

ASX ANNOUNCEMENT

Quarterly update and cashflow

Highlights:

- **New sales contracts awarded in China and Australia**
- **Growing network of IoT deployments on the Company's MeridianCT™ Platform**
- **Business development activity in vaccine monitoring**

29 January 2021 – IoT solutions company, Constellations Technologies Limited (ASX: CT1) (the “Company” or “Group”) is pleased to provide a summary update on its activities for the quarter ended 31 December 2020.

Notable points to assist in reading the Appendix 4C

Cash receipts for the quarter were down on the previous quarter due to the timing of contract milestones, however were 16% higher than the previous corresponding period and 260% higher than the previous YTD corresponding period.

The Company has entered into a number of new contracts since the release of the September quarterly report with notable wins including:

- The awarding of four more contracts in relation to wastewater applications in China. With six contracts awarded to date in this sector the Company hopes that its integrated IoT solution will become a recognised industry solution for Wastewater plants. The Company will continue to commercialise and develop this solution through further anticipated deployments in both China and Australia.
- First commercial contract for an innovative Wetlands Monitoring application that provides an IoT solution for remotely and autonomously monitoring vegetation health and growth, fauna activity, water quality and security for 16 micro wetlands areas in the town of Anding in the Beijing Daxing District. Wetlands areas are often established to support and form part of the water treatment facilities across China particular in less densely populated areas to naturally support the wastewater remediation process prior to returning treated water to the natural water courses.
- Deployment of the MeridianCT™ Platform to support a network of road and public space cameras in Australia for natural hazard monitoring and reporting. With many end-users of this application across several industry sectors including local government, utilities and resources, the Company is now working on a number of adjacent business opportunities.
- Further rollouts of the Company's temperature monitoring product with Monash University as well as new trials to potentially expand into the Australian health sector further to existing deployments in Victorian hospitals.

The Company is actively working on each of the abovementioned projects in addition to advancing its previously announced projects and pursuing its growing pipeline of sales opportunities across China, Australia, US and India.

The Company confirms that none of the abovementioned contracts are individually financially material pursuant to ASX Guidance Note 8.

Other activities include:

- Vaccine monitoring – The company’s existing cold chain solution is already being applied to the monitoring of vaccines in hospital refrigeration storage. With the heightened mainstream awareness of the importance of ensuring the integrity of the cold chain as vaccines transit under multiple custodians in their journey, the Company is actively engaged in business development activities with other stakeholders in the Vaccine management space.
- In regard to item 2.1(f) the Company has paid a deposit towards towards a new corporate opportunity that is currently being assessed and is on-going at this time The corporate opportunity is consistent with the Company’s existing business and strategy.

Expenditure & financing activities

Reflecting the timing of project payments noted above, operating costs for the quarter were also lower than the previous quarter and are generally naturally correlated with project cash receipts.

Staffing costs were nominally higher as new team members were added in Australia including a Sales Manager as well as new hires in India to support the pipeline of projects.

Similar to the previous quarter the Company received \$100k from the proceeds of option conversions. The Company received a further \$1.4mil during the of the quarter, pending the conversion of options post the end of the quarter as noted in item 3.9.

Related party cash payments for the quarter of \$84k include directors fees to non-executive and executive director’s (including the CEO) as well as rental and legal fees paid to entities associated with the Chairman.

The board thanks all shareholders for their continued support and interest in the Company.

Authorised for release by the Board of Constellation Technologies Limited.

For further information please contact: enquiries@ct1limited.com

About Constellation Technologies

Constellation Technologies Limited (ASX: CT1) is a publicly listed IoT and Digital Solutions company with an international client portfolio innovating, deploying and supporting applications across multiple industry verticals. CT1 designs, engineers, builds and integrates systems, combining comprehensive software expertise with custom hardware development and production to drive deep-value from data enabling continued digitisation of industry, companies and communities. CT1 is based in Australia with wholly-owned subsidiaries in India and China.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Constellation Technologies Limited

ABN

58 009 213 754

Quarter ended ("current quarter")

31 December 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	195	721
1.2 Payments for		
(a) research and development	(64)	(93)
(b) product manufacturing and operating costs	(240)	(733)
(c) advertising and marketing	(3)	(34)
(d) leased assets		(16)
(e) staff costs	(479)	(918)
(f) administration and corporate costs	(176)	(404)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(5)	(5)
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	(770)	(1,479)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(13)	(55)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	(403)	(403)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) 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	(415)	(458)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	100	226
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
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	Funds held pending issue of equity	1,436	1,436
3.10	Net cash from / (used in) financing activities	1,536	1,663

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,774	4,400
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(770)	(1,479)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(415)	(458)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,536	1,663
4.5	Effect of movement in exchange rates on cash held	(20)	(21)
4.6	Cash and cash equivalents at end of period	4,105	4,105

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	3,705	3,774
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Cash in transit	400	
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,105	3,774

6. Payments to related parties of the entity and their associates

6.1 Aggregate amount of payments to related parties and their associates included in item 1

6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

(84)

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

7.1 Loan facilities

7.2 Credit standby arrangements

7.3 Other (please specify)

7.4 **Total financing facilities**

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-
-	-

7.5 **Unused financing facilities available at quarter end**

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7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8. Estimated cash available for future operating activities

\$A'000

8.1 Net cash from / (used in) operating activities (Item 1.9)

(770)

8.2 Cash and cash equivalents at quarter end (Item 4.6)

4,105

8.3 Unused finance facilities available at quarter end (Item 7.5)

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8.4 Total available funding (Item 8.2 + Item 8.3)

4,105

8.5 **Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**

5.33

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

N/A

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

N/A

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.

Date: **29 January 2021**

Authorised by: **The Board**

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.