

# CCP Technologies Limited (ASX:CT1)

## September 2017 Quarterly Report

### Our Vision:

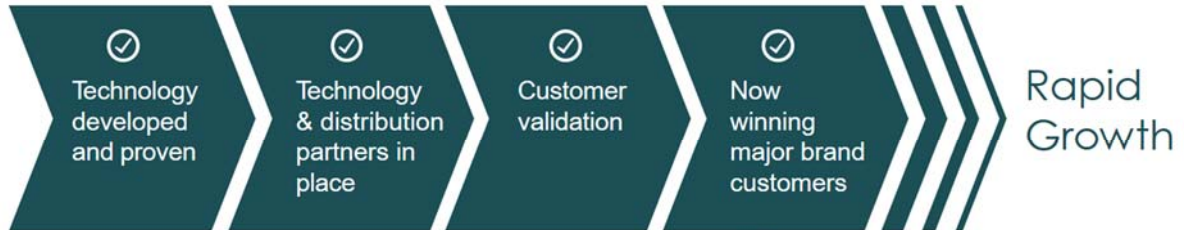
**To be a global IoT platform of choice for critical control point management**

**The difference is**



# Highlights

## We Are On Track



vodafone



The CCP platform managed over 3.2m data points in September 2017 – a truly commercial IoT solution.

# Business Update

CCP Technologies Limited (ASX:CT1) is pleased to provide this update to shareholders for the quarter ending 30 September 2017. During the period, the Company continued its business development momentum and building foundations for rapid growth.

**Sales** activity continues. Our 24-month Customer Contract Value (CCV) performance metric at the end of September 2017 has grown to \$440,000. While on-boarding more CCP solution customers in the quarter, the company also signed another agreement to provide software development services. By securing additional revenue streams, we reduce business risk, leverage our intellectual property and extend sales opportunities.

**Partnerships** are vital for CCP. Channel partners are a more cost effective and faster way of reaching our target market. Technology partners increase brand awareness and open the door to business opportunities. Our priority is to enter into agreements with major partners who have significant brand and sales footprints in given regions. Such relationships enable CCP to scale rapidly without significantly increasing our cost of sales.



- CCP announced a reseller arrangement with Minneapolis-based Shamrock Group, a refrigeration, ice and beverage product and services business. As a channel partner, the Shamrock Group provides CCP with over 8,500 potential sales touch points in the US. During the quarter, we also commenced discussions with other potential channel partners. Combined, these agreements will add tens of thousands of sales touch-points to the company's approach to market.
- Vodafone selected CCP to participate in an NB-IoT trial in Melbourne commencing in November 2017. Integration to Vodafone's Global IoT platform provides CCP with a significant business development opportunity. Through its global footprint, Vodafone has an extensive reach to the food industry. CCP is progressing a global partnership with Vodafone.
- The Company's relationship with Sigfox was strengthened during the quarter. CCP signed an agreement with Sigfox network operator UnaBiz, which is set to create opportunities for the Company in South East Asia; including Singapore's \$13 billion food industry. While in Australia, CCP's first Sigfox installation commenced in a national quick service restaurant chain.

Approaching October 2017, CCP hits the 1,000-monitoring point milestone. Looking ahead, key corporate customers are beginning to firm their plans, channel partners ramping-up and we have a strong sales pipeline. In the next quarter, the Company's expectation is that there will be more partnership announcements. The management team holds the view that CCP (as a product) can scale well-beyond the direct sales and installation reach of the Company and its people alone.

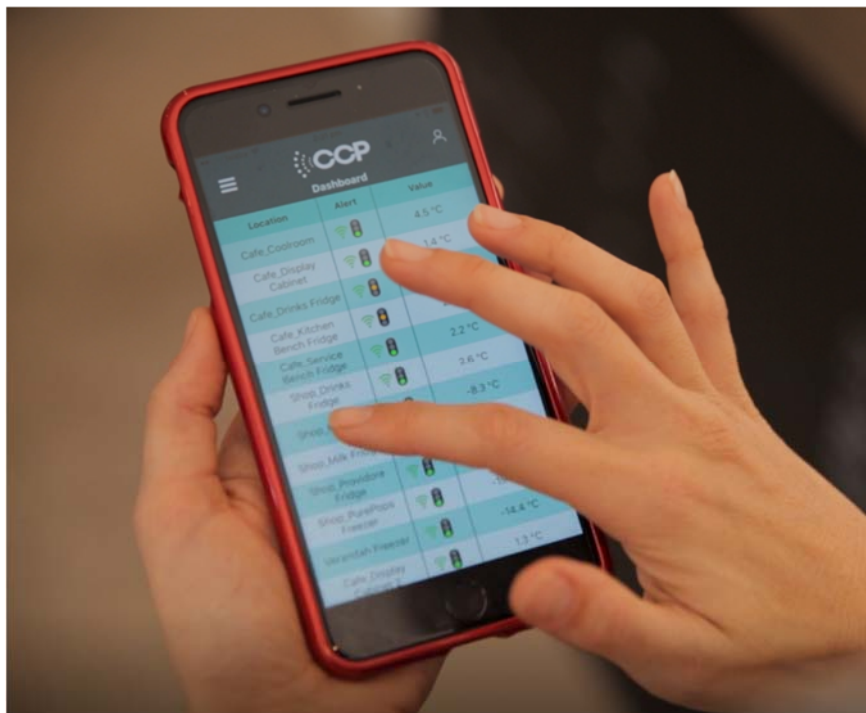
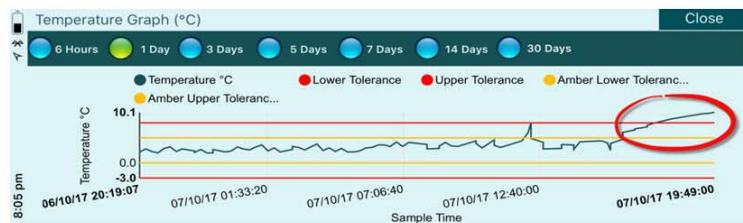
*Michael White*

**Executive Director & CEO  
CCP Technologies Limited**

# CCP Delivers Real Business Benefits

## Case Study

- Earth Walker & Co is Wollongong's contemporary general store and café. Super fresh, locally sourced produce has become the cornerstone of its success; with food safety being critical to its business model.
- After closing on a Saturday afternoon, the owners received a SMS alert from CCP. An electrical fuse tripped at the store, which caused the cool-room to shut down.
- This failure was picked up by the CCP Smart Tag inside the cool-room. The 'red alert' meant the owners immediately knew they had a problem. They quickly applied corrective action and prevented business disruption and stock loss.
- Bianca Poscoliero said: *"When I received the SMS, I quickly opened CCP's Mobile App and glanced at the cool-room. As soon as I saw the temperature graph, I arranged a staff member to attend site and protect stock integrity. **This saved us thousands of dollars; and more importantly, Sunday's busy breakfast service wasn't affected.**"*



## 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 2017

<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	28	28
1.2 Payments for		
(a) research and development	(40)	(40)
(b) product manufacturing and operating costs	(10)	(10)
(c) advertising and marketing	(8)	(8)
(d) leased assets	-	-
(e) staff costs	(348)	(348)
(f) administration and corporate costs	(183)	(183)
1.3 Dividends received (see note 3)		
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid		
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>(559)</b>	<b>(559)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(5)	(5)
(b) businesses (see item 10)		
(c) investments		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(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)		
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(5)</b>	<b>(5)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares		
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 – Refer Note 1	(101)	(101)
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>(101)</b>	<b>(101)</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	1,725	1,725
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(559)	(559)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(5)	(5)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(101)	(101)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	(5)	(5)
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>1,055</b>	<b>1,055</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	86	63
5.2 Call deposits	969	1,662
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>1,055</b>	<b>1,725</b>

**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

<b>Current quarter \$A'000</b>
127
Nil

Salaries and Fees paid to Executive Directors and their related entities \$92K.  
Fees paid to Non-Executive Directors and their related entities \$17K.  
Rent paid on a commercial basis to an entity related to Directors in respect of business premises \$13K.  
Legal Fees paid to Foster Nicholson Jones a firm related to Leath Nicholson \$5K.

**7. Payments to related entities of the entity and their associates**

- 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

<b>Current quarter \$A'000</b>
Nil

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**8. Financing facilities available**

*Add notes as necessary for an understanding of the position*

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
Nil	Nil

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.

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**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	-
<b>9.8</b>	<b>Total estimated cash outflows</b>	<b>650</b>

**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:

*Gary Taylor*  
Chief Financial Officer

Date: 26 October 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 – Item 3.4 Transaction Costs related to issue of Shares

During the quarter the Company acquitted the costs incurred in relation to both the May 2017 Placement and June 2017 Rights Issue. An amount of \$18,040 was paid to Foster Nicholson Jones a firm related to Leath Nicholson for services rendered in relation to the placement and rights issue on normal commercial terms.

## Additional Information

### Quarterly Cash Burn

Cash used in operating activities for the quarter was approximately \$589,000 compared with a budget of \$650,000 following a review to maximise the benefits of cash spent.

### 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 completed by utilising both full time and part time staff either as employees or contractors.

At 30 September 2017, the Group had the following head count:

Australia	7 (5 F/T, 2 Contractors)
USA	6 (6 Contractors)
India	18 (18 Employees)