2019	28 November 2029 (5)	$0.080	500,000	-	-		-	500,000
29 December 2021	29 December 2031 (5)	$0.136	500,000	-	-		-	500,000
19 December 2023	19 December 2033 (5)	$0.033	1,250,000	-	-		-	1,250,000
			33,811,667	**102,442,858**	**(40,000)**	**(9,100,000)**	**(8,935,000)**	**118,179,525**

	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
	2025	**$**	**2024**	**$**
Options Outstanding at the Beginning of the Year	33,811,667	0.138	30,261,667	0.141
Granted	102,442,858	0.023	3,750,000	0.020
Forfeited & Relinquished	(9,140,000)	0.147	(100,000)	0.222
Expired	(8,935,000)	0.249	(100,000)	0.045
Options Outstanding at Year	**118,179,525**	**0.029**	**33,811,667**	**0.138**
Options Exercisable at Year	**20,236,667**	**0.060**	**20,961,667**	**0.156**

The options outstanding at 30 June 2025 had a weighted average exercise price of $0.029 (2024: $0.138) and a weighted average remaining contractual life of 3.0 years (2024: 2.0 years). Exercise prices range from $0.014 to $0.400 (2024: $0.014 to $0.400). The weighted average exercise price of options granted during the year was $0.023 (2024: $0.020).

22. Share-Based Payments (cont.)

Performance shares

Grant Date	Vesting Date	Exercise Price	Balance 30 June 2024	Granted	Forfeited	Exercised	Balance 30 June 2025
15 February 2024	31 January 2025 [12]	Nil	6,000,000	-	(150,000)	(5,850,000)	-
30 August 2024	31 July 2025 [13]	Nil	-	1,474,716	-		1,474,716
15 February 2024	7 February 2026 [14]	Nil	4,200,000	-	-		4,200,000
10 December 2024	10 December 2028 [10]	Nil	-	10,000,000	-		10,000,000
			10,200,000	**11,474,716**	**(150,000)**	**(5,850,000)**	**15,674,716**

1. CCS Ltd obtained full ownership of CCS AG on 31 December 2021. As part of the consideration paid for the acquisition of the 50% equity interest held by Hettich, CCS issued 8,000,000 unlisted options to Hettich at exercise price of $0.25 and an expiry date of 31 December 2024. These options have now lapsed.
2. 6,000,000 unlisted options were previously issued to the Company's CEO / Managing Director as an LTI in the year ended 30 June 2021. These options were voluntarily relinquished on 8 October 2024, ahead of shareholder consideration of a new LTI structure for the Company's CEO / Managing Director at the AGM held 14 November 2024 (refer footnote 10).
3. Options issued to an investor relations consultant on 8 January 2024 as part of their contracted remuneration. The options vested on 8 January 2025 following the continued provision of services over a 12-month period. The options have an exercise price of $0.014 and expire on 8 January 2026.
4. 3,100,000 unlisted options were previously issued to the executive team in the year ended 30 June 2022, as an LTI. The options have an exercise price of $0.12 and vest on 14 January 2026 subject to share price performance hurdles, with an expiry date of 14 April 2026. These options were voluntarily relinquished, following the issuance of a refreshed Executive Team LTI options (refer Footnote 11).
5. Options previously issued to Directors upon commencement cannot be exercised until the second anniversary after the grant date. Any unvested options held at the date a Director ceases to be an officer automatically lapse. In accordance with AASB 2 "Share-based Payment", the fair value of the options were expensed over the two-year vesting period. For new Director options refer footnote 9).
6. Options issued to an investor relations consultant on 15 January 2025 as part of their contracted remuneration . The options will vest on 15 January 2026 provided the continued provision of services by the consultant over the preceding 12-month period. The options have an exercise price of $0.019 (based on the VWAP of the Company's shares in the month of December 2024) and expire on 15 January 2027.
7. The issue of options to Lind Partners on 23 March 2023 under the Share Placement Agreement. These options are exercisable at $0.05 and expire 23 March 2027. The fair value of the options was calculated as $196,000 using the binomial valuation method and a volatility of 80%.
8. Options issued to an investor relations consultant on 22 May 2025. 5,750,000 options vest immediately and 5,750,000 options will vest on 8 November 2025 provided both parties agree to continue with the contract for the second 6-month term. The options have an exercise price of $0.025 and expire on 22 May 2027.
9. An issue of 3,814,286 options to Ms Rebecca Wilson (Non-executive Chair) and 2,314,286 options each of Messrs Dan Hill and Ian Wisenberg (Non-executive Directors) on 10 December 2024, following shareholder approval. The options have a two-year vesting period and an expiry date of 10 December 2027. Any unvested options held at the date a Director ceases to be an officer automatically lapse. In accordance with AASB 2 "Share-based Payment", the fair value of the options is being expensed over the two-year vesting period.
10. As part of a refreshed LTI, the Company issued 40,000,000 unlisted options and 10,000,000 performance shares to incentivise, retain and reward the Company's CEO / Managing Director. This follows the voluntary relinquishment of the previous LTI structure (refer Footnote 2). The securities were issued on 10 December, following shareholder approval on 14 November 2024. The options have an exercise price of $0.024, vest on 10 June 2027 subject to continued service and expire 10 December 2028. The 10,000,000 performance shares vest into the same number of ordinary shares on 10 December 2028, subject to a share price performance hurdle of $0.07 (based on a 90-day VWAP immediately prior to 10 December 2028) and continuity of service.
11. The Company issued 40,000,000 unlisted options to four executives on 15 January 2025, as a refreshed LTI to incentivise, retain and reward key staff. The option terms align with that of the refreshed LTI options issued to the Company's CEO / Managing Director (refer Footnote 10), with an exercise price of $0.024, vesting on 10 June 2027 subject to continuity of service and expire 10 December 2028. The previously issued executive team LTI was voluntarily relinquished (refer Footnote 4).
12. The performance shares were granted on 15 February 2024 to incentivise a number of staff in relation to the development of additional analysis modules for use on the APAS® Independence in the pharmaceutical industry. The performance shares converted into the same number of ordinary shares on 31 January 2025, following the achievement of development milestones. The performance shares were valued at $0.015 each, being the ASX closing price of the Company's Ordinary Shares the day prior to Board approval to offer the performance shares.
13. 1,474,716 performance shares were issued to four executives on 30 August 2024, as part of their annual remuneration review, to minimise cash-based remuneration increases. The performance shares have subsequently vested on 31 July 2025.
14. The performance shares were granted on 15 February 2024 to a key technical employee as part of a retention strategy. The performance shares convert into the same number of ordinary shares on 7 February 2026, subject to continued employment through to that date.

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23. Segment Reporting

a) The Group operates in one business segment, researching, developing and commercialising innovative technologies.

b) Revenue by Geographic Region

	2025	2024
	$000	**$000**
Australia	1,994	488
UK	1,553	43
US	1,016	373
Sweden	896	720
China	494	-
Netherlands	448	-
Germany	229	85
Total Revenue	**6,630**	**1,709**

c) Assets by Geographical Region

Prior to 30 September 2024, the main business operations occurred through CCS's 100% owned subsidiary company, Clever Culture Systems AG, which is domiciled in Switzerland, with its product development and manufacturing operations occurring in Australia. The business operations Clever Culture Systems AG was sold to CCS Ltd, effective 30 September 2024 as part of an internal restructure. There is no impact on the consolidated financial statements.

d) Major Customers

The Group recognised $4,035,000 in sales revenue from AstraZeneca (2024: Nil). Nil 2025 (2024 $720,000) consulting fees were recognised from services provided to AstraZeneca for development of the analysis module for environmental monitoring in pharmaceutical manufacturing.

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24. Parent Entity Information

Set out below is the supplementary information in relation to the parent entity, Clever Culture Systems Limited.

Statement of Profit or Loss and Other Comprehensive Income

	Parent	Parent
	2025	**2024**
	$000	$000
Profit (Loss) After Income Tax	26,889	(2,482)
Total Comprehensive Loss	26,889	(2,482)

Statement of Financial Position

Total Current Assets	5,054	3,704
Total Non-Current Assets	41,200	14,369
Total Assets	46,254	18,073
Total Current Liabilities	2,364	2,376
Total Non-Current Liabilities	2,766	3,066
Total Liabilities	5,130	5,442
Net Assets	**41,124**	**12,631**
Equity		
Issued Capital	54,164	53,040
Option Reserve	1,673	2,087
Accumulated Losses	(14,713)	(42,496)
Total Equity	**41,124**	**12,631**

Contingent Liabilities

The parent entity had no contingent liabilities as at 30 June 2025.

Capital Commitments - Property, Plant and Equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2025.

Material Accounting Policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in Note 1.

25. Credit Standby Arrangements

The Group has a credit card facility of $50,000. This facility was used to the extent of $15,881 at balance date.

26. Events After the Balance Sheet Date

On 14 July 2025, CCS announced that it received a purchase order from Novo Nordisk in Europe for the purchase of an APAS Independence system for the purpose of undertaking an evaluation for the potential to use the technology across their global manufacturing network.

On 27 August 2025, CCS announced completion of the development of an Analysis Module for the application of contact plates. This is a significant milestone for the Group, with the two Analysis Modules ensuring that the APAS® Independence is able to provide a complete solution for all culture plates used in environmental monitoring within pharmaceutical manufacturing globally.

Other than the above, there has not arisen any other matters or circumstances, since the end of the financial year, which significantly affected or could affect the operations of the Group, the results of those operations, or the state of the Group in future years.

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28. Group Details

The registered office and principal place of business of the Group is:

16 Anster Street,
Adelaide SA 5000
Phone: +61 8 8227 1555
Website: www.cleverculturesystems.com

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Consolidated Entity Disclosure Statement

The following information is provided in accordance with the requirements of Section 295 of the Corporations Act 2001.

Entity Name	Entity Type	Place of Incorporation	Ownership Interest	Tax Residency
Clever Culture Systems Limited (parent entity)	Body Corporate	Australia	N/A	Australia
Clever Culture Systems	Body Corporate	Switzerland	100%	Australia & Switzerland

At 30 June 2025, no entity within the consolidated group was a trustee of a trust, a partner in a partnership, or a participant in a joint venture.

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Directors' Declaration

The Directors of the Company declare that:

1. The financial statements and notes are in accordance with the Corporations Act 2001 and:
    - comply with Accounting Standards, which as stated in accounting policy Note 1 to the financial statements constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS) and the Corporations Regulations 2001; and
    - give a true and fair view of the financial position as at 30 June 2025 and of the performance for the year ended on that date of the Company;
2. The CEO and Managing Director and Chief Finance Officer have each declared that:
    - the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
    - the financial statements and notes for the financial year comply with the Accounting Standards; and
    - the financial statements and notes for the financial year give a true and fair view;
3. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
4. With regard to the Consolidated entity disclosure statement, the statement is true and correct and complies with the requirements of Section 295 of the Corporations Act 2001.

The Board has received assurance from the CEO and Managing Director and the Chief Financial Officer that the declaration is founded on a sound system of risk management and internal control and that system is operating effectively in all material respects in relation to financial reporting risks.

This declaration is made in accordance with a resolution of the Board of Directors.

Chief Executive Officer and Managing Director
Brenton Barnes

Chair
Rebecca Wilson

Dated at Adelaide this 28th day of August 2025.

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Independent Auditor's Report to the Members of Clever Culture Systems Limited

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Clever Culture Systems Limited ("the Company") and its controlled entity ("the Group") which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information, the consolidated entity disclosure statement, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss before tax of $85,000 and had net cash outflows from operating and investing activities of $1,165,000 during the year ended 30 June 2025. These events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the key audit matter
Impairment of Intangible Assets Note 11 Intangible Assets	
The carrying value and subsequent impairment of Intangible Assets is a key audit matter as: - These assets related to the capitalised development costs in respect of APAS Contact Plates. - Under Australian Accounting Standards, an entity is required to assess throughout the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, an entity shall estimate the recoverable amount of the asset. The impairment testing process is complex and highly judgemental and is based on assumptions and estimates that are affected by expected future performance and market conditions.	Our procedures included but were not limited to the following: - Evaluated and assessed the key assumptions used in management's estimates, including assessing whether sales forecasts were reasonable and supportable. - Performed sensitivity analysis on the key assumptions and assessed the effect on the carrying value. - Assessed the discount rate used in the impairment assessment. - Considered the adequacy of the financial report disclosure regarding impairment and the carrying value for the APAS Contact Plates. - Tested amounts capitalised to ensure they have been recorded in accordance with AASB 138 Intangible Assets.
Equity Note 16 Share Based Payments Reserve	
The accounting treatment for the valuation of options is complex due to the need for an accurate valuation, measurement, compliance with accounting standards and comprehensive financial statements disclosures.	Our procedures included but were not limited to the following: - Reviewed the terms and conditions of all new share-based payment arrangements entered into during the financial year. - Reviewed and assessed the key assumptions used in the valuation of options issued. - Recalculated management's valuations of the options and performance shares issued during the financial year. - Reviewed the appropriateness of vesting expense recognised during the period to ensure this is being appropriately recognised over the vesting period. - Reviewed management's accounting treatment for options/performance rights that were cancelled/lapsed during the financial year. - Reviewed the related financial report disclosures and ensured the disclosures are in accordance with the requirements of *AASB 2 Share-based payments.*

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Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Director's Report for the year ended but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Group are responsible for the preparation of:

a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

HLB MANN JUDD

Auditor's Responsibilities for the Audit of the Financial Report (continued)

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 16 to 21 of the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Clever Culture Systems Limited for the year ended 30 June 2025 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd Audit (SA) Pty Ltd
Chartered Accountants

Travis Rickard
Director

Adelaide, South Australia
28 August 2025

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