

**ASX ANNOUNCEMENT**  
**Quarterly update and cashflow**

**Business stabilisation phase completed, Business growth phase commencing**

**31 July 2019** – IoT development and solutions company, CCP Technologies Limited (“CCP” or “the Company” or “the Group”) (ASX:CT1) is pleased to provide a summary update on its activities.

The quarterly net cash outflow was reduced to \$135,000 for the June quarter. The reported cash inflows was affected by the timing of a small number of receipts totalling \$60,000 at the end of June that would otherwise have further improved the net result and indicates the strengthening group revenues.

In July a placement was completed raising \$576,592. The Company has provisioned these funds for working capital and settling past payables that the Company has maintained under arrangement. Management continues to target run-rate breakeven in the near term and then scale the business from a self-sustaining foundation.

The turnaround that commenced in February 2019 has successfully delivered a stabilised business as the first key step in laying a foundation from which to grow. The recent placement provides an adequate cash buffer relative to the low and lowering net monthly cash outflow that is expected to balance in the coming months.

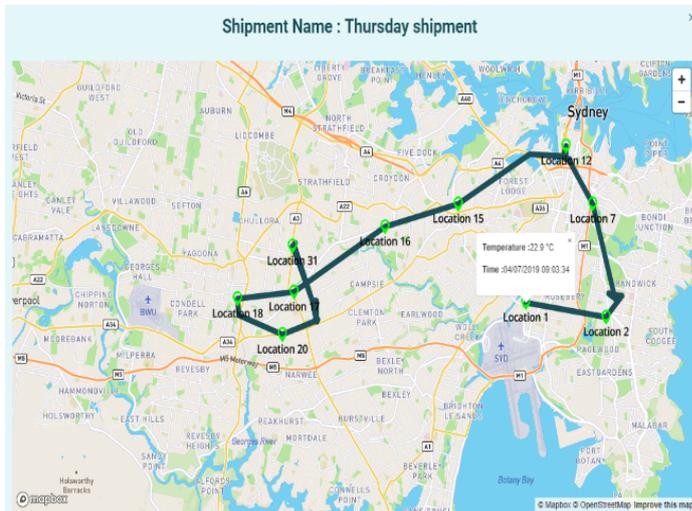
As highlighted in recent announcements the board has reviewed a number of potential corporate transactions to add operational scale to augment organic growth. Each member of the board has deep M&A experience and the board considers that the acquisitions that are let go are often indirectly more material to shareholder value than the ones that are completed. Particularly in view of the current base level valuation, the board will continue to apply the highest level of scrutiny to any corporate opportunities that are offered its for consideration.

While M&A activity may present opportunities to augment growth, with its scalable income-producing asset base and a large global market for its products and services, the board believes it is only one of the many pathways to growth and that it is important to pursue the right opportunities that complement the existing business in pursuit of maximising value for existing shareholders.

CCP is exploring potentially significant commercial opportunities in new geographic markets in Asia. The team has also reconnected with local and major IoT distributors to reinvigorate these relationships through jointly developing a more compelling go-to-market strategy for their stakeholders to on-sell CCP’s products. CCP is a great technical innovator and product platform provider. Working with strong and established sales and distribution providers allows each party in the relationship to concentrate on their strengths. CCP has a proven product in the market place that combined with an improved commercial approach provides a sufficiently compelling case for reseller adoption.

The Company is also overhauling its online presence to raise both market awareness of its products and move to a more automated direct sales model through e-

commerce platforms. CCP's 'plug&play' solutions are a good fit for an online sales model to reach the market for smaller volume sales where the cost of sales procurement outside e-commerce does simply not add up. As the number of tags in circulation increases this in turn drives increased awareness and opportunities for the larger volume sales.



The product suite is expanding into new commercial applications with two recent innovations being the Shipment Monitoring and the Extreme Temperature monitoring solutions. Each of these are extensions of the existing hardware design with customised elements to suit the

ambient and connectivity environments in which they are placed. In these segments the Company is seeing very low competition due to the technically challenging operating environments as well as an increasing market need to reduce business disruption, improve and ease compliance, asset tracking and monitoring.

It is a unique characteristic of the Group that commercial opportunities can be quickly exploited when a customised approach is required. The development team has the skills and versatility to meet the market's requirements when new opportunities arise. Through adaption to industry driven requirements new products are being created and it is expected that this will continue to bring about new product and market opportunities.

The CCP board thanks shareholders for their support as together with the management team and commercial partners they take the necessary steps to build a significant product and development technology business.

For further information please contact: [enquiries@ccp-technologies.com](mailto:enquiries@ccp-technologies.com)

### About CCP Technologies

CCP Technologies Limited offers an IoT technology solution comprising smart sensors that are placed in temperature controlled environments and push data to a cloud-based software platform that provides a dashboard for users to manage and monitor their produce or other temperature sensitive items for the purpose of compliance, consumer safety, energy efficiency and reduction of wastage. In addition to temperature the solution can be applied to movement tracking, gaseous environments, acidity, power usage and other applications to provide a fully automated, third party, real-time and historical reporting.

The Company's IT development division specialises in IoT software and hardware development and maintenance and can deliver an end-to-end service for IoT innovators and managers that is a unique outsource offering in the marketplace.

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

CCP Technologies Limited

**ABN**

58 009 213 754

**Quarter ended ("current quarter")**

30 June 2019

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	150	641
1.2 Payments for		
(a) research and development	(13)	(89)
(b) product manufacturing and operating costs	(15)	(153)
(c) advertising and marketing	(2)	(55)
(d) leased assets	-	-
(e) staff costs	(117)	(831)
(f) administration and corporate costs	(137)	(835)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid		
1.7 Government grants and tax incentives	(6)	(6)
1.8 Other (provide details if material)	5	5
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(135)</b>	<b>(1,323)</b>

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(2)
(b) businesses (see item 10)		
(c) investments		
(d) intellectual property		
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment		
(b) businesses (see item 10)		
(c) investments		
(d) intellectual property		
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	9	9
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>9</b>	<b>7</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	856
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options	-	(2)
3.5 Proceeds from borrowings	50	50
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		1
<b>3.10 Net cash from / (used in) financing activities</b>	<b>50</b>	<b>905</b>

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	117	454
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(135)	(1,323)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	9	7
4.4 Net cash from / (used in) financing activities (item 3.10 above)	50	905
4.5 Effect of movement in exchange rates on cash held	-	(2)
<b>4.6 Cash and cash equivalents at end of quarter</b>	<b>41</b>	<b>(41)</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	13	48
5.2 Call deposits	28	69
5.3 Bank overdrafts		
5.4 Other (provide details)		
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>41</b>	<b>117</b>

<b>6. Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to these parties included in item 1.2	Nil
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	Nil
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

The amount at 6.1 includes payment of directors' fees and payments to a director related entity excluding reimbursement for administrative expenses and travel expenses.

<b>7. Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
7.1 Aggregate amount of payments to these parties included in item 1.2	Nil
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	50	50
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Research and development	15
9.2 Product manufacturing and operating costs	20
9.3 Advertising and marketing	2
9.4 Leased assets	-
9.5 Staff costs	120
9.6 Administration and corporate costs	140
9.7 Other – repayment of borrowings	-
<b>9.8 Total estimated cash outflows</b>	<b>297</b>

<b>10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>	<b>Disposals</b>
10.1 Name of entity	Nil	Nil
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



Joint Company Secretary

Date: 31<sup>st</sup> July 2019

Print name: Phillip Hains

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.