

## **ASX ANNOUNCEMENT**

### **Quarterly update and cashflow**

**31 October 2019** – IoT solutions and development company, CCP Technologies Limited (“the Company”) (ASX: CT1) is pleased to provide a summary update on its activities in the September quarter to complement the Appendix 4C attached.

During the quarter the Company focused on:

- Assessing acquisition opportunities
- The placement completed in July 2019
- Executing on existing contracts and building up the pipeline of development services projects
- Growing existing product suite clients
- Developing new marketing collateral and online sales channels

Total net cash used in operating activities for the period was \$417,000, of which approximately \$200,000 related to the settlement of payables accrued in previous quarters that were paid following receipt of the net proceeds of the placement completed in July 2019.

The cash receipts reported in the Appendix 4C were again negatively affected by payment timings with the development services revenues being primarily project based rather than the more regular monthly receivables generated by the product subscription revenues.

In October 2019 to date, the cash received is already in excess of \$70,000, compared with \$109,000 received for the entire September 2019 quarter. This has put the Company close to run-rate breakeven for the month.

While this indicates that the business has been stabilised, the growth phase, on which the Company is embarking will require additional expenditure for geographic expansion, marketing, technical development, inventory, product and sales channel development and associated costs. It is anticipated that while this investment will result in increased revenues in the medium term, in the near term it will impact negatively on net cash.

Furthermore, as noted in previous announcements, due to the balance sheet constraints of the Company, the Non-Executive Directors have been working for nil cash remuneration for over twelve months, and the Chief Executive since February 2019. New arrangements with the Directors, including the Chief Executive Officer, are currently being finalised and the Company expects to announce these arrangements in the coming days.

The Company launched a partially underwritten rights issue in October 2019 and seeks to raise up to \$3,400,000 before costs. The net proceeds of the raise are designed to position the Company for vertical and horizontal growth. The vertical growth is in regard to the Company’s existing product suite and services offering that is intended to be complemented by horizontal expansion into new geographies and industry sectors where numerous commercial opportunities have already been identified.

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The relatively low net cash burn, that the Company will seek to turn sustainably positive in the medium term, enables the Company to earmark the majority of the funds raised from the current entitlement offer for special opportunities including commercial and corporate opportunities.

The CCP board thanks all shareholders for their continued support and welcomes new holders that supported the placement in July 2019.

For further information please contact: [enquiries@ccp-technologies.com](mailto:enquiries@ccp-technologies.com)

**About CCP Technologies**

CCP is an IoT development and solutions company that offers a growing suite of IoT products for commercial application on a subscription basis, and an IoT development services offering for both internal and external projects on a fee-for-service basis.

CCP aims to build a significant, diversified and global IoT business.

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## 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 2019**

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	109	109
1.2 Payments for		
(a) research and development	(29)	(29)
(b) product manufacturing and operating costs	(33)	(33)
(c) advertising and marketing		
(d) leased assets		
(e) staff costs	(185)	(185)
(f) administration and corporate costs	(276)	(276)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	(3)	(3)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(417)</b>	<b>(417)</b>

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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>2. Cash flows from investing activities</b>		
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	3
<b>2.6 Net cash from / (used in) investing activities</b>	<b>3</b>	<b>3</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	528	528
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)	(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)		
<b>3.10 Net cash from / (used in) financing activities</b>	<b>490</b>	<b>490</b>

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<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	41	41
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(417)	(417)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	3	3
4.4 Net cash from / (used in) financing activities (item 3.10 above)	490	490
4.5 Effect of movement in exchange rates on cash held	(2)	(2)
<b>4.6 Cash and cash equivalents at end of quarter</b>	<b>115</b>	<b>115</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	115	13
5.2 Call deposits		28
5.3 Bank overdrafts		
5.4 Other (provide details)		
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>115</b>	<b>41</b>

<b>6. Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to these parties included in item 1.2	8
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	Nil
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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<b>7. Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
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	

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
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.		

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Research and development	15
9.2 Product manufacturing and operating costs	20
9.3 Advertising and marketing	2
9.4 Leased assets	-
9.5 Staff costs	120
9.6 Administration and corporate costs	140
9.7 Other – repayment of borrowings	-
<b>9.8 Total estimated cash outflows</b>	<b>297</b>

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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: Joint Company Secretary

Date: 31/10/2019

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.

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