

CCP Technologies Limited (ASX:CT1)

March 2018 Quarterly Report

Our Vision:

To be a global IoT platform of choice for critical control point management

The difference is



March 2018 Quarterly Report

Highlights

Financial-year-to-date receipts
up 122% compared to
same period last financial year

Quarterly Customer Contract Value
up 15%

The CCP platform managed over
6.8 million data points for the month of March 2018.



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Business Update

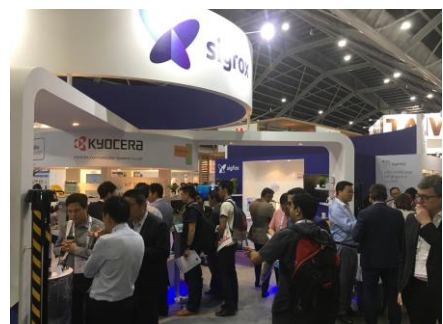
CCP Technologies Limited (ASX:CT1) presents this update to shareholders to provide context around the financial report for the quarter ending 31 March 2018.



Sales are now growing through several channels reflecting the numerous market opportunities facing CCP today. It is also encouraging to continue seeing referrals producing sales outcomes; i.e. existing customers are referring their industry colleagues to CCP. While we do not provide sales forecasts, we are planning a significant commercial production run to commence in May 2018 to meet growing demand. At this stage, we expect to manufacture 5,000 CCP Smart Tags in various configurations. This decision is influenced by emerging sales opportunities.

- **Customer Contract Value (CCV)** grew to \$610,000. Our CCV metric includes monthly monitoring point fees over a 24-month period (i.e. the standard term) and other contract values in accordance with previous guidance. In addition, a number of contracts were executed after the end of the quarter (so are excluded in the figure above) and will underpin further CCV growth in the next quarter.
- **Usage** continues to grow rapidly – for the month of March 2018, CCP managed over 6.8 million data points per month for customers across Australia, the US and Singapore. We continue to build a diverse customer base (which is demonstrated by a regular flow of customer announcements on our website and social media platforms) and more monitoring points are being added every month.

Our channel partner network is showing encouraging signs and we are investing to help those channels maximise their sales potential during 2018. During the quarter, CCP participated on the Sigfox stand at IoT Asia 2018 – joining our partners Thinxtra and Unabiz. The Singapore-based event attracted around 6,000 people from 50 countries and new partnerships have emerged.



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Partnerships extend CCP's market reach and in this quarter, we are pleased to announce progress on several fronts:

- **UnaBiz** has an existing Sigfox ecosystem relationship with CCP. Sales activity will enhance our market entry into **Singapore and Taiwan**, ensuring local customer support and communication network availability to effectively service these markets.
- **Xperanti** offers IoT solutions through the Sigfox network in **Malaysia** and is a new partnership for CCP. They have a focus on manufacturing, transportation and logistics, utilities, agriculture and smart city applications. Our agreement with Xperanti will support entry into the Malaysian market through customer and network support arrangements.
- **Our proposed joint venture (JV) in Las Vegas** continues to progress. We have previously announced our intention to partner with a US firm which brings complementary products to the same target market. By bundling our products and solutions, the proposed JV will deliver a unique offering with a clear and measurable return on investment to our customers. The bundled offering will extend perishable food shelf-life, reduce refrigeration energy and maintenance costs, and automate food safety record keeping. A letter of intent was signed on 14th April 2018 and our team has finalised the business model. We anticipate making subsequent announcements in May 2018. In parallel, both parties are progressing opportunities for CCP; for example, we have recently secured orders from two US prisons managed by the Federal Department of Justice.

Endorsement from respected food industry professionals is always appreciated.

When referencing automated temperature monitoring to improve food safety, Chef Paul Rifkin recently posted on social media:

CCP "is the best I have ever used"

With over 40 years' experience in hospitality, Chef Rifkin's industry network is extensive.



CCP will be an exhibitor at Foodservice Australia being held at the ICC, Darling Harbour, Sydney 27-29 May 2018. We've invited Chef Rifkin to the CCP stand, where he will explain the importance of continuously monitoring temperature as a critical control point in food service operations.

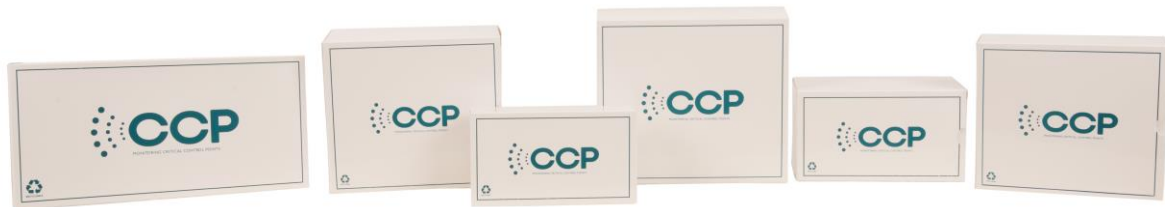


ICC, Darling Harbour, Sydney
27 - 29 May 2018, 10am - 5pm everyday

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Innovation

In the January/February 2018 shareholder update, we advised that our Smart Tags were transitioning from Generation 1 to Generation 2 (Gen 2) hardware. I'm pleased to report that our product management team has made outstanding progress this quarter. As planned, CCP's new Gen 2 line-up now supports LPWAN connectivity with Sigfox, NB-IoT and LTE Cat M1 hardware, and a WiFi solution. This is a significant milestone for CCP.



Unlike many IoT solutions, CCP operates in hostile environments. For example, our new Sigfox tags are operating seamlessly inside massive basement freezers and cool rooms which are surrounded on the outside by heavy concrete and steel building structures and have electronically locked internal steel storage cages. The Gen 2 physical form is robust, visually appealing, and its performance is even more impressive. Tags are ultrasonically welded during production to produce a tamper-resistant enclosure which is IP67 rated. In addition to Bluetooth Low Energy (BLE) support, the new tags use Near-Field Communication (NFC) to broaden smart device (e.g. phone, tablet) connectivity options.

We have successfully tested our Gen 2 hardware with various LPWAN providers:

- **Australia:** **Vodafone** (NB-IoT), **Telstra** (NB-IoT, LTE Cat M1), **Thinextra** (Sigfox)
- **USA:** **Verizon** (LTE Cat M1) and **T-Mobile** (NB-IoT)
- **Singapore:** **UnaBiz** (Sigfox)

In addition to standard temperature monitoring Smart Tags, the Gen 2 product suite includes external temperature probes and humidity sensors. We are currently finalising development of our energy monitoring tag and a hand-held temperature probe. Using the same Smart Tag, we are developing the firmware and software to enable their use in cold chain monitoring.

To expand our market opportunity, we can also announce two new additions to our range of sensors, including pH and Dissolved Oxygen (DO). Low-cost automated continuous monitoring of temperature, pH and DO presents significant opportunities to agriculture, aquaculture, water treatment and other industries.

With a commitment to an innovation, we will continue to bring outstanding IoT solutions to market.

**New Products offer
New Market Opportunities
& New Partnerships**

**The CCP Solution now
includes pH and dissolved
oxygen (DO) monitoring,
with energy monitoring
imminent.**

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The CCP Solution now includes pH and dissolved oxygen (DO) monitoring:



Dissolved Oxygen (DO)

CCP Live Data	
Device Status:	On
Tag Serial Number:	50140001
Sigfox Zone:	RCZ4
Packet Sampled Time:	23 April 2018 08:26:12
Device ID:	003F8F26
Temperature (°C):	26.8 °C
Battery Level:	86%
Dissolved Oxygen:	11.1 mg/L



Potential of Hydrogen (pH)

CCP Live Data	
Device Status:	On
Tag Serial Number:	50130001
Sigfox Zone:	RCZ4
Packet Sampled Time:	23 April 2018 08:26:42
Device ID:	00419009
Temperature (°C):	27.1 °C
Battery Level:	92%
pH Value:	4.2

Financial results for the quarter reflect the positive steps we're making:

- **Quarterly cash receipts** remain consistent with the previous quarter, which brought the overall financial-year-to-date up to \$164k, representing a 122% increase for the same period in FY17. CCP continues to achieve a healthy and stable inflow of cash receipts from new and existing customers.
- **Expenditure** in this quarter rose as a result of paying annual costs, notably insurance policies renewals and accumulated BAS payments. Additional marketing effort to expand the sales pipeline and capture new opportunities in the USA and Asian markets also contributed to increased expenses. Business-as-usual administration and corporate costs were kept consistent with previous periods as CCP maintains its lean operating structure.

Looking ahead, 2018 will be a busy year given our current activity. I would like to take this opportunity to mention a few marketing initiatives in April/May 2018:

- **Dicker data IoT Community Meet-ups, Sydney, Melbourne Brisbane** 17-19 April 2018 – a channel only community of resellers, systems integrators and vendors who have expressed an interest in IoT and the commercial opportunities.

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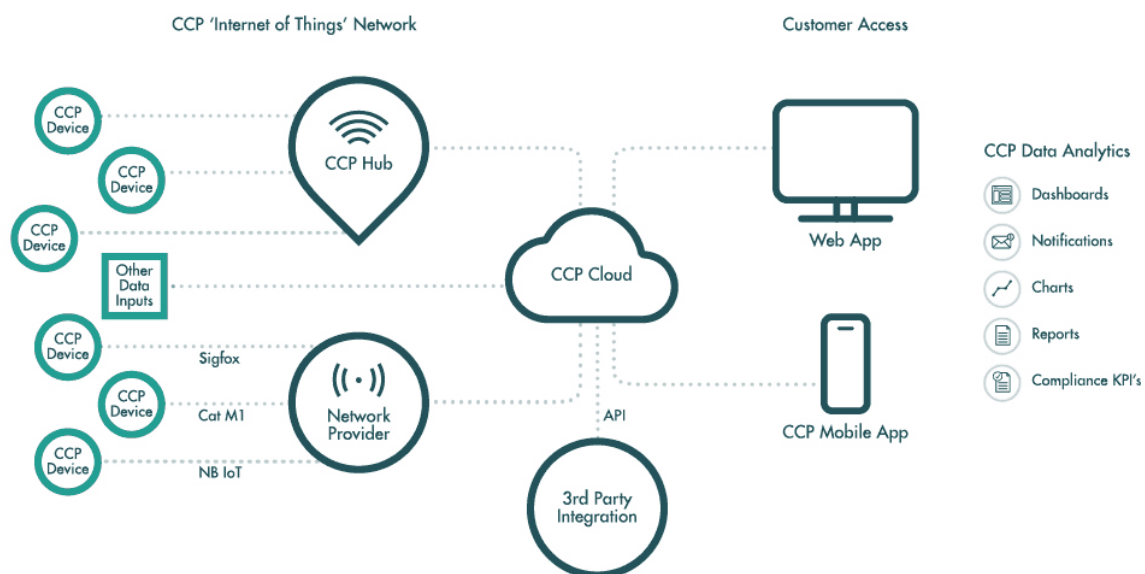
- **Food & Hotel Asia Expo, Singapore (FHA 18)** 24-27 April 2018 – we join UnaBiz at Asia's most comprehensive international food and hospitality trade event.
- **CeBIT Australia, Sydney** 15-17 May 2018 - CCP will be participating on the Vodafone stand. We expect the stand to be popular as Vodafone will be providing visitors with free flavoured milk. The milk is being supplied by our customer Country Valley Milk, it will be kept cold by Channon Refrigeration, and of course, we'll be monitoring the fridge. As the largest B2B technology exhibition in Asia Pacific, CeBIT will provide a great opportunity to increase CCP brand awareness.



The CCP Board, management team and staff are unified in their commitment to increasing sales by delivering world-class advanced IoT solutions with a compelling value proposition, and by working with strategic partners to position CCP in the right markets. With plenty of work ahead, we are advancing our business plan at a rapid rate.

Michael White

**Executive Director & CEO
CCP Technologies Limited**



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The simplest and most cost-effective solution for monitoring and managing critical refrigeration temperatures for any size and type of food service business.

sales@ccp-network.com
www.ccp-network.com



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In the food services industry, food safety is a non-negotiable requirement regardless of your size. From the smallest café to the largest catering service, monitoring the temperature of any refrigeration unit is a critical day to day task to prevent food contamination, waste and a damaged reputation.

Manually checking and recording refrigeration temperatures is time consuming and prone to error if checks are forgotten or misread. And they don't help if a refrigeration unit fails after hours, or while your business is closed.



THE CCP TECHNOLOGIES MONITORING SOLUTION



- Our wireless Smart Tag is placed inside your fridge - no need for any expensive wiring.
- Our Smart Tags continuously log the temperature and transmit that information wirelessly to your own private Cloud-based dashboard.
- Your temperature records are stored automatically - 24 hours a day, 7 days a week - and can be viewed at any time on our Web and Mobile Apps.
- You can set your own temperature thresholds and receive instant alerts on any smartphone if those thresholds are breached - meaning you can take immediate corrective action.
- Use in-built analytics to discover opportunities for your business to reduce energy consumption or minimise refrigeration maintenance.
- CCP uses a range of communication technologies, such as WiFi and LPWAN, to fit with your connectivity requirements.
- Our platform integrates with other IoT solutions and systems, including POS and ERP applications to provide maximum flexibility and versatility.



To arrange a free demonstration, or for more information:

sales@ccp-network.com • www.ccp-network.com

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")

31 March 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	68	164
1.2 Payments for		
(a) research and development	(43)	(101)
(b) product manufacturing and operating costs	(57)	(165)
(c) advertising and marketing	(83)	(128)
(d) leased assets	-	-
(e) staff costs	(356)	(1048)
(f) administration and corporate costs	(265)	(639)
1.3 Dividends received (see note 3)	-	
1.4 Interest received	1	4
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)	-	1
1.9 Net cash from / (used in) operating activities	(735)	(1,912)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(6)	(14)
	(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	(7)	(7)
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)	12	12
2.6	Net cash from / (used in) investing activities	(1)	(9)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	1,466
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	(71)	(172)
3.5	Proceeds from borrowings		
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)	5	5
3.10	Net cash from / (used in) financing activities	(76)	1,289

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	1,893	1,725
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(735)	(1,912)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(13)	(9)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(76)	1,289
4.5	Effect of movement in exchange rates on cash held	(1)	(25)
4.6	Cash and cash equivalents at end of quarter	1,068	1,068

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	954	316
5.2	Call deposits	114	1,577
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,068	1,893

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter
\$A'000

79

Nil

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.

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
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	

8.	Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	Nil	Nil
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.		

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Research and development	50
9.2	Product manufacturing and operating costs	60
9.3	Advertising and marketing	50
9.4	Leased assets	-
9.5	Staff costs	400
9.6	Administration and corporate costs	150
9.7	Other – repayment of borrowings	-
9.8	Total estimated cash outflows	710

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
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: 30 April 2018

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.