

ASX ANNOUNCEMENT

20 February 2019

Business update

Highlights:

- **Annualised Operating Expenditure reduced by \$1.5M**
- **Reducing monthly cash burn from \$150,000 to \$50,000**
- **Cost reductions have no impact on existing revenue and sales pipeline**
- **IT development subsidiary of 25 engineers now profitable**
- **Expanding contract development work to reach break-even in H2, 2019 calendar year**

CCP Technologies Limited ("the Company") (ASX:CT1) is pleased to provide an update on the restructuring of operational activities that has led to the reduction of annualised operating expenditure of \$1.5M with no negative impact to revenues or sales pipeline.

The Company has an experienced software and hardware development team of 25 engineers in India. The team is managing the ongoing development and maintenance of the Company's temperature monitoring product and also providing contract development services. The Indian operation is profitable and highly scalable, and the Company is looking to leverage this team further to build operating cash flow for the group.

The Company is expected to reach a monthly cash burn of \$50,000 over the next quarter and achieve cashflow neutrality by early in the second half of the 2019 calendar year. The qualified pipeline excludes several highly material and progressing subscription opportunities that if won, would add substantially to the forecast revenue numbers above.

In addition to the Company's existing cash reserves and revenues, during the 2019 calendar year, the Company is anticipating the receipt of monies from entitlement-based government programs. At this point, the exact amounts and timings of these additional monies is uncertain and thus their receipt is not yet factored into the Company's internal cash forecasts.

In accordance with the announcements made 8 August 2018 and 24 December 2018 regarding the agreement with Penta, the Company is due to receive in the order of \$460,000 in the equivalent of value of Penta tokens in August 2019..

In parallel with business-as-usual the board continues to assess a number of exciting and synergistic corporate transactions that present opportunities to significantly leverage its development capabilities and technologies. While progressing, these discussions are as yet incomplete, and the Company will inform the market in due course in accordance with its obligations.

For further information please contact: 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.