

# CCP Technologies Limited

## Appendix 4D

### Half-year 31 December 2017

Name of entity

CCP Technologies Limited

ABN or equivalent company  
reference

ACN 009 213 754

Half-year

31 December 2017

(Previous corresponding period: 31 December 2016)

#### Results for announcement to the market

|  |      |        |    |           |
|--|------|--------|----|-----------|
|  |      |        |    | \$        |
| Revenue for ordinary activities  | Up   | 468.3% | to | 96,226    |
| Net loss after tax (from ordinary activities) for the period attributable to members | Down | 44.5%  | to | 1,394,222 |

#### Distributions

|  | Amount per<br>security      | Franked<br>amount per<br>security |
|--|-----------------------------|-----------------------------------|
| Interim dividend (per share)                 | -                           | -                                 |
| Final dividend (per share)                   | -                           | -                                 |
| Franking                                     | -                           | -                                 |
|  | <b>31 December<br/>2017</b> | 31 December<br>2016               |
| Net tangible asset backing (cents per share) | <b>0.51</b>                 | 0.79                              |

#### Explanation of results

Please refer to the "Review of operations" section on pages 2 to 3 for explanation on the results for the period ended 31 December 2017.

#### Changes in controlled entities

There have been no changes in controlled entities during the current reporting period.

#### Other information required by Listing Rule 4.2A

N/A

#### Interim review status

The interim financial report has been reviewed by the group's independent auditor which includes a paragraph regarding a material uncertainty in relation to going concern.

# **CCP Technologies Limited**

ACN 009 213 754

## **Interim report for the half-year 31 December 2017**

# CCP Technologies Limited ACN 009 213 754

## Interim report - 31 December 2017

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by CCP Technologies Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

**CCP Technologies Limited**  
**Corporate directory**

**Directors**

Mr. Leath Nicholson  
*Independent Non-Executive Chairman*

Mr. Michael White  
*Executive Director and Chief Executive Officer*

Mr. Anthony Rowley  
*Executive Director and Chief Operating Officer*

Mr. Adam Gallagher  
*Non-Executive Director*

Mr. Anoosh Manzoori  
*Independent Non-Executive Director*

**Secretary**

Mr. Phillip Hains

**Principal registered office in Australia**

Suite 202  
22 St Kilda Road  
St Kilda VIC 3182  
Australia  
+61 3 8592 4883

**Share register**

Advanced Share Registry  
110 Stirling Hwy  
Nedlands WA 6909  
+61 8 9389 8033

**Auditor**

BDO Audit Pty Ltd  
Level 10  
12 Creek St  
Brisbane QLD 4000  
+61 7 3237 5999

**Solicitors**

Foster Nicholson Lawyers Pty Ltd  
Level 7  
416-420 Collins Street  
Melbourne VIC 3000  
+61 3 96400400

**Bankers**

Wespac Banking Corporation  
150 Collins Street  
Melbourne VIC 3000

**Website**

[www.ccp-technologies.com](http://www.ccp-technologies.com)

## **Directors' report**

Your directors present their report on the consolidated entity (referred to hereafter as the group) consisting of CCP Technologies Limited and the entities it controlled at the end of, or during, the half-year 31 December 2017.

### **Directors**

The following persons held office as directors of CCP Technologies Limited during the financial period and up to the date of this report::

Mr. Leath Nicholson, Independent Non-Executive Chairman  
Mr. Michael White, Executive Director and Chief Executive Officer  
Mr. Anthony Rowley, Executive Director and Chief Operating Officer  
Mr. Adam Gallagher, Non-Executive Director  
Mr. Anoosh Manzoori, Independent Non-Executive Director

### **Principal activities**

The group develops, manufactures and sells a critical control point monitoring solution. Critical control points are the points in a supply chain where a failure of standard operating procedure has potential to cause serious harm to people - and to a business' reputation and bottom line. Standard critical control points and management issues include, but are not limited to:

- (a) Temperature - perishable food safety, biological material safety, regulatory compliance reduced wastage, underpinning supply chain quality and risk management
- (b) Energy - usage, continuity of supply, identification of appliances
- (c) Environment - air and water quality, pH, chemicals, noise, acoustics and gases
- (d) Movement - location monitoring including goods and mobile assets to underpin spatial information systems, security and usage.

There was no significant change in the nature of the activity of the group during the period.

### **Dividends**

No dividends have been paid during the financial period. The directors do not recommend that a dividend be paid in respect of the financial period (31 December 2016: \$nil).

### **Review of operations**

#### **Sales**

Sales activity demonstrates continued growth. At the end of December 2017:

- Customer Contract Value (CCV) grew to \$530,000. Our CCV metric includes monthly monitoring point fees over a 24-month period (i.e. the standard term) and other contract values.
- CCP managed over six million data points per month for customers across Australia, the US and Singapore

New sales channel partnerships are showing excellent signs of nurturing large sales opportunities. Channel partners include:

- Dicker Data - Australia's leading ASX listed ICT distributor
- Channon Refrigeration - Sydney specialist refrigeration company
- Shamrock Group - Minneapolis refrigeration specialists.

## Review of operations (continued)

### Partnerships

Partnerships provide CCP with a better reach to its target market. In this reporting period, CCP announced two new agreements:

- UnaBiz - the exclusive Sigfox Operator in Singapore - will support CCP's marketing effort in the Singapore market and provides access to the Sigfox LPWAN. Our UnaBiz partnership presents an exciting market opportunity for CCP to develop its presence in South-East Asia and enables us to use the Sigfox network to deliver our low-cost IoT critical control point monitoring platform in that market.
- Vodafone selected CCP to participate in its NB-IoT trial. Through its global footprint, Vodafone has an extensive reach to our food industry target market which could potentially add tens of thousands of monitoring points to our install base.

### Innovation

Innovation continues to position CCP with a unique offering. One of CCP's key strengths is its combined R&D development capability and commercialisation skill-set. We specialise in rapidly creating solutions which leverage Internet of Things(IoT), big data analytics, machine learning and AI. Our in-house technical expertise spans hardware design, firmware and software development. From concept to creation, we deliver contemporary solutions to a growing customer base in Australia, North America and South-East Asia.

Shareholders can be confident our current technology is reliable and its design supports the rapid integration of new communication and sensing technologies as they emerge. Low-Power Wide-Area Networks (LPWAN's) are the backbone of global IoT growth. During the reporting period, CCP's new Sigfox smart tags achieved Class 0u (the highest level) certification. New smart tags for NB-IoT and LTE Cat M1 (i.e. LPWAN technologies used by Vodafone, Telstra and other global telecommunications service providers) are on-track for release in early 2018.

We've built and sustained significant business momentum. We finished 2017 - a foundational year for the company - in a good position. Our innovation pathway is set to excite the market, new partners are identifying terrific sales leads, and there's an increasing awareness of CCP's capabilities.

### Capital raise

Capital raise activities were completed in the December quarter which yielded (before costs) approximately \$500,000 in a private placement and \$965,500 through a share purchase plan. Participants in the placement included all the investors who participated in the May 2017 capital raise, which demonstrates continued confidence in the company. The share purchase plan attracted interest from our smaller shareholders, many taking the opportunity to increase their holding. With the tremendous support from our existing shareholders, these funds will be used to expand the company's sales and marketing effort in both domestic and overseas markets, and for other working capital requirements.

### Financial

During the half-year ended 31 December 2017, the group generated a total revenue of \$96,226 (31 December 2016: \$16,932), represents a 468% increase. Our revenue growth has also been supported by an increase in cash receipts from customers from \$3,252 in previous half-year to \$92,115 in this reporting period. The group continues to witness increased customer satisfaction, which is expected to improve even further as we introduce our customer CARE program in 2018.

Our total operating expenditure for the current reporting period was \$1,490,445 (31 December 2016: \$1,206,784, excluding corporate restructure expenses). The increase in expenditure was primarily contributed by additional activities in the product marketing, sale and development areas. Management believe these efforts in boosting the company's sale pipeline and customer base, as well as further improve and perfect our products, will benefit CCP and its shareholders in the long run.

### Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the group during the period.

**Matters subsequent to the end of the financial year**

No matter or circumstance has arisen since 31 December 2017 that has significantly affected, or may significantly affect:

- (a) the group's operations in future financial periods, or
- (b) the results of those operations in future financial periods, or
- (c) the group's state of affairs in future financial periods.

**Likely developments and expected results of operations**

There are no information on likely developments in the operations of the group and the expected results of operations have not been included in this interim report because the directors believe it would be likely to result in unreasonable prejudice to the group.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

This report is made in accordance with a resolution of directors.



Mr. Michael White  
Director  
Melbourne

28 February 2018



Tel: +61 7 3237 5999  
Fax: +61 7 3221 9227  
www.bdo.com.au

Level 10, 12 Creek St  
Brisbane QLD 4000  
GPO Box 457 Brisbane QLD 4001  
Australia

**DECLARATION OF INDEPENDENCE BY MICHEAL CUTRI TO THE DIRECTORS OF CCP TECHNOLOGIES LIMITED**

As lead auditor for the review of CCP Technologies Limited for the half-year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of CCP Technologies Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'M Cutri', is written over a light blue horizontal line.

M Cutri  
Director

**BDO Audit Pty Ltd**

Brisbane, 28 February 2018



**CCP Technologies Limited**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the half-year 31 December 2017**

|   |       | Half-year<br>31 December<br>2017 | 31 December<br>2016 |
|---|-------|----------------------------------|---------------------|
|   | Notes | \$                               | \$                  |
| Revenue and other income  |       | 96,226                           | 16,932              |
| Administration expense  |       | (169,740)                        | (158,688)           |
| Re-listing expense  |       | -                                | (92,126)            |
| Depreciation expense  | 6     | (3,564)                          | (3,747)             |
| Directors fees  |       | (36,000)                         | (32,390)            |
| Employee and contracting expense  | 6     | (772,635)                        | (429,005)           |
| Finance costs   | 6     | (10,812)                         | (4,608)             |
| Marketing   |       | (66,707)                         | (195,727)           |
| Materials   |       | (45,824)                         | (44,168)            |
| Occupancy   |       | (45,530)                         | (20,586)            |
| Patents and trademarks  |       | (19,552)                         | (6,615)             |
| Professional and legal expense  |       | (148,902)                        | (61,618)            |
| Research and development  |       | (41,988)                         | (31,000)            |
| Share-based payment expense   | 14(b) | (64,609)                         | (89,497)            |
| Travel  |       | (64,585)                         | (37,009)            |
| Corporate restructure expense   |       | -                                | (1,308,938)         |
| <b>Loss before income tax</b>   |       | <b>(1,394,222)</b>               | <b>(2,498,790)</b>  |
| Income tax expense  |       | -                                | -                   |
| <b>Loss from continuing operations</b>  |       | <b>(1,394,222)</b>               | <b>(2,498,790)</b>  |
| Profit/(loss) from discontinued operation   |       | -                                | (15,403)            |
| <b>Loss for the period</b>  |       | <b>(1,394,222)</b>               | <b>(2,514,193)</b>  |
| <b>Other comprehensive income</b>   |       |                                  |                     |
| <i>Items that may be reclassified to profit or loss:</i>  |       |                                  |                     |
| Exchange differences on translation of foreign operations   | 10(a) | (6,343)                          | (4,476)             |
| <b>Total comprehensive loss for the period</b>  |       | <b>(1,400,565)</b>               | <b>(2,518,669)</b>  |
|   |       | <b>Cents</b>                     | <b>Cents</b>        |
| <b>Loss per share for loss from continuing operations attributable to the ordinary equity holders of the company:</b> |       |                                  |                     |
| Basic & diluted loss per share  | 13    | <b>0.48</b>                      | 1.51                |
| <b>Loss per share for loss attributable to the ordinary equity holders of the company:</b>                            |       |                                  |                     |
| Basic & diluted loss per share  | 13    | <b>0.48</b>                      | 1.52                |

*The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.*

**CCP Technologies Limited**  
**Consolidated statement of financial position**  
**As at 31 December 2017**

|   | 31 December<br>2017 | 30 June<br>2017  |
|---|---------------------|------------------|
| Notes   | \$                  | \$               |
| <b>ASSETS</b>   |                     |                  |
| <b>Current assets</b>   |                     |                  |
| Cash and cash equivalents   | 1,892,664           | 1,727,137        |
| Trade and other receivables   | 7      116,835      | 108,428          |
| Other current assets  | 15,518              | 20,080           |
| <b>Total current assets</b>   | <b>2,025,017</b>    | <b>1,855,645</b> |
| <b>Non-current assets</b>   |                     |                  |
| Property, plant and equipment   | 33,570              | 24,162           |
| <b>Total non-current assets</b>   | <b>33,570</b>       | <b>24,162</b>    |
| <b>Total assets</b>   | <b>2,058,587</b>    | <b>1,879,807</b> |
| <b>LIABILITIES</b>  |                     |                  |
| <b>Current liabilities</b>  |                     |                  |
| Trade and other payables  | 8      233,228      | 204,116          |
| Employee benefit obligations  | 37,138              | 18,583           |
|   | <b>270,366</b>      | <b>222,699</b>   |
| Liabilities directly associated with assets classified as held for sale | 21,658              | 34,607           |
| <b>Total current liabilities</b>  | <b>292,024</b>      | <b>257,306</b>   |
| <b>Total liabilities</b>  | <b>292,024</b>      | <b>257,306</b>   |
| <b>Net assets</b>   | <b>1,766,563</b>    | <b>1,622,501</b> |
| <b>EQUITY</b>   |                     |                  |
| Contributed equity  | 9      8,400,628    | 6,909,610        |
| Other reserves  | 10(a)      98,409   | 51,143           |
| Accumulated losses  | (6,732,474)         | (5,338,252)      |
| <b>Total equity</b>   | <b>1,766,563</b>    | <b>1,622,501</b> |

*The above consolidated statement of financial position should be read in conjunction with the accompanying notes.*

**CCP Technologies Limited**  
**Consolidated statement of changes in equity**  
**For the half-year 31 December 2017**

|  | Notes | Attributable to owners of<br>CCP Technologies Limited |                         |                             | Total<br>\$        |
|--|-------|---|-------------------------|-----------------------------|--------------------|
|  |       | Share capital<br>\$                                   | Other<br>reserves<br>\$ | Accumulated<br>losses<br>\$ |                    |
| <b>Balance at 1 July 2016</b>                                |       | 1,212,910   | -                       | (1,580,182)                 | (367,272)          |
| Loss for the period  |       | -   | -                       | (2,514,193)                 | (2,514,193)        |
| Other comprehensive income                                   |       | -   | (4,476)                 | -                           | (4,476)            |
| <b>Total comprehensive income for the period</b>             |       | -   | <b>(4,476)</b>          | <b>(2,514,193)</b>          | <b>(2,518,669)</b> |
| <b>Transactions with owners in their capacity as owners:</b> |       |   |                         |                             |                    |
| Securities issued in settlement of debt                      |       | 20,000  | -                       | -                           | 20,000             |
| Reverse acquisition  |       | 4,460,326   | -                       | -                           | 4,460,326          |
| Share based payments   |       | -   | 4,497                   | -                           | 4,497              |
|  |       | 4,480,326   | 4,497                   | -                           | 4,484,823          |
| <b>Balance at 31 December 2016</b>                           |       | <b>5,693,236</b>                                      | <b>21</b>               | <b>(4,094,375)</b>          | <b>1,598,882</b>   |
| <b>Balance at 1 July 2017</b>                                |       | 6,909,610   | 51,143                  | (5,338,252)                 | 1,622,501          |
| Loss for the period  |       | -   | -                       | (1,394,222)                 | (1,394,222)        |
| Other comprehensive income                                   |       | -   | (6,343)                 | -                           | (6,343)            |
| <b>Total comprehensive income for the period</b>             |       | -   | <b>(6,343)</b>          | <b>(1,394,222)</b>          | <b>(1,400,565)</b> |
| <b>Transactions with owners in their capacity as owners:</b> |       |   |                         |                             |                    |
| Contributions of equity, net of transaction costs and tax    | 9     | 1,491,018   | -                       | -                           | 1,491,018          |
| Share based payments   | 10    | -   | 53,609                  | -                           | 53,609             |
|  |       | 1,491,018   | 53,609                  | -                           | 1,544,627          |
| <b>Balance at 31 December 2017</b>                           |       | <b>8,400,628</b>                                      | <b>98,409</b>           | <b>(6,732,474)</b>          | <b>1,766,563</b>   |

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.*

**CCP Technologies Limited**  
**Consolidated statement of cash flows**  
**For the half-year 31 December 2017**

|  | Half-year          |                    |
|--|--------------------|--------------------|
|  | 31 December        | 31 December        |
|  | 2017               | 2016               |
| Notes  | \$                 | \$                 |
| <b>Cash flows from operating activities</b>                      |                    |                    |
| Receipts from customers (GST inclusive)                          | 92,115             | 3,252              |
| Payments to suppliers and employees (GST inclusive)              | (1,341,301)        | (1,205,776)        |
| Other income receipts  | 12,215             | -                  |
| Interest received  | 2,686              | 4,286              |
| Interest paid  | (1,891)            | (4,608)            |
| <b>Net cash (outflow) from operating activities</b>              | <b>(1,236,176)</b> | <b>(1,202,846)</b> |
| <b>Cash flows from investing activities</b>                      |                    |                    |
| Payments for acquisition of subsidiary, net of cash acquired     | -                  | 9,688              |
| Payments for property, plant and equipment                       | (12,972)           | (4,544)            |
| <b>Net cash (outflow) inflow from investing activities</b>       | <b>(12,972)</b>    | <b>5,144</b>       |
| <b>Cash flows from financing activities</b>                      |                    |                    |
| Proceeds from issues of shares and other equity securities       | 9 1,465,500        | 3,000,000          |
| Proceeds from borrowings   | -                  | 170,000            |
| Repayment of borrowings  | -                  | (175,000)          |
| Payment for transaction costs in relation to the issue of shares | 9 (44,482)         | (273,465)          |
| <b>Net cash inflow from financing activities</b>                 | <b>1,421,018</b>   | <b>2,721,535</b>   |
| <b>Net increase in cash and cash equivalents</b>                 | <b>171,870</b>     | <b>1,523,833</b>   |
| Cash and cash equivalents at the beginning of the financial year | 1,727,137          | 53,348             |
| Effects of exchange rate changes on cash and cash equivalents    | (6,343)            | -                  |
| <b>Cash and cash equivalents at end of period</b>                | <b>1,892,664</b>   | <b>1,577,181</b>   |

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.*

## **1 Significant changes in the current reporting period**

The financial position and performance of the group was particularly affected by the following events and transactions during the reporting period:

- In December 2017, the group successfully completed a private placement and Share Purchase Plan which raised a total of \$1,465,500 (before costs) via the issue of 63,717,304 new ordinary shares to existing shareholders at \$0.023 per share.

For a detailed discussion about the group's performance and financial position please refer to our review of operations on pages 2 to 3.

## **2 Basis of preparation of half-year report**

The consolidated half-year financial statements of CCP Technologies Limited (the company) as at and for the half-year ended 31 December 2017 comprises the company and its controlled entities (the "Group")

These condensed consolidated interim report for the half-year reporting period ended 31 December 2017 have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

These condensed consolidated interim report do not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by CCP Technologies Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period.

### **(a) Critical accounting estimates and judgements**

The preparation of the financial statements requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The key judgements, estimates and assumptions applied in the interim financial statements were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2017.

The key estimates and assumptions applied during the half-year ended 31 December 2017 did not have a significant risk of causing material misstatement on the amounts recognised in the financial statements.

#### *Going concern*

As disclosed in the financial statements, the group has net operating cash outflows for the half-year of \$1,236,176 (31 December 2016: \$1,202,846) and as at 31 December 2017 has a net current asset position of \$1,732,993 (30 June 2017: \$1,598,339). The Group also generated a loss after tax for the half-year of \$1,394,222 (31 December 2016: \$2,514,193).

The ability of the Group to continue as a going concern is principally dependent upon on the following conditions:

- The ability of the Group to raise sufficient capital and when necessary; and
- The successful commercialisation of its intellectual property in a manner that generates sufficient operating cash inflows.

These conditions give rise to material uncertainty, which may cast significant doubt over the Groups ability to continue as a going concern.

The directors believe that the going concern basis of preparation is appropriate due to its growing sale, customer contract value, and strong pipeline. In the event that the Group encounters any difficulties in raising capital the board is comfortable that the expenditure can be scaled back to preserve cash.

## 2 Basis of preparation of half-year report (continued)

### (a) Critical accounting estimates and judgements (continued)

#### *Going concern (continued)*

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial report. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

### (b) New, revised and amended accounting standards and interpretations adopted by the group

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting half-year period. There has been no material impact on the financial statements by their adoption.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The potential impact of these changes is not yet possible to determine.

## 3 Fair value measurements

At 31 December 2017, the group had no financial instruments measured using the fair value measurement hierarchy as required by AASB 13 *Fair value measurement*. The aggregate fair values of all financial assets and liabilities approximate their carrying values at reporting date due to their short term nature.

## 4 Segment information

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance. The Company currently operates predominantly in one segment, being the sale and commercialisation of the CCP Solution.

There are no differences from the last annual financial statements in the basis of segmentation or in the basis or measurement of segment profit or loss.

## 5 Revenue and other income

|                     | Half-year<br>31 December<br>2017<br>\$ | 31 December<br>2016<br>\$ |
|---------------------|--|---------------------------|
| Sale revenue        | 71,325                                 | 3,502                     |
| <i>Other income</i> |  |                           |
| Interest income     | 2,686                                  | 3,174                     |
| Others              | 22,215                                 | 10,256                    |
|                     | <u>24,901</u>                          | <u>13,430</u>             |
|                     | <u>96,226</u>                          | <u>16,932</u>             |

## 6 Expenses

|             | Half-year   |  |
|-------------|-------------|--|
| 31 December | 31 December |  |
| 2017        | 2016        |  |
| \$          | \$          |  |

Loss before income tax includes the following specific expenses:

### *Employee benefits expenses*

|   |                |                |
|---|----------------|----------------|
| Salaries  | 287,540        | 36,862         |
| Contractors - KMP                                 | 124,511        | 260,976        |
| Contractors – sales, marketing and administration | 96,630         | 25,720         |
| Contractors – research & development              | 207,173        | 88,666         |
| Annual leave provided                             | 18,555         | -              |
| Superannuation and employee welfare expense       | 38,036         | 16,593         |
| Salary on costs                                   | 190            | 188            |
|   | <u>772,635</u> | <u>429,005</u> |

### *Depreciation and amortisation*

|   |              |              |
|---|--------------|--------------|
| Depreciation of property, plant and equipment | 3,564        | 3,747        |
|   | <u>3,564</u> | <u>3,747</u> |

### *Finance costs*

|                              |               |              |
|------------------------------|---------------|--------------|
| Foreign exchange loss/(gain) | 8,921         | -            |
| Interest paid                | 1,891         | 4,608        |
|                              | <u>10,812</u> | <u>4,608</u> |

## 7 Trade and other receivables

| 31 December | 30 June |
|-------------|---------|
| 2017        | 2017    |
| \$          | \$      |

|                       |                |                |
|-----------------------|----------------|----------------|
| Trade receivables     | 58,820         | 69,610         |
| Other receivables (a) | 58,015         | 38,818         |
|                       | <u>116,835</u> | <u>108,428</u> |

### **(a) Other receivables**

Other receivables primarily comprise of estimated GST claimable from local tax offices at the end of the period, and security deposit for office rental which is collectible upon the termination of the lease agreement.

## 8 Trade and other payables

|                            | <b>31 December<br/>2017<br/>\$</b> | <b>30 June<br/>2017<br/>\$</b> |
|----------------------------|------------------------------------|--------------------------------|
| <b>Current liabilities</b> |                                    |                                |
| Trade payables             | <b>151,457</b>                     | 96,608                         |
| Accrued expenses           | <b>66,547</b>                      | 107,508                        |
| Other payables             | <b>15,224</b>                      | -                              |
|                            | <b>233,228</b>                     | 204,116                        |

## 9 Contributed equity

### (a) Share capital

|                              | <b>31 December<br/>2017<br/>Shares</b> | <b>30 June<br/>2017<br/>Shares</b> | <b>31 December<br/>2017<br/>\$</b> | <b>30 June<br/>2017<br/>\$</b> |
|------------------------------|--|------------------------------------|------------------------------------|--------------------------------|
| Ordinary shares              |  |                                    |                                    |                                |
| Ordinary shares - fully paid | <b>349,678,422</b>                     | 284,014,118                        | <b>8,400,628</b>                   | 6,909,610                      |

### (b) Movements in ordinary share capital

| Date       | Details   | Number of<br>shares | \$        |
|------------|---|---------------------|-----------|
| 01-07-2017 | Opening balance   | 284,014,118         | 6,909,610 |
| 19-09-2017 | Issue of ordinary shares to a consultant for services received  | 1,397,000           | 59,000    |
| 13-12-2017 | Issue of ordinary shares to professional and sophisticated investors under a private placement at \$0.023 per share | 21,739,126          | 500,000   |
| 13-12-2017 | Issue of ordinary shares to a consultant for services received  | 550,000             | 11,000    |
| 22-12-2017 | Issue of ordinary shares to eligible participants under the Share Purchase Plan at \$0.023 per share                | 41,978,178          | 965,500   |
|            |   | 349,678,422         | 8,445,110 |
|            | Less: Transaction costs arising on share issue  | -                   | (44,482)  |
|            | Closing balance   | 349,678,422         | 8,400,628 |

### (c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the company does not have a limited amount of authorised capital.



## 9 Contributed equity (continued)

### (d) Options

Information relating to the details of options issued, exercised and lapsed during the financial period and options outstanding at the end of the financial period, is set out in note 14.

## 10 Other reserves

|                              | <b>31 December<br/>2017<br/>\$</b> | <b>30 June<br/>2017<br/>\$</b> |
|------------------------------|------------------------------------|--------------------------------|
| Share-based payments         | <b>115,170</b>                     | 61,561                         |
| Foreign currency translation | <b>(16,761)</b>                    | (10,418)                       |
|                              | <b>98,409</b>                      | 51,143                         |

**31 December  
2017  
Notes \$**

### Movements:

#### *Share-based payments*

|   |                  |
|---|------------------|
| Opening balance                             | <b>61,561</b>    |
| Share-based payments expense for the period | 14 <b>53,609</b> |
| Balance 31 December                         | <b>115,170</b>   |

#### *Foreign currency translation*

|  |                 |
|--|-----------------|
| Opening balance  | <b>(10,418)</b> |
| Currency translation differences arising during the year | <b>(6,343)</b>  |
| Balance 31 December                                      | <b>(16,761)</b> |

### (b) Nature and purpose of reserves

#### (i) *Share-based payments*

The share-based payments reserve is used to recognise:

- the grant date fair value of options issued to employees but not exercised
- the grant date fair value of shares issued to employees

#### (ii) *Foreign currency translation*

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

## 11 Contingencies

The group had no contingent liabilities at 31 December 2017 (30 June 2017: nil).

## 12 Events occurring after the reporting period

No matter or circumstance has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the group, the results of those operations or the state of affairs of the group or economic entity in subsequent financial periods.

### 13 Loss per share

#### (a) Basic & diluted loss per share

|   | Half-year<br>31 December<br>2017<br>Cents | 31 December<br>2016<br>Cents |
|---|---|------------------------------|
| From continuing operations attributable to the ordinary equity holders of the company           | 0.48                                      | 1.51                         |
| From discontinued operation   | -   | 0.01                         |
| Total basic & diluted loss per share attributable to the ordinary equity holders of the company | <u>0.48</u>                               | <u>1.52</u>                  |

#### (b) Reconciliation of earnings used in calculating loss per share

|   | Half-year<br>31 December<br>2017<br>\$ | 31 December<br>2016<br>\$ |
|---|--|---------------------------|
| Loss attributable to the ordinary equity holders of the company used in calculating basic & diluted loss per share: |  |                           |
| From continuing operations  | 1,394,222                              | 2,498,790                 |
| From discontinued operation   | -                                      | 15,403                    |
|   | <u>1,394,222</u>                       | <u>2,514,193</u>          |

#### (c) Weighted average number of shares used as denominator

|  | Half-year<br>2017<br>Number | 2016<br>Number     |
|--|-----------------------------|--------------------|
| Weighted average number of ordinary shares used as the denominator in calculating basic & diluted loss per share | <u>289,057,281</u>          | <u>165,425,893</u> |

The outstanding options as at 31 December 2017 are considered to be anti-dilutive and therefore were excluded from the diluted weighted average number of ordinary shares calculation.

### 14 Share-based payments

#### (a) Options granted during the period

|   | 2017<br>Average<br>exercise price<br>per share<br>option<br>\$ | Number<br>of options |
|---|--|----------------------|
| As at 1 July 2017                         | 0.07   | 5,533,000            |
| Granted during the year                   | 0.10   | 11,446,550           |
| Exercised during the year                 | -  | -                    |
| Forfeited during the year                 | -  | -                    |
| As at 31 December 2017 - outstanding      | <u>0.09</u>  | <u>16,979,550</u>    |
| Vested and exercisable at closing balance | -  | 1,533,000            |

## 14 Share-based payments (continued)

### (a) Options granted during the period (continued)

Share options outstanding at 31 December 2017 have the following expiry date and exercise prices.

| Grant date       | Expiry date      | Exercise price<br>AUD | No. of share options<br>31 December 2017 |
|------------------|------------------|-----------------------|--|
| 18 November 2016 | 15 December 2020 | \$0.10                | 2,000,000                                |
| 18 November 2016 | 15 December 2020 | \$0.10                | 2,000,000                                |
| 15 December 2016 | 15 December 2019 | Nil                   | 1,333,000                                |
| 15 December 2016 | 15 December 2019 | Nil                   | 200,000                                  |
| 21 November 2017 | 25 October 2021  | \$0.10                | 1,446,550                                |
| 21 November 2017 | 31 December 2020 | \$0.10                | 5,000,000                                |
| 21 November 2017 | 31 December 2020 | \$0.10                | 5,000,000                                |
|                  |                  |                       | <hr/> 16,979,550 <hr/>                   |

Weighted average remaining contractual life of options outstanding at end of period 2.97

#### *Fair value of options granted*

The model inputs for options granted during the half-year 31 December 2017 included:

| Grant date  | Exercise price<br>\$ | Number of options<br>granted | Expected share price<br>volatility | Years to<br>expiry | Dividend<br>yield | Risk-free<br>interest<br>rate | Fair value per<br>option at grant<br>date<br>\$ |
|-------------|----------------------|------------------------------|------------------------------------|--------------------|-------------------|-------------------------------|---|
| *10-Nov-17  | 0.100                | 1,446,550                    | 118.7%                             | 4                  | Nil               | 2.38%                         | 0.0104  |
| **10-Nov-17 | 0.100                | 10,000,000                   | 91.87%                             | 3                  | Nil               | 1.94%                         | 0.0059  |

\* During the half-year CCP technologies Limited issued 1,446,550 options to Directors which vest upon the Directors continued service to vesting date (25 October 2019). The assessed fair value of options issued was determined with reference to independent valuation performed by an independent external valuer. The fair value at grant date was determined using the Black Scholes option pricing model that takes into account the exercise price, term of the option, security price at grant date and expected price volatility of the underlying security, the expected dividend yield, the risk-free interest rate for the term of the security and certain probability assumptions.

\*\* During the half-year CCP technologies Limited issued 10,000,000 performance rights (accounted for as share options) to executive directors which vest upon the event that the share price of CCP Technologies Limited achieves the target (based on 3 month VWAP leading up to the vesting date) of \$0.10 by the vesting date (31 December 2019). The assessed fair value of options issued was determined with reference to an independent valuation performed by an independent external valuer. The fair value at grant date is independently determined using the Monte Carlo simulation that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk free interest rate for the term of the option and the correlations and volatilities of the peer group companies.

## 14 Share-based payments (continued)

### (b) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

|  | Half-year<br>31 December<br>2017<br>\$ |
|--|--|
| Expenses arising from options issued to key management personnel | 50,170                                 |
| Expenses arising from options issued to other employees          | 3,439                                  |
| Ordinary shares issued to consultants                            | 11,000                                 |
|  | <u>64,609</u>                          |

**CCP Technologies Limited**  
**Directors' declaration**  
**31 December 2017**

In the directors' opinion:

- (a) the interim financial statements and notes of CCP Technologies Limited set out on pages 6 to 17 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standard AASB 134 *Interim Financial Reporting*, and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year on that date, and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of directors.



Mr. Michael White  
Director  
Melbourne

28 February 2018

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of CCP Technologies Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of CCP Technologies Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2017 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Emphasis of matter - Material uncertainty relating to going concern

We draw attention to Note 2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

#### Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2017 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit Pty Ltd



M Cutri  
Director

Brisbane, 28 February 2018