

26 February 2020

Company Announcements

For Immediate Release

ASX Code: CT1

APPENDIX 4D AND INTERIM FINANCIAL REPORT

In accordance with the ASX Listing Rules, CCP Technologies Limited encloses for immediate release the following information:

1. Appendix 4D; and
2. Interim Financial Report for the half year ended 31 December 2019.

If you have a query about any matter covered by this announcement, please contact Ms Terri Bakos

Ends.

CCP TECHNOLOGIES LIMITED

(ACN 009 213 754)

ASX LISTING RULES – APPENDIX 4D**INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

The following information is presented in accordance with ASX Listing Rule 4.2A.3.

1. Details of the reporting period and the previous corresponding period

Current reporting period - the half year ended 31 December 2019

Previous corresponding period - the half year ended 31 December 2018

2. Results for announcement to the market

Half year ended		31 Dec 2019	31 Dec 2018	Increase / (Decrease)	
		\$	\$	\$	%
2.1	Revenues from ordinary activities	298,381	310,693	(12,312)	(3.96)
2.2	Loss from ordinary activities after tax attributable to members	757,400	1,585,665	(828,265)	(52.23)
2.3	Net loss for the period attributable to members	757,400	1,585,665	(828,265)	(52.23)
2.4	Dividends (distributions)				
	Nil				
2.5	Record date for determining entitlements to the dividend				
	Nil				
2.6	Commentary on "Results for Announcement to the Market"				

A brief explanation of any of the figures in 2.1 to 2.4 above, necessary to enable the figures to be understood, is contained in the attached Interim Financial Report for the Half Year ended 31 December 2019.

3. Net Tangible Assets per Security

Half year ended		31 Dec 2019	31 Dec 2018	Increase / (Decrease)	
		cents	cents	cents	%
	Net tangible assets per security	0.29	(0.04)	0.33	833.16

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(ACN 009 213 754)

ASX LISTING RULES – APPENDIX 4D

INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2019

4. Details of entities over which control has been gained or lost during the period.

There have been no changes in controlled entities during the half-year ended 31 December 2019.

5. Details of individual and total dividends or distributions and dividend or distribution payments.

Nil

6. Details of any dividend distribution reinvestment plans.

Nil

7. Details of any associates and joint venture entities

Nil

8. Foreign Entities, Accounting Standards used in compiling the report

Not Applicable.

9. Audit / Review of Accounts upon which this report is based and qualification of audit / review

The Interim Financial Report has been subject to review and is not subject to any dispute or qualification.

CCP TECHNOLOGIES LIMITED

ACN 009 213 754

**Interim Financial Report for the Half Year Ended
31 December 2019**

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Your Directors submit the consolidated interim financial statements of CCP Technologies Limited ("CCP" or the "Company") and its controlled entities (the "Group") for the half year ended 31 December 2019. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

DIRECTORS AND OFFICERS

The names and particulars of the Directors and Company Secretaries of the Company in office at any time during or since the end of the period are as follows:

Mr Leath Nicholson	Chairman and Non-Executive Director
Mr Adam Gallagher	Executive Director
Mr Anoosh Manzoori	Non-Executive Director

Ms Terri Bakos	CFO and Company Secretary
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REVIEW AND RESULTS OF OPERATIONS

The 2019 calendar year commenced with a Company reset that then moved into a period of formation in the half year to 31 December 2019, that has established a foundation to underpin the Company's growth. The culmination of these formative efforts was achieved in December with the signing of two Strategic Partnership agreements.

These agreements provide an opportunity for the Company to take a further step forward in its growth trajectory with a hurdle of \$15m in new revenues to 31 December 2021 in order for the counterparties to receive their full incentive share allocation. If achieved, this is expected to provide a critical mass, open up distribution channels and deliver anticipated profitability to underpin the sustained growth of the business in the IoT development and solutions sector.

The equity issues contemplated in the Strategic Partnership agreements remain subject to the passing of the associated resolutions by shareholders at the General Meeting to be held as soon as possible once the Company is cleared to release its Notice of Meeting.

Among other resolutions the Company will also be seeking a name change to reflect the broadened horizon of developing IoT solutions for a diverse array of commercial applications.

Even though shareholder approval is still pending, the strategic partners activated with a soft launch on signing of the agreements and the team is currently scoping a number of significant development projects. The partners are waiting to advance in earnest following shareholder approval and subject to the timing of the General Meeting the initial contracts are expected to commence towards the latter months of the half-year to 30 June 2020.

Team

The Company has made a number of key appointments to enable the sustained growth of the business in 2020 and beyond. In December the Company signed a contract with Mr. Chris Lane to take on the role of Head of Research and Development. Chris is an internationally recognised leader in the development of IoT solutions. He founded the country's most popular sports platform Coastalwatch in 1998, and in so doing he was the first to introduce online video streaming to Australia. He built the Company into a diversified IoT development and solutions Company servicing a government and blue chip client base with innovative customised solutions for smart city applications. Chris is working closely with the Company's General Manager Kartheek Munigoti to build out the systems and processes to manage the current and anticipated workflows.

Another senior technical manager, John Fitzgerald has joined the business this week. John and Chris are both highly recognised solution architects and Artificial Intelligence (AI) experts. These skill-sets are in high demand as the power of cloud computing is largely defined by its ability to process, make sense and use of increasingly large and complex datasets.

A Development Roadmap committee has been established by the senior management together with external experts to bring insightful creativity, critical assessment and quality assurance to each major project as well as the continuing sophistication and build out of the Company's back-end platform.

Other appointments include people in project management, digital marketing and specific industry domain expertise aligned with the anticipated major projects. The Australian team is now largely complete for the foreseeable future.

In China the Company has a starting team of four people that is expected to number 6-8 in the short term and grow incrementally in accordance with the requirements of the business. The China team is predominantly customer-facing with the development work continuing to be designed and managed by the Australian team supported by the development team in Bangalore.

Financial

During the half year ended 31 December 2019, the Group reported a loss of \$757,400 compared to \$1,585,665 in the comparative period in 2018. Total revenue decreased only 3.96% to \$298,381 (31 December 2018: \$310,693).

The Group's net asset position increased to \$2,859,413 at 31 December 2019. (30 June 2019: net asset deficiency of \$550,540). This significant increase was due to the capital raising activities for the period.

During the first half of the year the business did well to maintain revenues while the reset and formation phases dominated the primary focus of the board and executive.

During the six months to 31 December 2019 one-off costs associated with settlements to former staff, legal fees and travel relating to corporate transactions totalled \$210K. Netting these expenses produces an underlying average monthly cash cost for the six months to December 2019 of \$100K.

As the growth plan began to take shape from October 2019 the Company required additional resources to address and sustain its growth opportunities which added to expenditures and the resulting net cash burn in the short term prior to receipt of the anticipated revenues being received. Notwithstanding this, the Company remains highly cost conscious and is committed to remain so as it grows without constricting its growth.

Capital raise

During the first half of the year, the company successfully raised \$3,986,802, before costs from a placement to sophisticated investors and a Rights Issue to all shareholders.

On the 11 December 2019, the company announced that it had entered into another placement with a group of sophisticated investors to raise a further \$1,706,306. The first tranche of this placement was issued on January 8th raising \$840,000. The balance will be raised upon shareholder approval at the upcoming General Meeting to be held late March/early April 2020.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

SUBSEQUENT EVENTS

On 8th January 2020, the Company issued 120,000,000 Ordinary Shares to Sophisticated Investors and 5,877,628 Ordinary Shares to current shareholders who requested the exercise of their options. This raised \$928,164.

During the period 9th January to 25th February, 31,708,772 Ordinary Shares were issued on the exercise of options by current shareholders, raising \$475,632.

No other 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.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

There is no information or likely developments in the operations of the Group and the expected results of operations that have not been included in this interim financial 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*, in relation to the review for the half year ended 31 December 2019, is provided with this report.

Signed in accordance with a resolution of the Board of Directors.



Mr Adam Gallagher
Executive Director and CEO

26 February 2020

CCP TECHNOLOGIES LIMITED
(ACN 009 213 754)
AUDITOR'S INDEPENDENCE DECLARATION

CCP Technologies Limited
(ACN 009 213 754)
Auditor's Independence Declaration
31 December 2019



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DECLARATION OF INDEPENDENCE BY M 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 2019,
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'.

M Cutri
Director

BDO Audit Pty Ltd

Brisbane, 26 February 2020

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CCP TECHNOLOGIES LIMITED

(ACN 009 213 754)

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

	Notes	31 Dec 2019 \$	31 Dec 2018 \$
Revenue from contracts with customers	3	298,381	310,693
Cost of Sales		<u>(136,797)</u>	<u>(100,957)</u>
Gross profit/(loss)		161,584	209,736
Other gains/(losses) – net	4a	(1,352)	1,259
Distribution costs		(7,619)	-
General and administrative expenses	4b	(859,544)	(1,650,031)
Research and development expenses		(45,193)	(85,390)
Selling and marketing expenses		(5,711)	(61,748)
Operating loss		<u>(757,835)</u>	<u>(1,586,174)</u>
Finance income		435	509
Finance costs - net		<u>435</u>	<u>509</u>
Loss before income tax		<u>(757,400)</u>	<u>(1,585,665)</u>
Income tax expense		-	-
Loss for the period		<u><u>(757,400)</u></u>	<u><u>(1,585,665)</u></u>
Other comprehensive income			
<i>Items that may be reclassified to profit or loss;</i>			
Exchange differences on translation of foreign operations		(23,529)	11,990
		<u>(780,929)</u>	<u>(1,573,675)</u>
Loss per Share for loss attributable to the ordinary equity holders of the company		Cents	Cents
Basic loss per share			
Diluted loss per share	10	(0.12)	(0.40)

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

CCP TECHNOLOGIES LIMITED
(ACN 009 213 754)
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2019

	Notes	31 Dec 2019 \$	30 Jun 2019 \$
Current assets			
Cash and cash equivalents	5	3,718,208	40,854
Trade and other receivables	6a	71,348	90,507
Other current assets		56,881	24,144
Total current assets		<u>3,846,437</u>	<u>155,505</u>
Non-current assets			
Property, plant and equipment		24,274	25,471
Total non-current assets		<u>24,274</u>	<u>25,471</u>
Total assets		<u>3,870,711</u>	<u>180,976</u>
Current liabilities			
Trade and other payables	6b	960,189	615,376
Contract liabilities	3	10,250	58,170
Employee benefit obligations		40,859	36,312
Liabilities directly associated with discontinued operations		-	21,658
Total current liabilities		<u>1,011,298</u>	<u>731,516</u>
Total non-current liabilities		-	-
Total liabilities		<u>1,011,298</u>	<u>731,516</u>
Net assets		<u>2,859,413</u>	<u>(550,540)</u>
Equity			
Share capital	7	13,371,840	9,644,401
Reserves	8	130,895	154,424
Accumulated losses		(10,643,322)	(10,349,365)
Total equity		<u>2,859,413</u>	<u>(550,540)</u>

The above consolidated balance sheet should be read in conjunction with the attached notes.

CCP TECHNOLOGIES LIMITED
(ACN 009 213 754)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Notes	Share Capital \$	Reserves \$	Accumulated Losses \$	Total equity \$
At 1 July 2018		8,400,628	137,951	(8,172,088)	366,491
Loss for the period		-	-	(1,585,665)	(1,585,665)
Other comprehensive income		-	11,990	-	11,990
Total comprehensive loss for the period		-	11,990	(1,585,665)	(1,573,675)
Transactions with owners in their capacity as owners:					
Shares issued, net of transaction costs		1,001,273	-	-	1,001,273
Shared based payments		-	29,828	-	29,828
		1,001,273	29,828	-	1,031,101
As at 31 December 2018		9,401,901	179,769	(9,757,753)	(176,083)
At 1 July 2019		9,644,401	154,424	(10,349,365)	(550,540)
Loss for the period		-	-	(757,400)	(757,400)
Other comprehensive income		-	(23,529)	-	(23,529)
Total comprehensive income for the period		-	(23,529)	(757,400)	(780,929)
Transactions with owners in their capacity as owners:					
Shares issued, net of transaction costs		4,190,882	-	-	4,190,882
Share based payments		-	-	-	-
Write-back of equity		(463,443)	-	463,443	-
		3,727,439	-	463,443	4,190,882
As at 31 December 2019		13,371,840	130,895	(10,643,322)	2,859,413

The above consolidated statement of changes in equity is to be read in conjunction with the attached notes.

CCP TECHNOLOGIES LIMITED
(ACN 009 213 754)
CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Notes	31 Dec 2019 \$	31 Dec 2018 \$
Cash flows from operating activities			
Receipts from customers		274,440	311,414
Payments to suppliers and employees		(576,747)	(1,217,004)
Interest received		438	509
Net cash flows provided by operating activities		<u>(301,869)</u>	<u>(905,081)</u>
Cash flows from investing activities			
Payments for purchases of property plant and equipment		(577)	(8,086)
Payments for deposits		-	(4,516)
Net cash flows used in investing activities		<u>(577)</u>	<u>(12,602)</u>
Cash flows from financing activities			
Proceeds from issuance of shares		3,985,801	610,295
Capital raising costs		-	-
Net cash flows provided by financing activities		<u>3,985,801</u>	<u>610,295</u>
Net increase in cash and cash equivalents		3,683,355	(307,388)
Cash and cash equivalents, at beginning of period		40,854	453,776
Effects of exchange changes on the balances held in foreign currencies		(6,001)	13,889
Cash and cash equivalents, at the end of period		<u>3,718,208</u>	<u>160,277</u>

The above consolidated statement of cash flows is to be read in conjunction with the attached notes.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of the half year financial report and changes to the Group's accounting policies

(a) Basis of preparation

These general purpose interim financial statements for half-year reporting period ended 31 December 2019 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134 *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of CCP Technologies Limited and its controlled entities (referred to as "the Group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2019, together with any public announcements made during the following half-year.

These interim financial statements were authorised for issue on the same date as the Directors' declaration.

(b) Going concern

The interim financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the interim financial statements, the Group is in the net asset position of \$2,859,413 (30 June 2019: net liability of \$550,540), net current asset position of \$2,835,139 (30 June 2019: net current liability of \$576,011) and has net operating cash outflows of \$301,869 (31 December 2018: \$905,081). The Group generated a loss after tax for the half year of \$ 757,400 (31 December 2018: \$1,585,665). The Group's cash position increased to \$3,718,208 at 31 December 2019 (30 June 2019: \$ 40,854).

Notwithstanding the historical losses to date the directors believe that the going concern basis of preparation is appropriate due to the following reasons:

- Recent history in raising capital, as is evident from two successful capital raisings completed in September and November 2019 where \$3,985,801 in cash was raised via a Placement and a Rights Issue. Agreements have been made with a group of Sophisticated Investors for a further placement of 243,757,857 Shares to raise \$1,706,306. The first tranche of these funds was received in full by early January 2020 which raised \$840,000. The balance of funds are subject to shareholder approval in a forthcoming General Meeting.
- Significant progress has been made in realising the company's intellectual property. The company has entered into Strategic Agreements with 2 partners to exploit the company's technology, particularly in the Asian region. These investors have a history of working with and growing public companies. Refer company announcement 11 December 2019.
- The group is incurring a rate of expenditure designed to enhance its prospects in generating growth in sales locally and in the event that the group encounters any difficulties in raising capital, the board is comfortable that the current levels of expenditure can be scaled back to preserve cash, and
- The group continues to apply different measures to control its expenditure to preserve cash and working capital. The recent changes at executive management level, and the ability to negotiate payment in equity in lieu of cash with its consultants and suppliers, also improves the group's cash coverage.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) New Standards, interpretations and amendments adopted by the Group

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2019, except as described below. Note that the changes in accounting policies specified below only apply to the current period. The accounting policies included in the Group's last annual financial statements for the year ended 30 June 2019 are the relevant policies for the purposes of comparatives.

Changes to the Group's accounting policies arising from these standards are summarised below:

i) Impact of adoption of AASB 16 Leases

As the company has no leases that are required to be recorded on the consolidated balance sheet, there has been no impact on the accounts or current accounting policies.

NOTE 2 - SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ('CODM'). The CODM who is responsible for allocation of resources and assessing performance of the operating segments has been identified as the Chief Executive Officer (CEO) of CCP Technologies Limited. The Group has identified one reportable segment: that is, the development, commercialisation and sale of Internet of Things (IoT) technology solutions. The segment details are therefore fully reflected in the body of the financial statements.

NOTE 3 – REVENUE WITH CONTRACTS WITH CUSTOMERS

	Monitor Tag revenue \$	Monitoring subscription service \$	Consulting revenue \$	Labour Hire revenue \$	Total \$
Half year to 31 December 2019					
<i>Timing of revenue recognition</i>					
At a point in time	-	-	66,579	130,396	196,975
Over time	17,370	84,036	-	-	101,406
	17,370	84,036	66,579	130,396	298,381

Half year to 31 December 2018

Timing of revenue recognition

At a point in time	-	-	185,202	-	185,202
Over time	24,244	101,247	-	-	125,491
	24,244	101,247	185,202	-	310,693

	31 Dec 2019 \$	31 Dec 2018 \$
Contract liabilities – deferred revenue on consulting contracts	10,250	-

CCP TECHNOLOGIES LIMITED
(ACN 009 213 754)
NOTES TO THE ACCOUNTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

NOTE 4: EXPENSE ITEMS

	31 Dec 2019	31 Dec 2018
	\$	\$
a) Other gains/(losses)		
Net foreign exchange gains(losses)	1,352	1,259
	<u>1,352</u>	<u>1,259</u>
b) Breakdown of expenses by nature		
Accounting and audit	39,231	107,885
Bad debts and expected credit losses	15,486	2,032
Computer costs	45,084	51,759
Consulting	104,094	3,954
Depreciation	1,774	3,704
Employee benefits	178,725	676,596
Insurance	25,757	19,777
Investor relations	-	-
Legal	115,457	38,654
Listing and share registry	52,159	43,724
Occupancy	50,702	58,996
Patent costs	(6,298)	21,040
Share-based payments	155,000	454,482
Superannuation	12,089	37,610
Travel and entertainment	33,154	66,257
Other	37,130	63,561
	<u>859,544</u>	<u>1,650,031</u>

NOTE 5: CASH & CASH EQUIVALENTS

	31 Dec 2019	30 Jun 2019
	\$	\$
Cash at bank and in hand	2,718,208	40,854
Restricted cash	1,000,000	-
	<u>3,718,208</u>	<u>40,854</u>

The Company acknowledges and agrees that it will use at least \$1,000,000 of the net proceeds from the recent Placement to Sophisticated Investors for the purposes of meeting costs relating to the incorporation of a wholly owned Chinese subsidiary and establishing an operational presence in China for the purpose of receiving introductions from its Chinese Referrers.

NOTE 6: FINANCIAL ASSETS & LIABILITIES

a) Trade and other receivables

	31 December 2019			30 June 2019		
	Current	Non-current	Total	Current	Non-current	Total
	\$	\$	\$	\$	\$	\$
Trade receivables	71,686	-	71,686	63,310	-	63,310
Provision for impairment	(20,183)	-	(20,183)	(5,136)	-	(5,136)
	51,503	-	51,503	58,174	-	58,174
Other receivables	19,845	-	19,845	32,333	-	32,333
Total trade and other receivables	71,348	-	71,348	90,507	-	90,507

b) Trade and other payables

Trade payables	391,098	-	391,098	491,049	-	491,049
Accrued expenses	15,754	-	15,754	48,960	-	48,960
Shareholder Liability ¹	549,470	-	549,470	-	-	-
Other payables	3,867	-	3,867	75,367	-	75,367
	960,189	-	960,189	615,376	-	615,376

¹Shareholder liability: At 31 December 2019 the Company held shareholder funds in trust pending the issue of ordinary shares on 8 January 2020.

NOTE 7 - EQUITY

a) Share capital

i) Movements in ordinary shares

	31 Dec 2019 No.	31 Dec 2019 \$	30 June 2019 No.	30 June 2019 \$
Ordinary shares – fully paid	975,032,231	13,371,840	446,167,028	9,644,401

Details	No. of Shares	\$
Balance at 1 July 2019	446,167,029	9,644,401
Issue of securities at \$0.013 each - ESOP	769,231	10,000
Issue of securities at \$0.013 each - Consultants for services received	13,744,216	178,676
Issue of securities at \$0.0104 each - Consultants for services received	4,807,692	50,000
Issue of securities at \$0.013 - private placement	44,353,252	577,593
Issue of securities at \$0.007 - rights issue	487,029,970	3,409,209
Exercise of options	1,333,000	-
Cancellation of shares ¹	(23,172,159)	(463,443)
Less: transaction costs	-	(34,596)
Balance at 31 December 2019	975,032,231	13,371,840

¹ As approved by Shareholders at the 2019 Annual General Meeting, 23,172,159 shares and free attaching options for PentaGlobal were cancelled.

ii) Ordinary shares

Ordinary shares entitle the holder to participate in dividends, and to share in the proceeds of winding up 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.

iii) Options

Information relating to options, including details of options issued, exercised and lapsed during the period and outstanding at balance date are set out in note 8 below.

NOTE 8 - RESERVES

The following table shows a breakdown of the consolidated balance sheet line item 'reserves' and the movements in the reserves during the period. A description of the nature and purpose of each reserve is provided below the table.

	Share based payments \$	Foreign currency translation \$	Total \$
Balance at 1 July 2018	149,742	(11,791)	137,951
Currency translation differences	-	11,990	11,990
Other comprehensive income for the period	-	11,990	11,990
Transactions with owners in their capacity as owners Share-based payment expenses	29,828	-	29,828
Balance at 31 December 2018	179,570	199	179,769

	Share based payments \$	Foreign currency translation \$	Total \$
Balance at 1 July 2019	162,325	(7,901)	154,424
Currency translation differences	-	(23,529)	(23,529)
Other comprehensive income for the period			
Transactions with owners in their capacity as owners Share-based payment expenses	-	-	-
Balance at 31 December 2019	162,325	(31,430)	130,895

a) Nature and purpose of other reserves

Share-based payments

The share-based payment reserve records items recognised as expenses on valuation of share options issued to key management personnel, employees and eligible contractors.

NOTE 8 - RESERVES (continued)

Foreign currency translation

Exchange differences arising on translation of the foreign controlled subsidiaries 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.

NOTE 9 – SHARE-BASED PAYMENTS

a) Unlisted Options

	31 Dec 2019 No.	31 Dec 2019 \$	30 June 2019 No.	30 June 2019 \$
Ordinary shares – fully paid	512,566,711	162,325	50,041,900	162,325

<i>i) Movement in ordinary shares</i>		No. of Shares	\$
Details			
Balance at 1 July 2019		50,041,900	162,325
Issue of free attaching options under Rights Issue exercisable at \$0.15 each	i)	487,029,970	-
Cancellation of Options	ii)	(23,172,159)	-
Exercise of Options	iii)	(1,333,000)	-
Balance at 31 December 2019		512,566,711	162,325

- i) On the 18 November 2019, 487,029,970 shares were issued under the Rights Issue, with a 1 for 1 free attaching unlisted options. Options are exercisable at \$0.015 each on or before 14 November 2022.
- ii) Options to PentaGloba cancelled as per agreement with company and approved by Shareholders at 2019 Annual General Meeting.
- iii) Exercise of Options for nil consideration.

b) Employee Share Scheme

A scheme under which shares are issued by the company to employees for no cash consideration was approved by shareholders at the 2017 Annual General Meeting.

NOTE 9 – SHARE-BASED PAYMENTS (continued)

The number and deemed issue price of shares issued to participants under the ESOP to date are as follows:

- Mr Kartheek Munigoti – member of Key management Personnel: 2,878,135 shares issued with a deemed issue price of \$0.027 per share, being the 7-day VWAP up to the close of trading on 31 December 2017 and at 50% premium to the closing price on 11 October 2018. The share-based payment amount recognised was \$77,710.
- Ms Karen Davy – employee and spouse of former director Mr Michael White: 43,478 shares issued with a deemed issue price of \$0.023 per share, being the closing price on 18 December 2017, on which the issue was offered and accepted. The share-based payment amount recognised was \$1,000.
- Employees of CCP IoT Technologies Pvt Ltd – 465,215 shares issued with a deemed issue price of \$0.023 per share, being the closing price on 18 December 2017, on which the issues were offered and accepted. The share-based payment amount recognised was \$10,700.
- Employee of CCP Technologies Limited – 769,231 shares issued with a deemed issue price of \$0.013 per share, being the Company's VWAP over the period of service. The share-based payment amount recognised was \$10,000.

	31 Dec 2019	30 Jun 2019
	No.	No.
Number of shares issued under the plan to participating employees as approved by shareholders 10 November 2017	4,156,059	3,386,828

c) Expense arising from share-based payment transactions

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

	31 Dec 2019	31 Dec 2018
	\$	\$
Expenses arising from shares issued to key management personnel	-	366,033
Expenses arising from options issued to key management personnel	-	29,828
Expenses arising from shares issued to other employees	10,000	11,700
Expenses arising from shares issued to consultants	145,000	46,921
	155,000	454,482

NOTE 9 – SHARE-BASED PAYMENTS (continued)

d) Transaction with Strategic Partners

On 10 December 2019 the Company entered into a Strategic Partnership Agreements with a group of Sophisticated Investors which will see the Company issue up to 200,000,000 Ordinary Shares, if the following vesting conditions are met:

1	Vesting Dates	Any point up to 31 December 2021
2	Vesting Conditions	Each Strategic Partner will be entitled to 50% of its respective allocation of Shares as soon as it has achieved two-thirds of its respective proportion of the Revenue Target, being \$10m in cumulative revenue. The remaining balance of Shares will be allocated when the remaining revenue target has been achieved, being \$15m in cumulative revenue. If none of the revenue targets are met by 31 December 2021, the rights to the Shares will lapse.
3	Expiry Date	31 December 2021

It is envisaged that the delivery of the Ordinary Shares will be via Performance Rights and will be subject to shareholder approval.

NOTE 10 - LOSS PER SHARE

a) Reconciliation of earnings used in calculating loss per share

	31 Dec 2019	31 Dec 2018
	\$	\$
Loss attributable to the ordinary equity holders of the company used in calculating loss per share:		
- From continuing operations	(757,400)	(1,585,665)

b) Weighted average number of shares used as denominator

	2019	2018
	31 Dec 2019	31 Dec 2018
	Number	Number
Weighted average number of ordinary shares used in calculating basic and diluted loss per share	606,424,531	395,292,334

The outstanding options as at 31 December 2019 are considered to be anti-dilutive and therefore were excluded from the diluted weighted average number of ordinary shares.

NOTE 11 - CONTINGENCIES

The Group has no contingent liabilities at 31 December 2019 (31 December 2018: Nil)

NOTE 12 – RELATED PARTY TRANSACTIONS

	31 Dec 2019 \$	31 Dec 2018 \$
Office rent and outgoings paid on an arm's length commercial basis to Lagoon Properties Pty Ltd, a company associated with Michael White and Anthony Rowley in respect of the St Kilda office premises.	-	19,064
Office rent and outgoings paid on an arm's length commercial basis to FNJ Properties, a company associated with Leath Nicholson in respect of the Melbourne office premises.	24,000	-
Consultancy fees paid to Skantech Pty Ltd, a company associated with Kartheek Munigoti, in respect of the provision of IT technical support services.	-	15,320
Legal fees paid on normal commercial terms to Nicholson Ryan Lawyers Pty Ltd, a company associated with Leath Nicholson.	109,173	35,977
Consideration for shares issued to First Growth Funds Limited, a company associated with Anoosh Manzoori.	-	250,000
Shares issue costs paid to First Growth Funds Limited, a company associated with Anoosh Manzoori.	-	33,675

NOTE 13 – EVENTS OCCURRING SUBSEQUENT TO REPORTING DATE

On 8th January 2020, the Company issued 120,000,000 Ordinary Shares to Sophisticated Investors and 5,877,628 Ordinary Shares to current shareholders who requested the exercise of their options. This raised \$928,164.

During the period 9th January to 25th February, 31,708,772 Ordinary Shares were issued on the exercise of options by current shareholders, raising \$475,632.

No other 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.

CCP TECHNOLOGIES LIMITED
(ACN 009 213 754)
DIRECTORS' DECLARATION
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

In accordance with a resolution of the Directors of CCP Technologies Limited, the Directors of the Company declare that:

- a. the financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including:
 - i. complying with Accounting Standards and *Corporations Regulations*; and
 - ii. giving a true and fair view of the consolidated entities financial position as at 31 December 2019 and of its performance for the half year ended on that date.
- b. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Directors



Mr Adam Gallagher
Executive Director

26 February 2020



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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 condensed consolidated balance sheet as at 31 December 2019, condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed 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 2019 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 *Corporations Regulations 2001*.

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 2019 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.

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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

A handwritten signature in black ink, appearing to read 'M Cutri', is written over a faint, stylized 'BDO' logo.

M Cutri
Director

Brisbane, 26 February 2020

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Directors

Mr Leath Nichsolson (Chairman and Non-Executive Director)
Mr Adam Gallagher (Executive Director)
Mr Anoosh Manzoori (Non-Executive Director)

Executive Management

Mr Kartheek Munigoti (General Manager)
Ms Terri Bakos (CFO & Company Secretary)

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Bankers

Westpac Banking Corporation
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Melbourne VIC 3000

Stock Exchange Listing

CCP Technologies Limited shares are listed on the Australian Securities Exchange, code: CT1

Website

www.ccp-technologies.com