

March 2017 Quarterly Report

The difference is CCP

✓ Low Cost

Low monthly fee, no up-front cost

✓ Bundled Solution

CCP is device agnostic but is offered with low cost smart monitoring devices which removes a critical obstacle to other IoT platforms

✓ Fast to deploy

Simple, flexible installation

✓ Smart BI Software

- Configurable (firmware and software)
- Accessible (monitors across multiple networks (WiFi, BLE, LPWAN))
- Intelligent (Analytics and diagnostics reporting and alerts)

Highlights

<h3>Financial</h3> <ul style="list-style-type: none"> • Cash receipts in the quarter from a zero base, as set out in Appendix 4C (attached) • Achieving the milestone of \$200K revenue within six months, in accordance with sale agreement • Reducing cash burn for the quarter. After creating the initial interest, we are benefiting from inbound enquiries without expenditure on outbound sales 	<h3>Innovation</h3> <ul style="list-style-type: none"> • Product innovation pathway is adding significant value, reflected in a USD\$180,000 non-exclusive licensing and distribution agreement that was settled during the quarter • 2017 product innovation strategy finalised
<h3>System</h3> <ul style="list-style-type: none"> • Partnerships with Microsoft, Thinxtra and Sigfox achieved • Successful commercial hardware production run 	<h3>Social</h3> <ul style="list-style-type: none"> • Establishment of a strong social media presence via Facebook (corporate, Australia and North America) and LinkedIn (corporate and Australia) • Post reach and social engagement steadily increasing across both channels

<h3 style="text-align: center;">Sales</h3> <ul style="list-style-type: none"> • Commenced sales in Australian and US markets • Secured over 30 customer sites under 24-month agreements • 22 trials underway • Existing customers have over 2,500 sites available for deployment • Over 500 monitoring points in operation (and growing) • Over 1.3m data points managed in March alone 	<h3 style="text-align: center;">Operations</h3> <ul style="list-style-type: none"> • Cohesive and structured whole-of-business systems – from subscription management through to administration – successfully implemented • Highly successful sales and marketing launch including: <ul style="list-style-type: none"> ○ The development of websites for the Australian and North American markets ○ Rebranding of the corporate website
<h3 style="text-align: center;">Geography</h3> <ul style="list-style-type: none"> • Business structures established in Australia, North America and India • Offices brimming with innovation and enthusiasm in Australia, India, USA and Canada 	<h3 style="text-align: center;">People</h3> <ul style="list-style-type: none"> • A successful recruitment campaign across Australia, North America and India, bringing our total headcount to 30 (super-talented) staff members.

The CCP Platform managed over 1.3m data points in March alone – a truly commercial IoT solution.

About CCP

CCP Technologies empowers businesses to make better commercial decisions with a low-cost, sophisticated Internet of Things* (IoT) monitoring solution that captures and interprets real-time critical control point information.

Critical control points are the points in a supply chain where a failure of standard operating procedure has the potential to cause serious harm to people, as well as to a business' reputation and bottom line.

Standard critical control points include temperature, energy, environment (air and water quality, pH, chemicals, noise, acoustics and gases), and movement. Our wireless system provides smart 24/7 monitoring and invaluable business intelligence.

**Our clients save money, time and energy while
reducing liability, risk and product wastage.**

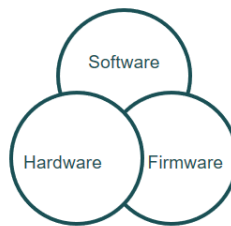
It's a smart solution that's simply better.

* Connected applications that monitor, manage and control connected devices.

We're delivering world-leading
innovation and making it accessible



Outstanding
Proprietary IoT
Platform (paas)



Unique "IoT as a
Service" Offering



Rapid
Growth



International
Operations



Global IoT
Opportunity



Proven Committed
Team

CCP Technologies Limited (ASX:CT1)

ABN 58 009 213 754
Suite 202, 22 St Kilda Rd
St Kilda Rd, VIC 3182
Phone: +61 (3) 8592 4883
Email: info@ccp-network.com
Company website: www.ccp-technologies.com
Product information: www.ccp-network.com

Board and Management Team

Non-executive Chairman: Leath Nicholson
Non-executive Director: Adam Gallagher
Non-executive Director: Anooch Manzoori
Executive Director & CEO: Michael White
Executive Director & COO: Anthony Rowley
CFO & Company Secretary: Gary Taylor

Financial update from the CFO

As Warren Buffet states, “*It’s far better to buy a wonderful company at a fair price than a fair company at a wonderful price*”. The Board reviewed opportunities over a period of more than two years and CCP was the one it chose – for good reason.

CCP is a new beginning.

Our primary effort has been establishing a presence in the USA. This is an expensive exercise and not without risk, but we are confident that the acquisition of Tom Chicoine as our President, CCP Network North America, and his proven history in building incredibly successful sales and support teams, will bear us well for the future.

**Because crucial business management tools should
be simple *and* affordable.**

Expenditure other than expediting the USA is in line with budget.

Employment agreements are now in place with Michael White (CEO) and Anthony Rowley (COO).

Corporate structuring for the initial part of the journey is almost complete, with only formal government approvals for India still in progress (the timing of which is beyond our control).

The **intellectual property** registration process continues. In Europe, the overriding EU patent is now at a stage where we will look to extend protection to individual countries.

Staffing during the quarter expanded significantly, with a global headcount of 30.

CCP manages its staff needs by employing a mixture of full-time and part-time employees, and engaging dedicated contractors in response to both growth and specialist requirements.

Importantly, the proportion of contractors is high during this phase of growth to provide the greatest level of flexibility in human resources.

We continue to invest in **research and development**. Our next generation of monitoring tags will support low-cost data transfer via the Sigfox Network.

Efforts to **divest non-core assets** continue without losing focus on the main objective – building the company.

“It's far better to buy a wonderful company at a fair price than a fair company at a wonderful price”

Warren Buffet

A pleasing quarter as we drive the business forward with an energetic and cohesive team.

Gary Taylor

21 April 2017

CFO/Company Secretary

Business Update

CCP Technologies Limited (ASX:CT1) (CCP) (the Company) is pleased to provide this update to shareholders for the quarter ending 31 March 2017. During the period, the Company made significant progress in its operational systems and sales.

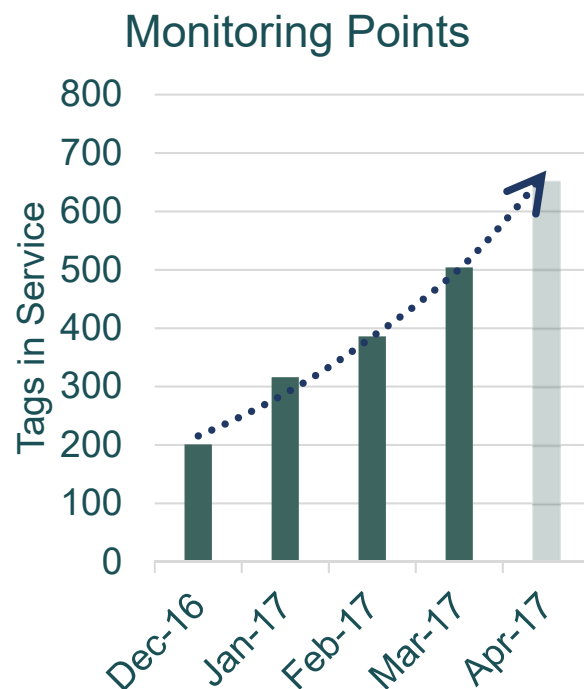
CCP is focused on solutions to support governance, risk, compliance and business improvement. Our first target market is the food industry, where our wireless hardware network and cloud-based software platform fills a significant gap in terms of both performance and affordability. Clients include food retailers, food service businesses (cafés, restaurants, caterers), food production, hospitals, and aged care settings.

Business systems: During the quarter, business systems implementation (including subscription management, product management, customer support, finance and administration) and business structures were established (Australia, North America and India) as a foundation for sales.

Sales: In January 2017, we commenced sales in the Australian and US markets. We've successfully secured a diverse range of customers under 24-month solution-as-a-service contracts. In a short time, our platform has over 500 monitoring points in operation and growing.

Many early stage leads are large enterprises in Australia and the US. They represent significant potential for expansion in the months ahead; however, larger customers present a slower sales lead-time.

In contrast, we have a strong pipeline of smaller sales leads which are typically faster to close.



Strategy: Over the last quarter, the Company made several strategic decisions and achieved a number of key milestones.

Product innovation

CCP's product innovation strategy is aligned with three technology mega-trends:

- Internet of Things (IoT)
- Big data (business) analytics and predictive modelling, and
- Machine learning.

The Company plans to release new platform components in 2017 to sustain its competitive advantage.

US non-exclusive licensing and distribution agreement

As reported on the ASX, CCP has been engaged by a US food consulting firm to tailor its software platform.

This USD\$180,000 agreement is expected to generate significant opportunities for the Company as new services and CCP tags are incorporated into the operational processes of many large food companies in the US.



First milestone target achieved

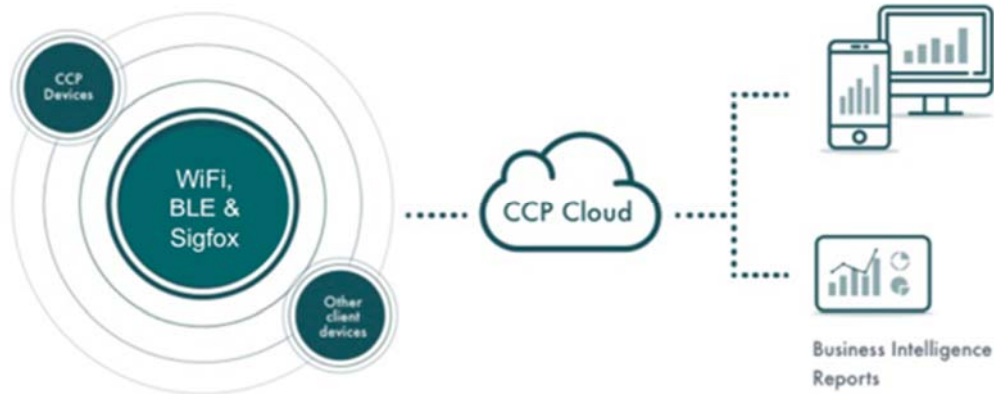
With the milestone targets set out in the Share Sale Agreement to acquire CCP, the Company announced the first milestone target had been achieved.

Thinxtra and Sigfox partnership agreements

CCP has entered into a partnership agreement with global provider Sigfox.

Sigfox is rolling out a worldwide IoT network, currently spanning 32 countries but expanding to 60 countries by the end of 2018.

Thinxtra is the exclusive Sigfox operator in Australian and New Zealand. The agreement enables CCP to offer its solution wherever Sigfox is deployed.



We're on an innovation pathway to make complex technology affordable and easy to use for millions of small and medium sized businesses.

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 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	71	74
1.2 Payments for		
(a) research and development	(87)	(215)
(b) product manufacturing and operating costs	-	(95)
(c) advertising and marketing	(22)	(79)
(d) leased assets	-	-
(e) staff costs	(332)	(706)
(f) administration and corporate costs	(132)	(548)
1.3 Dividends received (see note 3)		
1.4 Interest received	2	6
1.5 Interest and other costs of finance paid	-	(4)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(500)	(1,567)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(4)
(b) businesses (see item 10)		
(c) investments		
(d) intellectual property		
(e) other non-current assets	-	(137)
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)	6	6
2.6 Net cash from / (used in) investing activities	6	(135)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	3,000
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	-	(273)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
3.5	Proceeds from borrowings	-	170
3.6	Repayment of borrowings	-	(175)
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	-	2,722

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	1,577	63
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(500)	(1,567)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	6	(135)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	2,722
4.5	Effect of movement in exchange rates on cash held	(7)	(7)
4.6	Cash and cash equivalents at end of quarter	1,076	1,076

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	79	51
5.2 Call deposits	997	1,526
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)	1,076	1,577

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 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

**Current quarter
\$A'000**

122

Nil

Fees paid to Executive Directors and their related entities \$91K.
 Fees paid to Non-Executive Directors and their related entities \$27K.
 Rent paid on a commercial basis to an entity related to Directors in respect of business premises \$4K.

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	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	

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	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.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	50
9.2 Product manufacturing and operating costs	50
9.3 Advertising and marketing	20
9.4 Leased assets	-
9.5 Staff costs	350
9.6 Administration and corporate costs	150
9.7 Other – repayment of borrowings	-
9.8 Total estimated cash outflows	620

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	Refer Note	N/A
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: *Gary Taylor*
Company Secretary

Date: 21 April 2017

Print name: Gary Taylor

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.

Note 1 – Acquisition of CCP Group

The Acquisition of CCP Group, consisting of CCP Holdings Pty Limited and its wholly owned subsidiaries and Cold Chain Partners Pty Limited, was completed on 13 September 2016. This results in CCP shareholders holding a controlling interest in the Company after the transaction. As a result, it has been determined that the transaction will be accounted for as a 'reverse acquisition' in accordance with the requirements of AASB 3 *Business Combinations* (AASB 3) and is therefore accounted for as a continuation of the financial statements of CCP Group. The Statement of Cash Flows, therefore, represent the cash flow of CCP Group for the nine months ended 31 March 2017 plus the cash flows of CCP Technologies Limited (formerly Agenix Limited) and its subsidiaries for the period 13 September 2016 to 31 March 2017.

Note 2 – Acquisition of CCP Network North America Inc

On 8 January 2017, CCP Technologies Limited acquired a 100% equity interest in CCP Network North America Inc for the consideration of \$USD1. At the time of acquisition, CCP Network North America Inc held cash which is included in the Appendix 4C at Item 2.5. No other assets were acquired.

Note 3 – Establishment of CCP IOT Technologies Private Limited

On 7 February 2017, CCP IOT Technologies Private Limited (CCP IOT) was incorporated in India as a wholly-owned subsidiary of CCP Technologies Limited. Since incorporation, CCP IOT has been in the process of obtaining all necessary regulatory approvals in India, which are likely to be obtained no later than 30 April 2017, before operations can commence.

Additional Information

Quarterly Cash Burn

Cash used in operating activities for the quarter was \$499,935 compared with \$630,815 for the previous quarter.

Cash received from sales was substantially higher for the quarter at \$70,706 compared with \$2,257 for the previous quarter. This reflects the efforts in commercialisation of the CCP Solution.

Cash burn excluding revenue and interest was \$572,587 against budget of \$760,000. The variance of approximately \$187,000 was due to:

- Not expending cash on hardware manufacture (\$52,000)
- Lower staff costs (\$96,000)
- Lower administrative costs (\$83,000), and
- Offset by additional costs of \$30,000 on research and development of the V2 hardware, which is being modified to include Sigfox low-cost wireless technology.

Staffing

The Group adopts an approach that staffing costs are met by a mixture of employees and contractors depending on the nature, scope and likely length of service. This is undertaken via a mixture of both full-time and part-time staff, either as employees or contractors.

As at 31 March 2017, the Group had the following head count:









Australia: 9 (5 F/T, 1 P/T, 3 Contractors)

USA: 6 (6 Contractors) and India: 15 (15 Contractors).

Stay connected with CCP

The Company intends to keep shareholders informed of progress via our regular Shareholder Update, which will be emailed directly. As a public document, anyone can register to receive this electronic correspondence from CCP by providing your email address to gary.taylor@ccp-network.com and supplying your contact details.

CCP has also made changes to its corporate website (www.ccp-technologies.com) to make operational announcements more accessible. A consolidated news feed will show business-related activity from Australia (au.ccp-network.com) and North America (us.ccp-network.com) websites, together with ASX announcements. We'll be regularly posting customer news and case studies on our sites, and we also invite you to connect with us on social media.

-  Website - CCP Technologies Limited (ASX:CT1)
-  Website - CCP Network (please note: automatic AU/US redirection)
-  Facebook - CCP Technologies
-  Facebook - CCP Network Australia
-  Facebook - CCP North America
-  LinkedIn - CCP Technologies
-  LinkedIn - CCP Network Australia
-  Email

<http://www.ccp-technologies.com>

<http://ccp-network.com>

<https://www.facebook.com/CCPTechnologies>

<https://www.facebook.com/CCPNetworkAustralia/>

<https://www.facebook.com/CCPNetworkNorthAmerica>

<https://www.linkedin.com/company/17895486> (CCP Technologies)

<https://www.linkedin.com/company/10889067> (CCP Network Australia)