

CCP Technologies Limited (ASX:CT1)

September 2018 Quarterly Report & Shareholder Update

Our Vision:

To be the IoT platform of choice for critical control point management in the food industry

Report Highlights

Sept-18 quarter cash
receipts up 28%

Customer Contract
Value (CCV) up 27%

Quarterly Net Cash
Burn down 29%

September 2018 Quarterly Report

Business Update

CCP Technologies Limited (ASX:CT1) presents this report to provide context around the Company's financials for the quarter ending 30 September 2018; and to provide shareholders with an update on business progress.

The Company continues to demonstrate positive trends. These results reflect growing interest in CCP's monitoring solution, our contract development capability and the expertise we have in advanced Internet of Things (IoT) and Blockchain solutions. Importantly, food industry stakeholders are acknowledging the positive socio-economic impact our solution can make in food supply chains.

During the quarter, CCP received the Food Safety Equipment & Materials Award at the 2018 Food & Beverage Industry Awards. This category celebrates new products and advancements in technology designed to improve and maintain food safety standards in manufacturing facilities around Australia.



Brand awareness is building which has translated into increased sales activity.

Michael White

**Executive Director & CEO
CCP Technologies Limited**

Sales

At 30 September 2018, our 24-month total Customer Contract Value (CCV) performance metric increased to \$938,000; a 27% increase on the previous quarter. Our quarterly cash receipts grew to \$155,787; a 28% increase on the previous quarter. For the 30-day period up to the end of September, CCP processed almost 8.5 million data points.

CCP continues to build a foothold in the growing Aged Care sector in Australia, where there's a heightened need for continuous temperature monitoring to support food safety programs. Recent customer announcements included Homestyle Aged Care Services who are implementing CCP in ten residential care homes in the greater Melbourne metropolitan and Geelong areas.

During the quarter, we advanced several significant trials. The Company notes there is no guarantee contracts will materialise from these trials; however, the potential business opportunities are substantial:

- Multi-national smart cities firm providing temperature monitoring to their food industry customers.
- Multi-national professional services firm working with a global beverage firm to remotely monitor more than 50,000 commercial fridges in Australia.

September 2018 Quarterly Report

- Multi-national IT services firm presenting a fully-integrated IoT solution (which includes CCP) to a national food industry business with several hundred sites.
- An evaluation of CCP's solution as a foundation for IoT integration to a global blockchain initiative.
- National food distribution business monitoring the location and temperature of their third-party transport vehicles and providing this data on status and map dashboards as well as tabular and graphical reports.
- CCP's smart tags providing a data feed to a blockchain which underpins smart contracts associated with international food shipments.

The Company anticipates material sales from its White Tiger JV in Las Vegas. Investors are reminded the joint venture was announced in August 2018. The JV announcement included immediate contracts and implementation has commenced. CCP is now installed in MGM Grand, Bellagio, Golden Entertainment (including the Stratosphere Casino), Chef's Warehouse and many other venues.

White Tiger JV

Since announcing the new joint venture, our White Tiger JV has been focusing its sales efforts on sustainable cold storage solutions.

The JV specifically addresses two strategic high-end asset value segments:

- cold storage distribution facilities, and
- luxury brand hospitality, fine wines & spirits and fine food.

Over the last few months, the team has added CCP's monitoring services to long standing Koolmax accounts. As a result, CCP is installed in three major food distribution warehouses covering over 150,000 ft² and various landmark venues in Las Vegas.

Gerry Colucci, Founder of Koolmax Monitoring Technologies said, "by adding the CCP's leading IOT solution in to a high value national cold storage center we are effectively providing a higher value service package that helps produce sustainable energy, equipment and food savings to our existing and future earmarked client base. The unique combined service offering underpins a firm foundation and customer confidence that in turn allows White Tiger to generate higher profit margins."

For CCP, this JV is targeting some significant markets. For example, the luxury hospitality, fine wines & spirits and fine food sector was worth US\$325 billion in 2016 (Bain & Company). We are now well-placed to enter this market through the White Tiger JV.

Partnerships

Eposode Data Solutions joined our eco-system during the September 2018 quarter. The Sydney-based firm has a large 2000-strong customer base in the food, healthcare and logistics industries which use Eposode's smart peripherals.

CCP and Eposode are collaborating on several opportunities spanning our Australia and US operations. We are participating on Eposode's stand at HIMSS Asia Pacific 2018, 5-8 November in Brisbane. HIMSS targets transformation in health through information and technology.

September 2018 Quarterly Report

Capital

On 2 October 2018, CCP successfully raised \$215,000 from a private placement with Hongmen Capital. Furthermore, the Company has also formed a strategic relationship with Hongmen Capital to identify new prospects in both commercial and capital fronts. The additional fund raised has been, and will be, applied towards CCP's expansion of its existing production demands and sale pipeline.

The Board and management continue to review future business plans, working capital requirements and different sources of funding to ensure (i) the Company can secure necessary funding when and if it is required and (ii) any capital raising activities shall be conducted in the best interest of its shareholders.

CCP has over 100 customers - many multi-site



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 September 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	156	156
1.2 Payments for		
(a) research and development	(19)	(19)
(b) product manufacturing and operating costs	(73)	(73)
(c) advertising and marketing	(32)	(32)
(d) leased assets	-	-
(e) staff costs	(264)	(264)
(f) administration and corporate costs	(203)	(203)
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		
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(435)	(435)

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

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	379	379
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)	(2)
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)	-	-
3.10	Net cash from / (used in) financing activities	377	377

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	454	454
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(435)	(435)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	377	377
4.5	Effect of movement in exchange rates on cash held	(2)	(2)
4.6	Cash and cash equivalents at end of quarter	394	394

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	162	337
5.2	Call deposits	232	117
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)	394*	454

* On 8 August 2018, the Company completed the placement to raise a total of \$861,247, out of which \$561,247 was contribution made by Penta Global Blockchain Foundation ("Penta") in the form of Penta tokens. As part of the agreement with Penta, the Company will convert the tokens contributed into AUD in tranches on a monthly basis. As at the end of the quarter, the Company has converted part of these tokens into \$78,559 (before conversion costs). The remaining balance of \$482,688 will be further drawn down in future periods to support working capital requirements.

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**

73

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	30
9.2 Product manufacturing and operating costs	80
9.3 Advertising and marketing	35
9.4 Leased assets	-
9.5 Staff costs	270
9.6 Administration and corporate costs	210
9.7 Other – repayment of borrowings	-
9.8 Total estimated cash outflows	625

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: 31st October 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.