

ASX ANNOUNCEMENT
Quarterly update and cashflow

Highlights:

- **Cash receipts increased 53% on previous quarter**
- **\$5.165m raised from the rights issue and two tranche strategic placement**
- **Strategic Partnership agreements signed targeting \$15m in new revenues to 31 December 2021**
- **Established Beijing office and business development team**
- **No material business impact from Coronavirus**
- **Growing sales pipeline from existing business and strategic partners**

31 January 2020 – IoT solutions company, CCP Technologies Limited (ASX: CT1) (“the Company”) is pleased to provide a summary update on its activities in the December quarter to complement the Appendix 4C attached.

During the quarter the Company focused on:

- New and existing development services projects
- New product sales to new and existing customers
- The rights issue launched and completed across Oct – Nov 2019
- The strategic placements and partnership agreements announced in Dec 2019
- Preparing the business to service the anticipated growth in the 2020 CY

Notable points to assist in reading the Appendix 4C

Cash receipts for the quarter were up 53% on the previous quarter, that as flagged in the September quarterly report primarily reflected the balancing of timing differences of payments received from project services contracts.

Aged payables accrued in previous quarters totalling \$154k were cleared and subtracting that figure from the gross payments produces an underlying operational spend for the quarter of \$417k and net of cash receipted during the quarter is \$250k.

The Company raised \$3.459m from the rights issue completed in November 2019 as reported in the Appendix 4C. Further and pursuant to the strategic placement announced on 11 December 2019 the Company has received an amount of \$840k (Tranche 1) and is contracted to receive a further \$866k (Tranche 2) that the Company anticipates to receive in early March 2020 subject to shareholder approval.

Business Operations

New development contracts commenced during the December quarter for client businesses involved in smart cities and education whereby the Company is enabling those businesses with development services completed in Bangalore by the

Company's wholly-owned IoT development team and managed by the Melbourne based management. The pipeline of development projects continues to increase.

Similarly, the Company continues to increase sales of the temperature monitoring both from staged rollouts with existing customers as well as new customers in the medical sector.

The Company is looking to hire and invest in its operational capabilities on a 'just-in-time' basis in regard to preparing for the anticipated growth contemplated by the revenue targets set out in the partnership agreements announced 11 December 2019 as well as new contract wins as the existing pipeline prospects move through the sales process.

The Company has established an entity, office and team in Beijing, added a small number of key hires in Australia and additional skill-sets in Bangalore. The Company has a strong sales pipeline including a number of opportunities at project scope and quote stage for major development projects arising from the strategic partnership agreements.

Coronavirus

Several members of the board and management have recently returned from Beijing working with the initial founding members of the Company's local team. The Company advises that aside from the extension of the Chinese New Year holiday and the associated business closures, that none of the Company's staff have been adversely affected by the Coronavirus and that all necessary precautions and relevant public health recommendations and directives are being followed.

Extraordinary General Meeting

In the coming days the Company hopes to be able to release the Notice of Meeting for the Extraordinary General Meeting that was flagged in the ASX announcement released 11 December 2019. Following this the Company will be in a position to provide further details on its strategy for 2020.

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

For further information please contact: enquiries@ccp-technologies.com

About CCP Technologies

CCP Technologies designs and supports innovative IoT solutions for industry and government.

The Company strives to create and monetise sensory and cloud platform technologies that contribute to the improvement of humanity including in the areas of health, industrial productivity, environmental preservation, education, safety and general efficiency.

The Company is Australian based with wholly-owned subsidiaries in India and China.

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 December 2019

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	167	276
1.2 Payments for		
(a) research and development	(28)	(57)
(b) product manufacturing and operating costs	(27)	(60)
(c) advertising and marketing		
(d) leased assets		
(e) staff costs	(182)	(367)
(f) administration and corporate costs	(332)	(608)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	-	(3)
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	(402)	(819)

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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 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)	-	3
2.6 Net cash from / (used in) investing activities	-	3

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	3,459	3,988
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	-	(38)
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	3,459	3,950

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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 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	115	41
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(402)	(819)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	3
4.4 Net cash from / (used in) financing activities (item 3.10 above)	3,459	3,950
4.5 Effect of movement in exchange rates on cash held	(3)	(6)
4.6 Cash and cash equivalents at end of quarter	3,169	3,169

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	3,169	115
5.2 Call deposits	-	-
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)	3,169	115

6. Payments to directors of the entity and their associates	Current quarter \$A
6.1 Aggregate amount of payments to these parties included in item 1.2	204
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	

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.

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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	-
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	-	-
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	20
9.3 Advertising and marketing	2
9.4 Leased assets	-
9.5 Staff costs	150
9.6 Administration and corporate costs	300
9.7 Other – repayment of borrowings	-
9.8 Total estimated cash outflows	502

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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: _____
Company Secretary

Date: 31/01/2020

Print name: Terri-Anne Bakos

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.

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