CCP Technologies Limited
Appendix 4E
Financial year ended 30 June 2018

Name of entity:	CCP Technologies Limited
ABN:	58 009 213 754
Financial year ended:	30 June 2018
Previous period:	30 June 2017

Results for announcement to the market

				$
Revenue for ordinary activities	Up	76.9%	to	299,066
Loss from ordinary activities after tax attributable to members	Down	24.6%	to	(2,833,837)
Net loss for the period attributable to members	Down	24.6%	to	(2,833,837)

Net tangible assets per security

	30 June 2018 Cents	30 June 2017 Cents
Net tangible asset backing (per share)	**0.10**	0.57

Explanation of results

An explanation of the key financial elements contributing to the revenue and result above can be found in the review of operations included within the directors' report.

Distributions

No dividends have been paid or declared by the company for the current financial year. No dividends were paid for the previous financial year.

Changes in controlled entities

There have been no changes in controlled entities during the financial year ended 30 June 2018.

Other information required by Listing Rule 4.3A

a. Details of individual and total dividends or distributions and dividend or distribution payments:	N/A
b. Details of any dividend or distribution reinvestment plans:	N/A
c. Details of associates and joint venture entities:	N/A
d. Other information	N/A

Audit

The financial statements have been audited by the group's independent auditor without any modified opinion or disclaimer however have included a paragraph regarding a material uncertainty in relation to going concern.

This Appendix 4E should be read in conjunction with the CCP Technologies Limited financial report for the financial year ended 30 June 2018.

CCP Technologies Limited

ABN 58 009 213 754

Annual report
for the year ended 30 June 2018

CCP Technologies Limited ABN 58 009 213 754
Annual report - 30 June 2018

Contents

Directors	Mr Michael White *Executive Director and Chief Executive Officer*
	Mr Anthony Rowley *Executive Director and Chief Operating Officer*
	Mr Leath Nicholson *Independent Non-Executive Chairman*
	Mr Anoosh Manzoori *Independent Non-Executive Director*
	Mr Adam Gallagher *Independent Non-Executive Director*
Company secretary	Mr Phillip Hains
	Mr Adam Gallagher
Principal registered office and place of business	Suite 202 22 St Kilda Road St Kilda VIC 3182 Australia +61 3 8592 4883
Share register	Advanced Share Registry 110 Stirling Highway Nedlands WA 6909 +61 8 9389 8033
Auditor	BDO Audit Pty Ltd Level 10 12 Creek Street Brisbane QLD 4000 +61 7 3237 5999
Solicitors	Nicholson Ryan Lawyers Pty Ltd Level 7 416–420 Collins Street Melbourne VIC 3000 +61 3 9640 0400
Bankers	Wespac Banking Corporation 150 Collins Street Melbourne VIC 3000
Stock exchange listings	ASX: CT1
Website	www.ccp-technologies.com

Chairman's Letter

Over the past year our company has grown, and this Annual Report demonstrates a business trajectory towards sustainability. We are focused on positioning for the long-term and measures we've taken in this financial year is the fabric for a scalable ecosystem. We now have promising momentum in sales, partnerships to leverage and a solid innovation pathway as the key pillars of our business.

Key achievmnets in FY2018 include:

- ✓ **Customer growth**
  secured on 24-month contracts
- ✓ **Growing ecosystem**
  a mix of partners provide leverage
- ✓ **On-trend innovation**
  Cloud, IoT, Blockchain, ML/AI convergence
- ✓ **Market positioning**
  increased brand awareness

KEY ACHIEVEMENTS TOWARDS SUSTAINABILITY

As a testimony to the quality of CCP's critical control point management system, the company secured agreements with global firms such as Vodafone, sales channels were broadened (including an agreement with Dicker Data – one of Australia's largest hardware distributors), and we were buoyed by independent research which outlined our company's comparative strengths. Improved results for the 2018 financial year supports confidence that we are heading in the right direction; however, I'm mindful that we are still in the early growth stages. Patience is required to allow various strategic initiatives to mature.

Through shareholder update we have regularly communicated our business development news and product announcements. It timely to recognise the terrific achievements made on both fronts. We continue to secure terrific anchor customers; and this year we added numerous high-profile venues to our customer list. Our product development team can be proud of their achievements too; most notably, our Smart Tags are now offered on diverse low-power wide-area networks (LPWAN) which is a key differentiator in the marketplace.

We finished the year on a high-note with CCP securing its Patent (2015299743) in Australia on 28 June 2018. I would like to take this opportunity to congratulate CCP's founders – Michael White (CEO), Kartheek Munigoti (CTO) and Anthony Rowley (COO) – for their effort in progressing the complex patent application to a successful outcome.

The Board and Executive Team acknowledge the hard work of our staff. They bring the right attitude, skills and knowledge to build a thriving company. Delivering shareholder value is our key objective moving forward.

On behalf of the Board of Directors, I would like to thank our shareholders for their support. We look forward to advancing our vision in the coming year.

Leath Nicholson

Chairman
CCP Technologies Limited

Company Highlights

CCP Technologies Limited – a listed public company on the Australian Securities Exchange – offers a critical control point management system in Australia and North America and has an emerging presence in Singapore. Critical control points are the points in a supply chain where a failure of standard operating procedure has potential to cause serious harm to people – and to a business' reputation and bottom line. Standard critical control points include temperature, energy, environment (e.g. air and water quality, pH, chemicals, noise, acoustics and gases) and movement.

CCP captures data using Smart Tags (sensors) and an advanced Internet of Things (IoT) network which leverages WiFi and various LPWAN connectivity solutions. Data is delivered to the company's big data cloud platform where it is analysed to deliver business intelligence. Customers access this information through Web and Mobile Dashboards; and receive real-time alerts via SMS, email and push notifications.

The Company's first target market is the food industry, where food safety regulation, energy savings and waste reduction drives adoption. The company has also announced its appliance-level energy (power) monitoring and shipment monitoring solutions for release in the second half of 2018.

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

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

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: Anoosh Manzoori
Executive Director & CEO: Michael White
Executive Director & COO: Anthony Rowley
CFO & Company Secretary: Phillip Hains
Joint Company Secretary: Adam Gallagher
CTO: Kartheek Munigoti

In the 2018 financial year CCP achieved several planned objectives: we continued to secure new customers, extended our strategic partnerships, expanded the CCP Solution capability and established key pillars to scale our business. It has been another exciting year for the company.

Critical control points exist in every supply chain; they are the points in a supply chain where a failure of standard operating procedure has potential to cause serious harm to people – and to a business' reputation and bottom line. Standard critical control points include temperature, energy, environment (e.g. air and water quality, pH, chemicals, noise, acoustics and gases) and movement. CCP has created a sophisticated Internet-of-Things (IoT) business-to-business critical control point management system.

CCP captures and transmits temperature, humidity and other data using Smart Tags (sensors) to a big-data cloud platform where it is analysed to deliver business intelligence. Customers access this information through Web and Mobile Dashboards; and receive real-time alerts via SMS, email and push notifications.

The company's first target market is the food industry, where food safety regulation, energy savings and waste reduction drives adoption. Most businesses in the food industry are still using manual processes to capture refrigeration temperature and paper-based records to comply with food safety regulations. Our customers know just how cost-effective and easy it is to implement CCP and automate these processes.

CCP has a diverse user-base, customers include all sized businesses, from small operations to large corporate chains and massive Las Vegas casinos. For these customers, fridges are mission critical and continuous 24/7 monitoring of refrigeration systems reduces business risk.

Based on our data, 4.9% of refrigerated coolers and freezers in businesses will suffer a complete failure each year. It's not a matter of 'if a fridge breaks down'; it's 'when will it break down'. Automated continuous refrigeration monitoring delivers far better outcomes compared to traditional data loggers and error-prone manual checks. If CCP is installed and something goes wrong, our customers know immediately.

But CCP is much more. Our platform is also used to optimise the performance of refrigeration. For example, defrost cycle frequency and peak defrost temperature were adjusted in a small walk-in freezer using our system. Changes reduced the power cost from $372.30 per month to $244.13 per month, a saving of $128.17/month (52%). Across a large venue, substantial savings can be realised by optimising refrigeration with CCP. The Smart Energy Design Centre found that for an average US grocery store, 57% of its energy costs are directly associated with refrigeration, and that a $1 saving in energy cost is equivalent to a $59 increase in sales.

Refrigeration systems consume large amounts of electricity. In perishable food businesses, research suggests refrigeration contributes up to 80% of a site's energy use, with compressors using about 90% of this energy. That's why we will be launching new solutions to help our customers reduce electricity costs; and we will be rolling-out much more to strengthen the customer value proposition.

Our strong business model enables us to secure enduring contractual relationships. The CCP solution is offered under a Solution as a Service ("SaaS") 24-month recurring revenue model. In addition, we broaden our revenue base by securing licensing and development contracts which leverages intellectual property and our impressive Cloud, IoT, Blockchain, Big Data, AI development capabilities.

Sales revenue continues to rise, and our opportunity pipeline is growing. We finish the 2018 financial year with our 24-month total Customer Contract Value (CCV) performance metric increased at $740,000; and for the 30-day period up to the end of June, our platform processed almost 8 million data points.

During the year we announced new customers covering supermarkets, hospitality and entertainment venues, healthcare facilities, restaurants, clubs, aged care facilities and various food service operations. Various marketing activity has promoted the CCP brand and there are clear signs our market has greater awareness. We finished the financial year with advice from the Food & Beverage Magazine that CCP has been short-listed as a finalist in the 2018 Food & Beverage Industry Awards. The Awards recognise and reward best practice and innovation in food and beverage manufacturing in Australia and New Zealand.

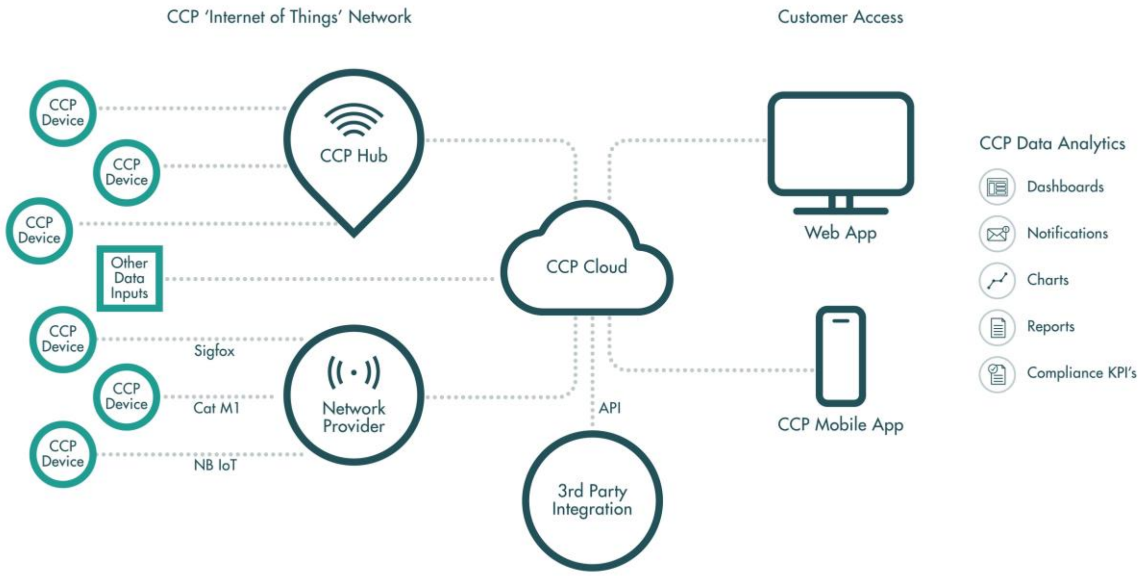
Looking ahead, our domestic and international sales pipelines include a mix of large long-term opportunities and shorter lead-time prospects. We are seeing a positive trendline in sales which bodes well for the future.

Innovation is a part of this company's DNA. In March 2017 we announced the development of our Sigfox Smart Tag and set an optimistic target release date of September 2017. Our CTO and his product development team exceeded expectations. We achieved the highest level Sigfox accreditation and, in the process, our team positioned CCP for rapid development of other LPWAN Smart Tags, including NB-IoT and Cat M1 protocols. This set the scene for Vodafone selecting CCP to participate in its NB-IoT trial, which subsequently led to our company signing a global agreement with Vodafone. Under the agreement, our Smart Tags can now operate across Vodafone's extensive global NB-IoT network. In a similar fashion, we also released our Cat M1 Smart Tags which operate on the Telstra network.

Our product development team is working hard to finalise our new appliance-level energy (power) monitoring Smart Tags. This is a very exciting development which positions CCP ahead of all other critical control point management systems targeted at the food industry. Preventing refrigeration failures and reducing power consumption are high priorities for our customers, which is why we are also releasing cutting-edge visualisation tools and predictive modelling features. The team is also finalising our new shipment monitoring Smart Tags which will link to Blockchain applications underpinning smart supply chain contracts.

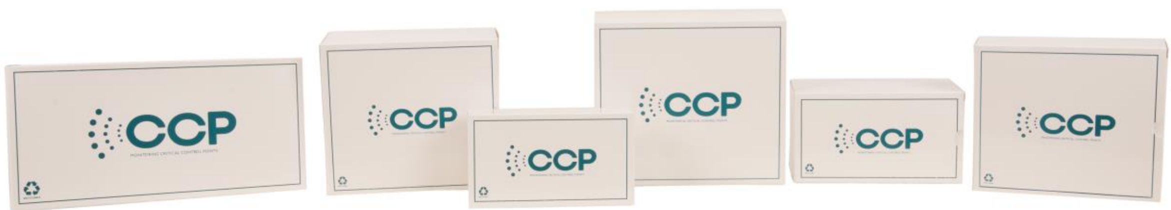
Importantly, our innovation pathway establishes a strategic use of resources and enhances commercial opportunities.

CCP differentiates itself by offering a true enterprise solution, communication network diversity, powerful business intelligence and a simple, low-cost business model.



Partnerships provide market reach and sales channel opportunities for CCP. Our existing partnership include Sigfox – a global telco provider – and their network operators: Thinxtra (AU/NZ) and Unabiz (SGP). During the year we signed several new agreements to expand our collaborations:

- ✓ **Dicker Data**: an ASX-listed IT hardware, software and cloud distributor - the largest Australian owned ICT distributor with a 5,000-strong reseller network.
- ✓ **Channon Refrigeration**: a leading provider of commercial cooking and refrigeration equipment to Australia’s hospitality industry.
- ✓ **Vodafone**: a global telecommunications company.



The year ahead

During the year, our monthly subscription revenue from CCP Solution sales has steadily increased, and in the last quarter of the financial year we have experienced a significantly higher rate of growth in subscription revenue due to expansion of the sales funnel and increased deal flow. The marketing and sales strategies we've put in place are yielding better results. We expect trend growth to continue as more business development resources are applied through our reseller and collaboration program. We anticipate new revenue streams come online from emerging initiatives such as shipment monitoring and power monitoring; and there are opportunities to repackage solutions to provide partners and customers with more flexibility to leverage CCP's intellectual property.

We commence the new financial year by progressing new partnerships. Shareholders are aware that we are poised to enter into a joint venture in the US and we remain confident this deal will successfully conclude. In addition, we are progressing discussions with several global corporations. There is a lot of interest in CCP. While I know everyone wants quick outcomes and an announcement every week, the reality is game-changing deals take time to nurture; however, I can assure you we are laying the ground-work. We are a small company with limited financial resources, any many people have commented that we are punching well-above our weight.

The Board has established several key priorities. High on the list is securing strategic investment, where transactions are not merely about achieving financial outcomes. Holistically, we are looking to enhance CCP's competitive advantage; and strategic investors often provide revenue generating opportunities which centre on supply contracts, technology-sharing agreements or joint ventures. Aligned with the objective of improving our business position is assessing M&A opportunities. As we nurture relationships in the fast-moving innovation environment and more people become aware of CCP's capability, an increasing number of acquisition opportunities arise.

Your Board and executive team continues to work diligently on enhancing shareholder value. We continue to assemble the pieces needed for a thriving company. The financial year 2019 has started well and we are extremely enthusiastic about the year ahead.

CCP is on an innovation pathway to make complex technology affordable and easy to use for millions of small and medium-size businesses.

Michael White
Executive Director & CEO
CCP Technologies Limited

Corporate website: www.ccp-technologies.com

- Facebook: https://www.facebook.com/CCPTechnologies
- LinkedIn: https://www.linkedin.com/company/17895486

General enquiries, please contact:

- Email: info@ccp-network.com
- Phone: 1800 100 CCP (227)

The directors present their report on the consolidated entity (referred to hereafter as the 'group') consisting of CCP Technologies Limited and the entities it controlled at the end of, or during, the financial year ended 30 June 2018.

Directors and company secretary

The following persons were directors of CCP Technologies Limited during the whole of the financial year and up to the date of this report:

Mr Michael White, Executive Director and Chief Executive Officer
Mr Anthony Rowley, Executive Director and Chief Operating Officer
Mr Leath Nicholson, Independent Non-Executive Chairman
Mr Anoosh Manzoori, Independent Non-Executive Director
Mr Adam Gallagher, Independent Non-Executive Director

The following persons held office as company secretary of CCP Technologies Limited during the whole of the financial year and up to the date of this report:

Mr Phillip Hains (appointed 11 October 2017)
Mr Adam Gallagher (appointed 11 October 2017)
Mr Gary Taylor (resigned 11 October 2017)

Principal activities

CCP is a technology company bringing innovative solutions to market which leverage Cloud, IoT, edge-computing, LPWAN, Blockchain, Big Data, Analytics, Machine Learning (ML), Artificial Intelligence (AI) and other advanced technologies. Our company capability includes in-house IoT hardware design, turnkey manufacture, firmware and software development. Our revenue is derived from selling a critical control point management system as a Solution-as-a-Service (SaaS), intellectual property licensing and contract development.

The CCP Solution is offered to the food industry, where the combined use of edge-computing IoT sensors with diverse connectivity, paperless task management and an open cloud-based platform with business intelligence services and HACCP reporting supports food safety, yields savings, reduce waste and mitigates risk.

Food is one of the necessities of life. It is therefore not surprising that food safety attracts wide community interest. Globally, food safety governance is a complex system of government policies, standards, laws and processes. Food safety governance has done much to reduce the risks of foodborne illness; however, it has not eliminated the risk of foodborne illnesses. Foodborne illnesses remain a major public health threat.

The Temperature Danger Zone

One of the most common causes of foodborne illness is the storage and display of potentially hazardous (perishable) foods at inadequate temperatures for extended periods. This can lead to the rapid and sustained growth of food poisoning bacteria. In the massive global food industry, temperature is a critical control point.
The food industry is now confronting substantial changes in its commercial and regulatory environment. This is driving the adoption of automated real-time critical control point management systems.

Throughout all stages of the cold chain, perishable foods must be handled and stored in accordance with food safety regulations. The regulations require the implementation of processes to ensure food is kept safe to consume and that these processes are monitored and recorded to evidence compliance.

The CCP Solution includes both web and mobile applications to provide:

Principal activities (continued)

- Immediate notification of breaches
- Access to real-time and full analytics dashboards
- Reports, diagnostics, temperature graphs and maps

CCP's unique platform can be deployed to monitor critical control points throughout the supply chain, in fixed and transportation environments. Using a mobile device (e.g. phone/tablet), the CCP Smart Tag function can be dynamically changed from fixed monitoring to shipment monitoring. The tag can then monitor perishable foods as they move along the supply chain. Data is continuously uploaded or stored for future upload when a network is available. Tags are designed for use anywhere in the world.

The combination of IoT, Big Data Analytics and Blockchain applications creates a disruptive technology for managing compliance and product quality in the food industry. Deployment delivers:

- Ease of managing routine food safety tasks through an electronic system:
  - Tasks are scheduled in accordance with the customer's specific Food Safety Plan
  - Failure to complete tasks on time triggers notifications to ensure compliance
  - Performance is monitored and reported and can therefore be managed

- Automated data capture using low cost (wireless) IoT devices:
  - Accurate temperature, humidity and other critical control points are continuously captured and reported
  - Out of tolerance breaches trigger notifications at any time of the day
  - Failures require corrective action records which are logged to meet compliance standards
  - HACCP reports at any time

The outcomes include:

- Reduced risk of a food safety incident
- Lowered overall business risk
- Extended food shelf-life
- Reduced risk of food wastage
- More efficient labour use
- Better management of refrigerated assets and reduced risk of failure
- Ability to measure performance
- Digital record-keeping

CCP is a pioneer in the development and delivery of advanced technologies across multiple industry sectors. We offer a cost effective and compelling value proposition with a demonstrable return on investment for our target customers.

Dividends

No dividends have been paid or proposed by the group during or since the end of the financial year (2017: nil).

Operating results

Financial results

The group reported a loss for the financial year ended 30 June 2018 of $2,833,837 (30 June 2017: $3,758,069). The loss is after fully expensing all research and development costs. The decrease was primarily contributed by the Corporate restructure expense related to the reverse acquisition being no longer applicable for this current year, net of with an increase in employee expenditure as CCP continued to expand its market base and service delivery capability.

The group's net assets decreased to $366,491 compared with the previous year's net assets of $1,622,502. As at 30 June 2018, the group had cash reserves of $453,776 (2017: $1,727,137).

Operations

Our executive team remain focused on lifting revenue. With enterprise level customers remaining a key business development strategy, sales contracts take time to secure. With encouraging results towards the end of financial year, the Directors are confident of continued growth.

Operating results (continued)

Operations (continued)

Information on the operations of the group and its business strategies and prospects is set out in the Chief Executive Officer's report on pages 4 to 7 of this annual report.

Significant changes in the state of affairs

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

Event since the end of the reporting period

On 17 July 2018, CCP Technologies Limited announced commitments from strategic investors to raise $861,247 (before costs) by issue of 43,062,350 new ordinary shares at $0.02 per share. On 8 August 2018, the group announced the successful completion of this private placement. Each subscriber in the placement also received a two-year unlisted option, for each share issued, with an exercise price of $0.03, subject to shareholder approval at the 2018 annual general meeting (AGM).

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 years.

Likely developments and expected results of operations

Information on likely developments in the operations of the group and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the group.

Environmental regulation

The group is not affected by any significant environmental regulation in respect of its operations.

Information on directors

The names of directors in office at any time during or since the end of the financial year are:

Mr Michael White *Executive Director and Chief Executive Officer*		
Experience and expertise	Michael has over 20 years' executive experience in cold chain management and brings global food industry connections. Michael has a track record of successfully developing technology businesses in food production and supply chain management across Asia Pacific and North America.	
Qualifications	Bachelor of Agricultural Science (La Trobe University) Master of Environmental Science (University of Melbourne)	
Date of appointment	7 September 2016	
Other current directorships	None	
Former directorships in last 3 years	None	
Committees	None	
Interests in shares and options	Ordinary shares	33,886,300
	Options	5,000,000

Information on directors (continued)

Mr Anthony Rowley *Executive Director and Chief Operating Officer*		
Experience and expertise	Anthony has an extensive background in corporate governance, sales and marketing, business planning and administration. He was involved in the creation of Telstra Internet and some of Australia’s early e-commerce initiatives. With more than 25 years’ experience in private and public-sector organisations, he is an experienced business advisor and executive manager.	
Date of appointment	7 September 2016	
Other current directorships	None	
Former directorships in last 3 years	None	
Committees	None	
Interests in shares and options	Ordinary shares	33,634,300
	Options	5,000,000

Mr Leath Nicholson *Independent Non-Executive Chairman*		
Experience and expertise	Leath was a corporate partner at a leading Melbourne law firm, gaining experience with a breadth of ASX listed entities, before co-founding Foster Nicholson (now Nicholson Ryan) in 2008. Leath's principal clients continue to be ASX listed companies and high net worth individuals. Leath has particular expertise in mergers and acquisitions; IT based transactions, and corporate governance.	
Qualifications	Bachelor of Economics (Honours) Bachelor of Laws (Honours) Master of Laws (Commercial Law)	
Date of appointment	14 October 2016	
Other current directorships	AMA Group Limited (ASX:AMA) (since 23 December 2015) Money3 Corporation Limited (ASX:MNY) (since 29 January 2016)	
Former directorships in last 3 years	None	
Committees	Audit committee - member Remuneration committee - chair	
Interests in shares and options	Ordinary shares	-
	Options	2,000,000

Information on directors (continued)

Mr Anoosh Manzoori *Independent Non-Executive Director*		
Experience and expertise	Anoosh is currently the CEO of Shape Capital Pty Ltd, an advisory and venture investment firm. He has networks and access to venture capital and private equity groups in Australia and in the United States. Previously, he was the founder and CEO of the second largest cloud hosting company in Australia. He built the company from scratch, reaching 75,000 customers within five years, with over 10 percent market share in Australia, before selling the company to MYOB in 2008. Anoosh is a member of the Institute of Company Directors and is an Expert Network Member for the Department of Industry, Innovation and Science.	
Qualifications	Bachelor of Science Graduate Diploma in Business Enterprise, Business	
Date of appointment	14 October 2016	
Other current directorships	First Growth Funds Ltd (ASX: FGF) (since 14 December 2017)	
Former directorships in last 3 years	None	
Committees	Remuneration committee - member	
Interests in shares and options	Ordinary shares	-
	Options	2,000,000

Mr Adam Gallagher *Independent Non-Executive Director*		
Experience and expertise	Adam has strong experience and working knowledge of the technology sector, M&A transactions, finance and capital markets through nearly 20 years' commercial, IT and investment experience across major banks, stock exchanges, digital media, communications, private equity and listed companies. For the last 10 years he has predominantly worked with expansion stage technology businesses both listed and unlisted as an officeholder, advisor and investor. He also had seven years of funds management experience as a microcap manager consistently achieving returns well above the All Ords Index.	
Qualifications	Bachelor of Economics Masters in Commerce Graduate Diploma in Information Systems Graduate Diploma in Applied Corporate Governance	
Date of appointment	1 June 2015	
Other current directorships	EnviroSuite Limited (ASX:EVS) (since 20 September 2012)	
Former directorships in last 3 years	None	
Committees	Audit committee - chair Remuneration committee - member	
Interests in shares and options	Ordinary shares	922,948
	Options	1,446,550

Information on directors (continued)

Meetings of directors

The numbers of meetings of the group's board of directors and of each board committee held during the year ended 30 June 2018, and the numbers of meetings attended by each director were:

	Full meetings of directors		Meetings of committees			
			Audit		Remuneration	
	A	B	A	B	A	B
Mr Michael White**	8	8	6	6	N/A	N/A
Mr Anthony Rowley**	8	8	6	6	N/A	N/A
Mr Leath Nicholson	8	8	6	6	1	1
Mr Anoosh Manzoori	8	8	6	6	1	1
Mr Adam Gallagher	8	8	6	6	1	1

A = Number of meetings attended
B = Number of meetings held during the time the director held office or was a member of the committee during the year
** = Not a member of the relevant committee

Remuneration report (audited)

The directors present the CCP Technologies Limited 2018 remuneration report, outlining key aspects of our remuneration policy and framework, and remuneration awarded this year.

The report is structured as follows:

(a) Principles used to determine the nature and amount of remuneration
(b) Details of remuneration
(c) Service agreements
(d) Share-based compensation
(e) Relationship between the remuneration policy and group performance
(f) Key management personnel disclosures

(a) Principles used to determine the nature and amount of remuneration

Remuneration policy

The performance of the group depends upon the quality of its directors and executives. To prosper, the group must attract and retain highly skilled directors and executives.

Remuneration committee

The board has a remuneration committee comprising the following members:

- Mr Leath Nicholson, Non-Executive Director (chair)
- Mr Anoosh Manzoori, Non-Executive Director
- Mr Adam Gallagher, Non-Executive Director

Mr Michael White, CEO has a standing invitation to attend committee meetings.

The committee assess the appropriateness of the nature and amounts of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality board and executive team.

Officers are given the opportunity to receive their bases emoluments in a variety of forms including cash, salary sacrifice and fringe benefits. It is intended that that the manner of payments chosen will be optimal for the recipient without creating undue cost for the group.

Remuneration structure

It is the group's objective to provide maximum stakeholder benefit from the retention of a high-quality board and executive team by remunerating directors and other key management personnel (KMP) fairly and appropriately with reference to relevant employment market conditions.

To assist in achieving this objective, the committee considers the nature and amount of executive directors’ and officers’ emoluments alongside the group's financial and operational performance. The expected outcomes of the remuneration structure are the retention and motivation of key executives, the attraction of quality management to the group and performance incentives, which allow executives to share the rewards of the success of the group.

In accordance with best practice corporate governance, the structure of executive and non-executive director remuneration is separate and distinct.

Non-Executive Directors

The board seeks to set aggregate remuneration at a level which provides the group with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Remuneration report (audited) (continued)

(a) Principles used to determine the nature and amount of remuneration (continued)

Non-Executive Directors (continued)

The constitution of CCP Technologies Limited and the ASX Listing Rules specify that the non-executive directors are entitled to remuneration as determined by the group in a General Meeting to be apportioned amongst them in such manner as the directors agree and, in default of agreement, equally. The maximum aggregate remuneration currently approved by shareholders for directors' fees is for a total of $250,000 per annum. This amount was approved at the 2016 Annual General Meeting held on 18 November 2016 and is a reduction from $500,000 previously approved by shareholders.

If a non-executive director performs extra services, which in the opinion of the directors are outside the scope of the ordinary duties of the director, the group may remunerate that director by payment of a fixed sum determined by the directors in addition to or instead of the remuneration referred to above. Non-executive directors are entitled to be paid travel and other expenses properly incurred by them in attending directors or General Meetings of the group or otherwise in connection with the business of the group.

Executive Directors and senior management

The group aims to reward executive directors and senior management with a level and mix of remuneration commensurate with their position and responsibilities within the group and to:

- reward executives for group and individual performance against targets set by reference to appropriate benchmarks;
- align the interests of the executives with those of shareholders;
- link reward with strategic goals and performance of the group; and
- ensure total remuneration is competitive by market standards.

The remuneration of the executive directors and senior management may from time-to-time be fixed by the remuneration committee. As noted above, the policy is to align executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering short- and long-term incentives. The level of fixed remuneration is set to provide a base level of remuneration, which is both appropriate to the position and is competitive in the market. Fixed remuneration is reviewed annually by the committee, and the process consists of a review of company-wide and individual performance, relevant comparative remuneration in the market and internal, and where appropriate, external advice on policies and practices.

In relation to the payment of bonuses, options and other incentive payments, discretion is exercised by the committee, having regard to the overall performance of the group and the performance of the individual during the year.

Employment and consultancy contracts

The group utilises a mixture of employment and consultancy contracts to provide the group with the flexibility to operate effectively in a dynamic industry.

It is the board’s policy that agreements are entered into with all directors, executives and employees.

The current agreements of senior management have a six-month notice period. All other agreements have one month or less notice periods. No agreements contain early termination clauses. All non-executive directors have agreements relating to their position. None of these contracts have termination benefits.

Voting and comments made at the last annual general meeting

At the last annual general meeting (AGM), the group received approval for the remuneration report adopted for the 2017 financial year. The group did not receive any specific feedback at the AGM or throughout the year on its remuneration policies.

Remuneration report (audited) (continued)

(b) Details of remuneration

The following persons held office as directors of CCP Technologies Limited during the financial year:

Mr Michael White, Executive Director and Chief Executive Officer
Mr Anthony Rowley, Executive Director and Chief Operating Officer
Mr Leath Nicholson, Independent Non-Executive Chairman
Mr Anoosh Manzoori, Independent Non-Executive Director
Mr Adam Gallagher, Independent Non-Executive Director

Key management personnel (KMP) of the group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the group, directly or indirectly, including any director (whether executive or otherwise) of the group receiving the highest remuneration. Details of the remuneration of the KMP of the group are set out in the following tables.

The following persons was considered other KMP of CCP Technologies Limited during the financial year:

Mr Kartheek Munigoti, Chief Technical Officer
Mr Axel Striefler, President - CCP North Amercia (appointed 19 March 2018)
Mr Tom Chicoine, President - CCP North Amercia (resigned 19 March 2018)
Mr Gary Taylor, Chief Financial Officer (resigned 3 November 2017)

Amounts of remuneration

The following table shows details of remuneration expenses recognised for the group's KMP for the financial year ended 30 June 2018.

2018	Short-term benefits				Post-employment benefits	Share-based payments	
	Cash salary and fees $	Cash bonus $	Non-monetary benefits $	Other $	Super-annuation $	Options $	Total $
Non-Executive Directors							
Mr Leath Nicholson	23,000	-	-	-	-	21,000	44,000
Mr Anoosh Manzoori	16,250	-	-	-	-	21,000	37,250
Mr Adam Gallagher	19,500	-	-	-	-	4,565	24,065
Executive Directors							
Mr Michael White	185,051	-	-	2,789	25,000	5,697	218,537
Mr Anthony Rowley	197,319	-	-	-	15,580	5,697	218,596
Other KMP							
Mr Kartheek Munigoti	170,459	-	-	-	14,820	-	185,279
Mr Axel Striefler	51,153	-	-	19,116	-	-	70,269
Mr Tom Chicoine	54,814	-	-	-	-	26,278	81,092
Mr Gary Taylor	60,198	-	-	-	-	-	60,198
Total KMP compensation	**777,744**	**-**	**-**	**21,905**	**55,400**	**84,237**	**939,286**

Notes

- Mr Axel Striefler appointed on 19 March 2018.
- Mr Tom Chicoine resigned on 19 March 2018.
- Mr Gary Taylor resigned on 3 November 2017.

Remuneration report (audited) (continued)

(b) Details of remuneration (continued)

Amounts of remuneration (continued)

The following table shows details of remuneration expenses recognised for the group's KMP for the financial year ended 30 June 2017.

2017	Short-term benefits			Post-employment benefits	Share-based payments	
	Cash salary and fees $	Cash bonus $	Non-monetary benefits $	Super-annuation $	Options $	Total $
Non-Executive Directors						
Mr Leath Nicholson	17,250	-	-	-	12,925	30,175
Mr Anoosh Manzoori	11,250	-	-	-	12,925	24,175
Mr Adam Gallagher	29,375	-	-	-	-	29,375
Mr Craig Chapman	15,333	-	-	-	-	15,333
Mr Christopher McNamara	19,108	-	-	1,700	-	20,808
Executive Directors						
Mr Michael White	159,455	-	-	24,543	-	183,998
Mr Anthony Rowley	175,613	-	1,500	13,685	-	190,798
Other KMP						
Mr Kartheek Munigoti	152,406	-	-	11,295	-	163,701
Mr Tom Chicoine	61,715	-	-	-	31,057	92,772
Mr Gary Taylor	125,000	-	-	-	13,125	138,125
Total KMP compensation	**766,505**	**-**	**1,500**	**51,223**	**70,032**	**889,260**

Notes

- Mr Craig Chapman resigned as non-executive director on 18 November 2016.
- Mr Christopher McNamara resigned as non-executive director on 6 March 2017.

Remuneration report (audited) (continued)

(b) Details of remuneration (continued)

Amounts of remuneration (continued)

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

Consolidated entity

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2018 %	2017 %	**2018 %**	2017 %	**2018 %**	2017 %
Non-Executive Directors						
Mr Leath Nicholson	**52**	57	**-**	-	**48**	43
Mr Anoosh Manzoori	**44**	47	**-**	-	**56**	53
Mr Adam Gallagher	**81**	100	**-**	-	**19**	-
Mr Craig Chapman	**-**	100	**-**	-	**-**	-
Mr Christopher McNamara	**-**	100	**-**	-	**-**	-
Executive Directors						
Mr Michael White	**97**	100	**-**	-	**3**	-
Mr Anthony Rowley	**97**	100	**-**	-	**3**	-
Other KMP						
Mr Kartheek Munigoti	**100**	100	**-**	-	**-**	-
Mr Axel Striefler	**100**	-	**-**	-	**-**	-
Mr Tom Chicoine	**68**	67	**-**	-	**32**	33
Mr Gary Taylor	**100**	92	**-**	-	**-**	8

(c) Service agreements

Non-Executive Chairman

The group has entered into a service arrangement with Catellen Pty Ltd to provide the services of Mr Leath Nicholson as Non-Executive Chairman of the group commencing on 14 October 2016. The key terms of the arrangement are:

- Fee of $23,000 per annum;
- 2,000,000 options to acquire ordinary securities, exercisable at $0.10 each, approved by shareholders on 18 November 2016, vesting on 15 December 2018 and expiring on 15 December 2020;
- No notice period.

Non-Executive Directors

The group has entered into a service arrangement with Shape Capital Pty Limited to provide the services of Mr Anoosh Manzoori as a Non-Executive Director of the group commencing on 14 October 2016. The key terms of the arrangement are:

- Fee of $15,000 per annum;
- 2,000,000 options to acquire ordinary securities, exercisable at $0.10 each, approved by shareholders on 18 November 2016, vesting on 15 December 2018 and expiring on 15 December 2020;
- No notice period.

The group has entered into a service arrangement with Famile Pty Limited to provide the services of Mr Adam Gallagher as a Non-Executive Director of the group commencing on 1 June 2015. The key terms of the arrangement are:

- Fee of $30,000 per annum (payable in cash and equity);
- No notice period.

Remuneration report (audited) (continued)

(c) Service agreements (continued)

Executive Directors

The group has entered into an employment contract with Mr Michael White as CEO and Executive Director. The key terms of the contract are:

- Salary of $182,000 per annum plus statutory superannuation contributions;
- 6 months' notice period, except where there is a change in control and the notice period is reduced to 3 months;

The group has entered into an employment contract with Mr Anthony Rowley as COO and Executive Director. The key terms of the contract are:

- Salary of $182,000 per annum plus statutory superannuation contributions;
- 6 months' notice period, except where there is a change in control and the notice period is reduced to 3 months;

The Executive Directors have a substantial interest in the group through their respective related party entities. These share and option holdings are outlined from page 20.

Chief Technical Officer

The group has entered into an employment contract with Mr Kartheek Munigoti as CTO. The key terms of the contract are:

- Salary of $156,000 per annum plus statutory superannuation contributions;
- 6 months' notice period, except where there is a change in control and the notice period is reduced to 3 months;

The CTO has a substantial interest in the group through his related party entity, Sriskanda Family Trust.

President – CCP North America

The group has entered into a service arrangement with Mr Tom Chicoine to act as President - CCP North America of the group commencing on 1 September 2016. This arrangement ended on 19 March 2018. The key terms of the arrangement are:

- Fee of US$102,000 per annum (reduced to US$51,000 per annum from June 2017);
- 30-day notice period;

The group has entered into a service arrangement with Mr Axel Striefler to act as President - CCP North America of the group commencing on 19 March 2018. The key terms of the arrangement are:

- Fee of US$148,000 per annum;
- 3-month notice period;

Chief Financial Officer

The group has entered into a service arrangement with Adtay Pty Limited to provide the services of Mr Gary Taylor as CFO of the group commencing on 21 April 2014. This arrangement ended on 3 November 2017. The key terms of the arrangement were:

- Fee of $150,000 per annum;
- Annual time commitment of 40 weeks per annum;
- 6 months' notice period, except where there is a change in control and the notice period is reduced to 3 months;

The group appointed Mr Phillip Hains as CFO on 3 November 2017, operating via a specialist public practice, 'The CFO Solution'. As an outsourced provider of back office support, financial reporting and compliance systems, Mr Hains is not considered to be KMP.

Remuneration report (audited) (continued)

(d) Share-based compensation

(i) Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the financial year ended 30 June 2018.

(ii) Options

During the current financial year, there were 1,446,550 unlisted options issued to Mr Adam Gallagher, and 5,000,000 unlisted options each to Mr Michael White and Mr Anthony Rowley. These options were approved on 10 November 2017 at the Annual General Meeting.

(e) Relationship between the remuneration policy and group performance

Statutory performance indicators

The factors that are considered to affect shareholder return in the past 5 years are summarised below:

	30 June 2018 $	30 June 2017 $	30 June 2016 $	30 June 2015 $	30 June 2014 $
Share price at end of year	0.010	0.025	0.016	0.014	0.015
Market capitalisation at the end of the year ($M)	3.50	7.10	2.52	2.09	1.96
Net profit/(loss) for the financial year	(2,833,837)	(3,758,069)	(376,510)	(1,083,446)	786,160
Dividends paid	Nil	Nil	Nil	Nil	Nil

Fixed remuneration is not linked to group performance. It is set to the individuals' role, responsibilities and performance and remuneration levels for similar positions in the market.

Profit targets are deemed an appropriate performance measure for the granting of short- and long-term incentives to senior executives given that it is a key target hurdle referenced by the board in preparing annual budgets and measuring group performance. Profit targets reflect the directors' assessment of the result of the ongoing business activities of the group excluding non-cash, one-off market related items that are usually out of managements' control. The annual target is determined by the remuneration committee and approved by the board having regard to the group's annual budget. The target could be higher or lower than budget for and is adjusted for the effect of material equity issues.

Prior to the reverse acquisition in Q1 2017, the link between remuneration, company financial performance and shareholder wealth generation was tenuous, particularly in the research and development stage of a biotechnology company. Following the reverse acquisition, the group is now an IoT focused business.

Share prices are subject to the influence of market sentiment toward the sector in which it operates and increase and decreases in the share price may occur independently of executive performance or remuneration.

(f) Key management personnel disclosures

Share holdings

The number of shares in the parent entity held during the financial years ended 30 June 2018 and 30 June 2017 by each director and other members of key management personnel of the group, including their personally related parties, is set out below:

Remuneration report (audited) (continued)

(f) Key management personnel disclosures (continued)

Share holdings (continued)

2018	Balance at the start of the period[1]	Granted as remuneration	Received on exercise of options	Other changes	Balance at the end of the period[3]
Ordinary shares					
Mr Leath Nicholson	-	-	-	-	-
Mr Anoosh Manzoori	-	-	-	-	-
Mr Adam Gallagher	527,948	-	-	395,000	922,948
Mr Craig Chapman	-	-	-	-	-
Mr Chris McNamara	-	-	-	-	-
Mr Michael White	33,886,300	-	-	-	33,886,300
Mr Anthony Rowley	33,549,300	-	-	85,000	33,634,300
Mr Kartheek Munigoti	22,047,080	-	-	-	22,047,080
Mr Axel Striefler	-	-	-	-	-
Mr Tom Chicoine	-	-	-	-	-
Mr Gary Taylor	351,000	-	-	(351,000)	-
	90,361,628	**-**	**-**	**129,000**	**90,490,628**

2017	Balance at the start of the period[1]	Granted as remuneration	Received on exercise of options	Other changes[2]	Balance at the end of the period[3]
Ordinary shares					
Mr Leath Nicholson	-	-	-	-	-
Mr Anoosh Manzoori	-	-	-	-	-
Mr Adam Gallagher	1,959,956	-	-	(1,432,008)	527,948
Mr Craig Chapman	5,616,776	-	-	(5,616,776)	-
Mr Chris McNamara	517,956	-	-	(517,956)	-
Mr Michael White	-	-	-	33,886,300	33,886,300
Mr Anthony Rowley	-	-	-	33,549,300	33,549,300
Mr Kartheek Munigoti	-	-	-	22,047,080	22,047,080
Mr Axel Striefler	-	-	-	-	-
Mr Tom Chicoine	-	-	-	-	-
Mr Gary Taylor	-	-	-	351,000	351,000
	8,094,688	**-**	**-**	**82,266,940**	**90,361,628**

Notes

1. Balance may include shares held prior to individuals becoming KMP. For individuals who became KMP during the period, the balance is as at the date they became KMP. Opening balances held prior to 5:1 share consolidation adjusted in accordance with the prospectus issued on 1 July 2016.

2. Other changes incorporates changes resulting from the sale of shares.

3. For former KMP, the balance is as at the date they cease being KMP.

Remuneration report (audited) (continued)

(f) Key management personnel disclosures (continued)

Milestone share holdings

The milestone shares allotted to directors and key management are not related to remuneration as they form part of the purchase price of the acquisition of CCP group. All shareholders of CCP group have been allotted these milestone shares regardless if they are a current KMP of the group.

2018	Balance at the start of the period	Allotted on acquisition	Derecognised on lapse of milestone targets	Converted to ordinary securities on attaining milestone[1]	Balance at the end of the period
Milestone shares					
Mr Michael White	9,015,030	-	(9,015,030)	-	-
Mr Anthony Rowley	8,685,029	-	(8,685,029)	-	-
Mr Kartheek Munigoti	5,874,020	-	(5,874,020)	-	-
	23,574,079	**-**	**(23,574,079)**	**-**	**-**

2017	Balance at the start of the period	Allotted on acquisition	Derecognised on lapse of milestone targets	Converted to ordinary securities on attaining milestone[1]	Balance at the end of the period
Milestone shares					
Mr Michael White	-	18,030,030	(4,507,500)	(4,507,500)	9,015,030
Mr Anthony Rowley	-	17,370,029	(4,342,500)	(4,342,500)	8,685,029
Mr Kartheek Munigoti	-	11,748,020	(2,937,000)	(2,937,000)	5,874,020
	-	**47,148,079**	**(11,787,000)**	**(11,787,000)**	**23,574,079**

Notes

1. Milestone shares are capable of being converted to ordinary securities on the basis of one ordinary security for every five milestone shares held.

Remuneration report (audited) (continued)

(f) Key management personnel disclosures (continued)

Option holdings

The number of options over ordinary shares in the parent entity held during the financial years ended 30 June 2018 and 30 June 2017 by each director and other members of key management personnel of the group, including their personally related parties, is set out below:

2018	**Balance at start of the period[1]**	**Granted as remuneration**	**Exercised**	**Other changes[2]**	**Balance at end of the period[3]**	**Vested and exercisable**
Options						
Mr Leath Nicholson	2,000,000	-	-	-	2,000,000	-
Mr Anoosh Manzoori	2,000,000	-	-	-	2,000,000	-
Mr Adam Gallagher	-	1,446,550	-	-	1,446,550	-
Mr Michael White (4)	-	5,000,000	-	-	5,000,000	-
Mr Anthony Rowley (4)	-	5,000,000	-	-	5,000,000	-
Mr Tom Chicoine	1,333,333	-	-	(1,333,333)	-	-
	5,333,333	**11,446,550**	**-**	**(1,333,333)**	**15,446,550**	**-**

2017	**Balance at start of the period[1]**	**Granted as remuneration**	**Exercised**	**Other changes[2]**	**Balance at end of the period[3]**	**Vested and exercisable**
Options						
Mr Leath Nicholson	-	2,000,000	-	-	2,000,000	-
Mr Anoosh Manzoori	-	2,000,000	-	-	2,000,000	-
Mr Tom Chicoine	-	1,333,333	-	-	1,333,333	-
	-	**5,333,333**	**-**	**-**	**5,333,333**	**-**

Notes

1. Balance may include shares held prior to individuals becoming KMP. For individuals who became KMP during the period, the balance is as at the date they became KMP.

2. Other changes incorporates changes resulting from the expiration/forfeiture of options.

3. For former KMP, the balance is as at the date they cease being KMP.

4. At the 2017 Annual General Meeting, the shareholder approved the issue of 5 million share rights to each executive directors, Michael White and Anthony Rowley, with a term of 3 years from grant date and an exercise price of $0.10 per share.

Remuneration report (audited) (continued)

(f) Key management personnel disclosures (continued)

Transactions with KMP and related parties

Transactions between key management personnel related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. The following transactions occurred during the year ended 30 June 2018:

	Consolidated entity	
	30 June 2018 $	30 June 2017 $
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.	**20,533**	32,763
Consultancy fees paid to Nillahcootie Enterprises Pty Ltd, a company associated with Michael White, in respect of the provision of sales and administrative services.	**-**	10,720
Consultancy fees paid to Adtay Pty Ltd, a company associated with Gary Taylor, in respect of the provision of sales services.	**-**	7,753
Consultancy fees paid to Skantech Pty Ltd, a company associated with Kartheek Munigoti, in respect of the provision of IT technical support services.	**28,342**	17,920
Consultancy fees paid to Saks Technologies Pvt Ltd, a company associated with Kartheek Munigoti, in respect of the provision of IT technical support services in India.	**-**	205,575
Interest paid to Reefpeak Pty Ltd, a company associated with Craig Chapman in respect of unsecured loan advanced pending completion of the acquisition.	**-**	422
Interest paid to Anthony Rowley in respect of unsecured loan advanced pending completion of the acquisition.	**-**	140
Interest paid to Michael White in respect of unsecured loan advanced pending completion of the acquisition.	**-**	140
Legal fees paid on normal commercial terms to Nicholson Ryan Lawyers Pty Ltd (formerly Foster Nicholson Jones Lawyers Pty Ltd), a company associated with Leath Nicholson.	**25,753**	37,501

Remuneration report (audited) (continued)

(f) Key management personnel disclosures (continued)

Outstanding balances with related parties

The following balances remain outstanding with related parties as at 30 June 2018:

	Consolidated entity	
	30 June 2018 $	30 June 2017 $
Office rent and outgoings payable to Lagoon Properties Pty Ltd, a company associated with Michael White and Anthony Rowley in respect of the St Kilda office premises.	**1,958**	-
Consultancy fees payable to Skantech Pty Ltd, a company associated with Kartheek Munigoti, in respect of the provision of IT technical support services.	**3,300**	-
Legal fees payable to Nicholson Ryan Lawyers Pty Ltd (formerly Foster Nicholson Jones Lawyers Pty Ltd), a company associated with Leath Nicholson.	**-**	23,500
Directors' fees payable to Catellen Pty Ltd, a company associated with Leath Nicholson.	**1,917**	-
Directors' fees payable to Famile Pty Ltd, a company associated with Adam Gallagher.	**2,750**	-
Directors' fees payable to Shape Capital Pty Ltd, a company associated with Anoosh Manzoori.	**1,375**	-

[This concludes the remuneration report, which has been audited]

Shares under option

(a) Unissued ordinary shares

Unissued ordinary shares of CCP Technologies Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price (AUD)	No. of share options 30 June 2018
CT101 (granted: 18-Nov-2016)	15-Dec-2020	$0.10	2,000,000
CT102 (granted: 18-Nov-2016)	15-Dec-2020	$0.10	2,000,000
CT103 (granted: 15-Dec-2016)	15-Dec-2019	Nil	1,333,000
CT103 (granted: 15-Dec-2016)	15-Dec-2019	Nil	200,000
CT104 (granted: 10-Nov- 2017)	25-Oct-2021	$0.10	1,446,550
CT105 (granted: 10-Nov- 2017)	31-Dec-2020	$0.10	5,000,000
CT105 (granted: 10-Nov- 2017)	31-Dec-2020	$0.10	5,000,000
			16,979,550

No option holder has any right under the options to participate in any other share issue of the company or any other entity.

Insurance of officers and indemnities

(a) Insurance of officers

The group has indemnified the directors and executives of the group for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the group paid a premium in respect of a contract to insure the directors and executives of the group against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

(b) Indemnity of auditor

The group has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the group or any related entity against a liability incurred by the auditor.

During the financial year, the group has not paid a premium in respect of a contract to insure the auditor of the group or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001.*

Non-audit services

During the financial year ended 30 June 2018 the group did not engage the external auditor to provide non-audit services.

The group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor’s expertise and experience with the group are important.

There are no officers of the group who are former audit partners of BDO Audit Pty Ltd.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 28.

Statement of corporate governance practices

The group is committed to the principles underpinning good corporate governance, applied in a manner, which is most suited to the group, and to best addressing the directors' accountability to security holders and other stakeholders. This is supported by a commitment to the highest standards of legislative compliance and financial and ethical behaviour.

The group has adopted the ASX Corporate Governance Principles and Recommendations 3rd Edition as far as practicable based on the size of the group.

The company has elected to publish its 'statement of corporate governance practices' on its website. In addition, each year the 'Key to Disclosures - Corporate Governance Council Principles and Recommendations' will be available to shareholders at the same time this report is released.

Auditor

BDO Audit Pty Ltd continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of directors.

Mr Michael White
Director

Melbourne
31 August 2018

Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 10, 12 Creek St
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

DECLARATION OF INDEPENDENCE BY M CUTRI TO THE DIRECTORS OF CCP TECHNOLOGIES LIMITED

As lead auditor of CCP Technologies Limited for the year ended 30 June 2018, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of CCP Technologies Limited and the entities it controlled during the period.

M Cutri
Director

BDO Audit Pty Ltd

Brisbane, 31 August 2018

CCP Technologies Limited ABN 58 009 213 754
Annual report - 30 June 2018

Contents

	Notes	Consolidated entity **30 June 2018** **$**	 30 June 2017 $
Revenue and other income	2	**317,344**	175,496
Administration expense		**(386,084)**	(254,694)
Re-listing expense		**-**	(92,126)
Depreciation expense	3	**(10,413)**	(8,128)
Directors fees		**(58,750)**	(70,091)
Employee and contracting expense	3	**(1,595,613)**	(1,100,041)
Finance costs	3	**(10,952)**	(16,660)
Marketing		**(176,966)**	(206,598)
Materials		**(142,757)**	(193,184)
Occupancy		**(76,278)**	(54,581)
Patents and trademarks		**(7,190)**	(50,148)
Professional and legal expense		**(208,842)**	(111,866)
Research and development		**(115,486)**	(206,304)
Share-based payment expense	10	**(158,181)**	(146,561)
Travel		**(161,804)**	(92,086)
Corporate restructure expense		**-**	(1,308,938)
Doubtful debts		**(41,865)**	-
Loss before income tax		**(2,833,837)**	(3,736,510)
Income tax expense	4	**-**	-
Loss from continuing operations		**(2,833,837)**	(3,736,510)
Loss from discontinued operations	8(c)	**-**	(21,559)
Loss for the period		**(2,833,837)**	(3,758,069)
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations	9(b)	(1,373)	(10,418)
Total comprehensive loss for the period		**(2,835,210)**	(3,768,487)
Total comprehensive income for the period is attributable to:			
Owners of CCP Technologies Limited		**(2,835,210)**	(3,768,487)
		Cents	Cents
Loss per share for loss from continuing operations attributable to the ordinary equity holders of the company:			
Basic loss per share	11	**(0.89)**	(1.99)
Diluted loss per share	11	**(0.89)**	(1.99)
Loss per share for loss attributable to the ordinary equity holders of the company:			
Basic loss per share	11	**(0.89)**	(2.00)
Diluted loss per share	11	**(0.89)**	(2.00)

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

		Consolidated entity	
	Notes	**30 June 2018 $**	30 June 2017 $
ASSETS			
Current assets			
Cash and cash equivalents		**453,776**	1,727,137
Trade and other receivables	5(a)	**91,127**	86,379
Other current assets	6	**44,301**	42,130
Total current assets		**589,204**	1,855,646
Non-current assets			
Property, plant and equipment	7(a)	**43,367**	24,162
Total non-current assets		**43,367**	24,162
Total assets		**632,571**	1,879,808
LIABILITIES			
Current liabilities			
Trade and other payables	5(b)	**169,678**	204,116
Employee benefit obligations	7(b)	**74,744**	18,582
		244,422	222,698
Liabilities directly associated with discontinued operations	8	**21,658**	34,608
Total current liabilities		**266,080**	257,306
Total non-current liabilities		**-**	-
Total liabilities		**266,080**	257,306
Net assets		**366,491**	1,622,502
EQUITY			
Contributed equity	9(a)	**8,400,628**	6,909,610
Other reserves	9(b)	**137,951**	51,143
Accumulated losses		**(8,172,088)**	(5,338,251)
Total equity		**366,491**	1,622,502

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

		Attributable to owners of CCP Technologies Limited			
Consolidated entity	Notes	**Contributed equity $**	**Other reserves $**	**Accumulated losses $**	**Total equity $**
Balance at 1 July 2016		1,212,910	-	(1,580,182)	(367,272)
Loss for the period		-	-	(3,758,069)	(3,758,069)
Other comprehensive income		-	(10,418)	-	(10,418)
Total comprehensive income for the period		**-**	**(10,418)**	**(3,758,069)**	**(3,768,487)**
Transactions with owners in their capacity as owners:					
Reverse acquisition of CCP group and capital raising		4,460,326	-	-	4,460,326
Securities issued in settlement of debt		20,000	-	-	20,000
Securities issued during the year		1,323,603	-	-	1,323,603
Transaction costs		(107,229)	-	-	(107,229)
Share-based payments	9(b)	-	61,561	-	61,561
		5,696,700	61,561	-	5,758,261
Balance at 30 June 2017		**6,909,610**	**51,143**	**(5,338,251)**	**1,622,502**
Balance at 1 July 2017		6,909,610	51,143	(5,338,251)	1,622,502
Loss for the period		-	-	(2,833,837)	(2,833,837)
Other comprehensive income		-	(1,373)	-	(1,373)
Total comprehensive income for the period		**-**	**(1,373)**	**(2,833,837)**	**(2,835,210)**
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs and tax	9(a)	1,491,018	-	-	1,491,018
Share-based payments	9(b)	-	88,181	-	88,181
		1,491,018	88,181	-	1,579,199
Balance at 30 June 2018		**8,400,628**	**137,951**	**(8,172,088)**	**366,491**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

	Notes	Consolidated entity **30 June 2018 $**	30 June 2017 $
Cash flows from operating activities			
Receipts from customers (GST inclusive)		**287,619**	89,067
Payments to suppliers and employees (GST inclusive)		**(2,962,595)**	(2,464,188)
Other income receipts		**13,289**	-
Interest received		**4,989**	7,521
Finance costs		**(810)**	(4,608)
Net cash (outflow) from operating activities	12	**(2,657,508)**	(2,372,208)
Cash flows from investing activities			
Payments for property, plant and equipment	7(a)	**(29,618)**	(8,828)
Payments for deposits		**(7,561)**	-
Net cash acquired from CCP Technologies Limited		**-**	9,688
Net cash (outflow) inflow from investing activities		**(37,179)**	860
Cash flows from financing activities			
Proceeds from issues of shares and other equity securities	9(a)	**1,465,500**	4,323,602
Payment for transaction costs in relation to the issue of shares		**(44,482)**	(273,465)
Proceeds from borrowings		**-**	170,000
Repayment of borrowings		**-**	(175,000)
Net cash inflow from financing activities		**1,421,018**	4,045,137
Net (decrease) increase in cash and cash equivalents		**(1,273,669)**	1,673,789
Cash and cash equivalents at the beginning of the financial year		**1,727,137**	53,348
Effects of exchange rate changes on cash and cash equivalents		**308**	-
Cash and cash equivalents at end of period		**453,776**	1,727,137

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Contents of the notes to the consolidated financial statements

1 Segment information

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the chief operating decision makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

The company currently operates predominantly in one segment, being the sale and commercialisation of the CCP Solution.

Revenue by geographical location

Revenue by geographical location attributable to external customers is disclosed below, based on the location of the external customer:

	Consolidated entity	
	30 June 2018 $	30 June 2017 $
Australia	**287,646**	21,908
United States	**29,698**	153,588
Total segment revenue	**317,344**	175,496

2 Revenue and other income

The group derives the following types of revenue:

	Consolidated entity	
	30 June 2018 $	30 June 2017 $
Revenue from provision of goods and services	**299,066**	169,087
Interest income	**4,989**	6,409
Other income receipts	**13,289**	-
	317,344	175,496

(a) Recognising revenue from major business activities

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the group's activities as described below. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities using the methods outlined below.

Sale of goods

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Provision of services

Revenue relating to the provision of services is determined with reference to the stage of completion of the transaction at reporting date and where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

2 Revenue and other income (continued)

(a) Recognising revenue from major business activities (continued)

When it is probable that the total contract costs will exceed the total contract revenue, the expected loss is recognised as an expense immediately through the consolidated statement of profit or loss and other comprehensive income.

All revenue is stated net of the amount of goods and services tax (GST).

3 Expenses

	Consolidated entity	
	30 June 2018 $	30 June 2017 $
Loss before income tax includes the following specific expenses:		
Employee benefits expenses		
Salaries	**996,718**	337,886
Contractors – KMP	**203,354**	440,987
Contractors – sales, marketing and administration	**126,254**	197,077
Contractors – research and development	**138,631**	45,316
Annual leave provided	**56,161**	18,583
Superannuation	**73,234**	59,125
Salary on costs	**1,261**	1,067
	1,595,613	1,100,041
Depreciation expense		
Depreciation of property, plant and equipment	**10,413**	8,128
	10,413	8,128
Finance costs		
Foreign exchange loss/(gain)	**10,142**	12,052
Interest paid	**810**	4,608
	10,952	16,660

4 Income tax expense

(a) Income tax expense

	Consolidated entity	
	30 June 2018 $	30 June 2017 $
Current tax	**-**	-
Deferred income tax	**-**	-
Income tax expense	**-**	-

4 Income tax expense (continued)

(a) Income tax expense (continued)

Potential future income tax benefits attributable to tax losses carried forward have not been brought to account at 30 June 2018 because the directors do not believe that it is appropriate to regard realisation of the future income tax benefit as probable. The group tax losses do not expire but are subject to a continuity of ownership test. Realisation of the benefit of tax losses would be subject to the group satisfying the conditions for deductibility imposed by tax legislation and no subsequent changes in tax legislation adversely impacting the group. The group has made no assessment as to the satisfaction of deductibility conditions at 30 June 2018. Similarly, future benefits attributable to net temporary differences have not been brought to account, as the directors do not regard the realisation of such benefits as probable.

(b) Numerical reconciliation of income tax expense to prima facie tax payable

	Consolidated entity	
	30 June 2018 $	30 June 2017 $
Loss from continuing operations before income tax expense	**(2,833,837)**	(3,736,510)
Loss from discontinuing operations before income tax expense	**-**	(21,559)
Loss before income tax	**(2,833,837)**	**(3,758,069)**
Tax at the Australian tax rate of 27.5% (2017: 27.5%)	**(779,305)**	(1,033,469)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Share-based payment expense	**43,500**	40,304
Corporate restructure expense	**-**	359,958
Movement in provisions	**15,444**	5,110
Unrealised foreign exchange movements	**(462)**	251
Other items not deductible	**407**	317
Tax losses and other timing differences for which no deferred tax asset is recognised	**720,416**	627,529
Income tax expense	**-**	-

5 Financial assets and financial liabilities

(a) Trade and other receivables

	Consolidated entity					
		30 June 2018			30 June 2017	
	Current $	**Non-current $**	**Total $**	Current $	Non-current $	Total $
Trade receivables	**104,977**	**-**	**104,977**	69,610	-	69,610
Provision for impairment of receivables (see note 13(b))	**(41,865)**	**-**	**(41,865)**	-	-	-
	63,112	**-**	**63,112**	**69,610**	**-**	**69,610**
Other receivables (i)	**28,015**	**-**	**28,015**	16,769	-	16,769
Total trade and other receivables	**91,127**	**-**	**91,127**	**86,379**	**-**	**86,379**

5 Financial assets and financial liabilities (continued)

(a) Trade and other receivables (continued)

(i) Other receivables

Other receivables comprises GST refundable and sundry receivables.

(b) Trade and other payables

	Consolidated entity	
	30 June 2018 $	30 June 2017 $
Current liabilities		
Trade payables	**59,830**	96,608
Accrued expenses	**64,221**	92,293
Other payables	**45,627**	15,215
	169,678	204,116

(c) Fair value measurement

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the consolidated statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted, and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the group. Most of these instruments which are carried at amortised cost (i.e. term receivables, held-to-maturity assets and loan liabilities) are to be held until maturity and therefore the net fair value figures calculated bear little relevance to the group.

	30 June 2018		30 June 2017	
	Carrying amount $	**Fair value amount $**	Carrying amount $	Fair value amount $
Financial assets				
Cash and cash equivalents	**453,776**	**453,776**	1,727,137	1,727,137
Trade and other receivables	**91,127**	**91,127**	86,379	86,379
	544,903	**544,903**	1,813,516	1,813,516
Financial liabilities				
Trade and other payables	**169,678**	**169,678**	204,116	204,116

The fair values disclosed in the preceding table have been determined based on the following methodologies:

- Cash and cash equivalents, trade and other receivables, trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value.
- The trade and other receivables include the amounts receivable from taxation authorities and as such the carrying value is equivalent to fair value.

6 Other current assets

	Consolidated entity	
	30 June 2018 $	30 June 2017 $
Current assets		
Prepaid expenses	**14,512**	20,080
Deposits	**29,612**	22,050
Miscellaneous	**177**	-
	44,301	42,130

7 Non-financial assets and liabilities

(a) Property, plant and equipment

	Consolidated entity	
	30 June 2018 $	30 June 2017 $
Furniture, fittings and equipment		
Gross value	**65,102**	38,443
Accumulated depreciation	**(24,695)**	(14,281)
	40,407	24,162
Machinery and vehicles		
Gross value	**2,960**	-
Accumulated depreciation	**-**	-
	2,960	-
	43,367	24,162

Consolidated entity	**Furniture, fittings and equipment $**	**Machinery and vehicles $**	**Total $**
Year ended 30 June 2018			
Opening net book amount	24,162	-	24,162
Additions	26,658	2,960	29,618
Depreciation charge	(10,413)	-	(10,413)
Closing net book amount	40,407	2,960	43,367

7 Non-financial assets and liabilities (continued)

(a) Property, plant and equipment (continued)

Consolidated entity	**Furniture, fittings and equipment $**	**Machinery and vehicles $**	**Total $**
Year ended 30 June 2017			
Opening net book amount	23,200	-	23,200
Additions	10,816	-	10,816
Disposals	(1,726)	-	(1,726)
Depreciation charge	(8,128)	-	(8,128)
Closing net book amount	24,162	-	24,162

(i) Revaluation, depreciation methods and useful lives

Property, plant and equipment is recognised at historical cost less depreciation.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows:

- Furniture, fittings and equipment 2 - 5 years
- Machinery and vehicles 8 years

See note 22(w) for the other accounting policies relevant to property, plant and equipment.

(b) Provisions

	Consolidated entity					
	30 June 2018			30 June 2017		
	Current $	**Non-current $**	**Total $**	Current $	Non-current $	Total $
Annual leave obligations	**74,744**	**-**	**74,744**	18,582	-	18,582

8 Discontinued operation

(a) Description

The discontinued operations reflect the assets still retained by CCP Technologies Limited following the reverse acquisition of CCP Group. These assets consist of Thromboview a novel diagnostic test that uses a radiolabelled humanised monoclonal antibody fragment specific for the D-dimer region of cross-linked fibrin to detect Deep Vein Thrombosis and DiagnostiQ, its licenced technology for human health applications, specifically to meet to need to carry out multiplexed affinity-based assays in low-resource or mobile settings.

At the date of this report effort to find a purchaser for both Thromboview and DiagnostiQ has proved unsuccessful. The Board has determined that the Thromboview project should be abandoned and the materials held be destroyed in accordance with regulatory requirements and best practice. No costs are incurred in retaining DiagnostiQ and efforts for disposal remain on going. Existing patents and trademarks in respect of existing biotechnology assets are being allowed to lapse. Licence fees, albeit small in dollar terms may still be received until such time as the patents cease to exist.

8 Discontinued operation (continued)

(b) Financial performance and cash flow information

In the comparative period, the financial year ended 30 June 2017, corporate expenses were incurred in relation to the Thromboview asset as outlined in the table below:

	Consolidated entity	
	30 June 2018 $	30 June 2017 $
Revenue	**-**	-
Corporate expenses	**-**	(21,559)
Loss before income tax	**-**	(21,559)
Income tax expense	**-**	-
Loss after income tax of discontinued operation	**-**	(21,559)
Net cash flows from operating activities	**-**	(14,179)

(c) Assets and liabilities of disposal group classified as held for sale

The following assets and liabilities were reclassified as held for sale in relation to the Thromboview discontinued operation as at 30 June 2018:

	Consolidated entity	
	30 June 2018 $	30 June 2017 $
Liabilities directly associated with assets classified as held for sale		
Trade and other payables	**(21,658)**	(34,608)
Net assets	**(21,658)**	**(34,608)**

9 Equity

(a) Share capital

	30 June 2018 No.	**30 June 2018 $**	30 June 2017 No.	30 June 2017 $
Ordinary shares - fully paid	**349,678,422**	**8,400,628**	284,014,118	6,909,610

9 Equity (continued)

(a) Share capital (continued)

(i) Movements in ordinary shares

Details	**Number of shares**	**$**
Balance at 1 July 2016	**2,762,865**	**1,212,910**
Elimination of existing CCP group shares	(2,762,865)	-
Existing CCP Technologies Limited shares on acquisition (a)	31,455,158	1,572,758
Issue of CCP Technologies Limited shares on acquisition	109,600,000	-
Issue of securities in respect of public offer (b)	60,000,000	3,000,000
Issue of advisor securities for prospectus services rendered (c)	1,700,000	85,000
Issue of securities in settlement of liability	400,000	20,000
Issue of securities – refer milestone shares below	3,000,000	-
Issue of securities – placement	30,523,273	518,896
Issue of securities – rights issue	47,335,687	804,707
Less: Transaction costs arising on share issue	-	(304,661)
Balance at 30 June 2017	**284,014,118**	**6,909,610**
Issue of securities to consultants for services received	1,947,000	70,000
Issue of securities at $0.023 each – placement	21,739,126	500,000
Issue of securities at $0.023 each – share purchase plan	41,978,178	965,500
Less: Transaction costs arising on share issue	-	(44,482)
Balance at 30 June 2018	**349,678,422**	**8,400,628**

Notes

(a) The above amount represents the fair value of the reverse acquisition of CCP Technologies Limited. The fair value was determined by reference to the net assets and market capitalisation of CCP Technologies Limited as at the date of acquisition utilising the last available share price.

(b) Issue of securities in respect of the prospectus dated 29 June 2016 at an offer price of $0.05.

(c) Issue of advisor shares at fair value of $0.05 per security pursuant shareholder approval granted at the extraordinary general meeting held on 29 July 2016. This amount is included as a share-based payment expense in the consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2017.

(ii) Rights of each type of share

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of 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) Milestone shares

Pursuant to the share sale agreement between the company and the shareholders of CCP group, additional securities were to be issued to those shareholders on achieving the milestone targets set out in that agreement. Ordinary securities were to be issued on the basis of one ordinary security for every five milestone shares held, subject to meeting the milestone targets. In the event that milestone targets were not met those milestone shares will be cancelled. The following is a summary of the movements in milestone shares for the financial year ended 30 June 2018.

9 Equity (continued)

(a) Share capital (continued)

	Allotted on acquisition	Converted to ordinary securities	Lapsed	Balance held at 30 June 2018
Milestone one	15,000,000	(15,000,000)	-	-
Additional milestone one	5,000,000	-	(5,000,000)	-
Milestone two	15,000,000	(15,000,000)	-	-
Additional milestone two	5,000,000	-	(5,000,000)	-
Milestone three	15,000,000	(15,000,000)	-	-
Additional milestone three	5,000,000	-	(5,000,000)	-
	60,000,000	**(60,000,000)**	**(15,000,000)**	**-**

To be entitled to the issue of ordinary securities resulting from the additional milestone shares the milestone targets, one, two and three had to be achieved within nine months of completion of the acquisition, being 13 June 2017. These additional milestone targets have not been met and the additional milestone shares have lapsed and have been cancelled.

Milestone one target was achieving revenue of $200,000 from the sale or licencing of the CCP Solution within six months of completion (i.e. 13 March 2017). In February 2017, the group entered into a contract for the sale of the CCP Solution to a party in the United States. The board sought legal counsel opinion on the definition of the terms of the share sale agreement rather than revenue as defined by the accounting standards. The legal opinion was that the milestone one target had been achieved in accordance with the terms of the share sale agreement, accordingly the ordinary securities were issued.

Milestone two target was achieving revenue of $750,000 within 12 months of completion (i.e. 13 September 2017) and first sales of the CCP Solution in the United States. Sales were achieved in the United States but the revenue target of $750,000 was not met. Consequently, the milestone shares lapsed and have been cancelled.

Milestone three target was achieving revenue of $2,000,000 within 18 months of completion (i.e. 13 March 2018) and first sales of the CCP Solution in Europe. Sales were achieved in the Europe but the revenue target of $2,000,000 was not met. Consequently, the milestone shares lapsed and have been cancelled.

(iv) Options

Information relating to options, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year, is set out in note 10.

(b) Other reserves

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

Consolidated entity	Notes	**Share-based payments $**	**Foreign currency translation $**	**Total $**
Balance at 1 July 2016		-	-	-
Currency translation differences		-	(10,418)	(10,418)
Other comprehensive income for the period		-	(10,418)	(10,418)
Transactions with owners in their capacity as owners				
Share-based payment expenses	10	61,561	-	61,561
At 30 June 2017		**61,561**	**(10,418)**	**51,143**

9 Equity (continued)

(b) Other reserves (continued)

Balance at 30 June 2017		61,561	(10,418)	51,143
Currency translation differences		-	(1,373)	(1,373)
Other comprehensive income for the period		-	(1,373)	(1,373)
Transactions with owners in their capacity as owners				
Share-based payment expenses	10	88,181	-	88,181
At 30 June 2018		**149,742**	**(11,791)**	**137,951**

(i) 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 KMP, employees and eligible contractors.

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.

10 Share-based payments

(a) Unlisted options

	30 June 2018 No.	**30 June 2018 $**	30 June 2017 No.	30 June 2017 $
Options	**16,979,550**	**149,742**	5,533,000	61,561

(i) Movement in options

Details	**Notes**	**Number of options**	**$**
Balance at 1 July 2016		**-**	**-**
Issue of unlisted options at $0.10 each (CT101)		2,000,000	12,925
Issue of unlisted options at $0.10 each (CT102)		2,000,000	12,925
Issue of unlisted options at $0.00 each (CT103)		1,533,000	35,711
Balance at 30 June 2017		**5,533,000**	**61,561**
Issue of unlisted options at $0.10 each (CT104)	10(b)	1,446,550	4,565
Issue of unlisted options at $0.10 each (CT105)	10(b)	10,000,000	11,393
Amortised share-based payments for options issued in prior periods		-	72,223
Balance at 30 June 2018		**16,979,550**	**149,742**

(b) Options granted during the period

The following share-based payment arrangements were entered into during the financial year ended 30 June 2018 due to new options granted and vested:

10 Share-based payments (continued)

(b) Options granted during the period (continued)

Type	Grant date	Vesting date	Expiry date	Exercise price ($)	No. of options	Fair value ($)
Employee options (CT104)	10-Nov-2017	25-Oct-2019	25-Oct-2021	0.10	1,446,550	15,000
Employee options (CT105)	10-Nov-2017	31-Dec-2019	31-Dec-2020	0.10	10,000,000	40,690

For the options granted during the financial year ended 30 June 2018, the valuation model inputs used to determine the fair value at the grant date are outlined below:

Type	Share price at grant date ($)	Exercise price ($)	Term in years	Expected volatility	Dividend yield	Risk-free interest rate	Fair value per option at grant date ($)
CT104	0.019	0.10	4	118.7%	0.00%	2.38%	0.0104
CT105	0.019	0.10	3	91.87%	0.00%	1.94%	0.0041

(i) CT104

On 10 November 2017, CCP Technologies Limited issued 1,446,550 options to directors which vest on continued service to vesting date (25 October 2019). The assessed fair value of options issued was determined with reference to independent valuation performed by an independent external valuer. The fair value at grant date was determined using the Black-Scholes option pricing model that takes into account the exercise price, term of the option, security price at grant date and expected price volatility of the underlying security, the expected dividend yield, the risk-free interest rate for the term of the security and certain probability assumptions.

(ii) CT105

On 10 November 2017, CCP Technologies Limited issued 10,000,000 performance rights (accounted for as share options) to executive directors which vest on the event that the share price of CCP Technologies Limited achieves the target (based on the three-month VWAP leading up to the vesting date) of $0.10 by the vesting date (31 December 2019). The assessed fair value of options issued was determined with reference to an independent valuation performed by an independent external valuer. The fair value at grant date is independently determined using the Monte Carlo simulation that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk free interest rate for the term of the option and the correlations and volatilities of the peer group companies.

(c) Options outstanding at period end

Grant date	Expiry date	Exercise price (AUD)	No. of share options 30 June 2018
CT101 (granted: 18-Nov-2016)	15-Dec-2020	$0.10	2,000,000
CT102 (granted: 18-Nov-2016)	15-Dec-2020	$0.10	2,000,000
CT103 (granted: 15-Dec-2016)	15-Dec-2019	Nil	1,333,000
CT103 (granted: 15-Dec-2016)	15-Dec-2019	Nil	200,000
CT104 (granted: 10-Nov- 2017)	25-Oct-2021	$0.10	1,446,550
CT105 (granted: 10-Nov- 2017)	31-Dec-2020	$0.10	5,000,000
CT105 (granted: 10-Nov- 2017)	31-Dec-2020	$0.10	5,000,000
			16,979,550

Weighted average remaining contractual life of options outstanding at end of period	2.47

10 Share-based payments (continued)

(d) Expenses arising from share-based payment transactions

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

	Consolidated entity	
	30 June 2018 $	30 June 2017 $
Expenses arising from options issued to key management personnel	**84,236**	56,906
Expenses arising from options issued to other employees	**3,945**	4,655
Ordinary shares issued to consultants	**70,000**	85,000
	158,181	146,561

11 Loss per share

(a) Reconciliation of loss used in calculating loss per share

	Consolidated entity	
	30 June 2018 $	30 June 2017 $
Basic and diluted loss per share		
Loss attributable to the ordinary equity holders of the company used in calculating loss per share:		
From continuing operations	**(2,833,837)**	(3,736,510)
From discontinued operation	**-**	(21,559)
	(2,833,837)	(3,758,069)

(b) Weighted average number of shares used as the denominator

	Consolidated entity	
	2018 Number	2017 Number
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	**319,284,809**	188,097,134

The outstanding options as at 30 June 2018 are considered to be anti-dilutive and therefore were excluded from the diluted weighted average number of ordinary shares calculation.

12 Cash flow information

Reconciliation of loss after income tax to net cash inflow from operating activities

	Consolidated entity	
	30 June 2018 $	30 June 2017 $
Loss for the period	**(2,833,837)**	(3,758,069)
Adjustment for		
Depreciation expense	**10,413**	8,128
Corporate restructure expense	**-**	1,308,938
Doubtful debts	**41,865**	-
Share-based payments	**158,181**	146,561
Unrealised net foreign currency (gains)/losses	**(1,681)**	6,037
Movement in trade and other receivables	**(46,614)**	(60,923)
Movement in other current assets	**5,391**	(20,080)
Movement in inventory	**-**	10,100
Movement in trade and other payables	**(34,439)**	221,272
Movement in payables that relate to finance activities	**-**	(32,599)
Movement in liabilities associated with assets for sale	**(12,950)**	34,607
Movement in borrowings	**-**	(500,000)
Movement in provisions	**56,163**	-
Fair value of net assets acquired	**-**	263,820
Net cash inflow (outflow) from operating activities	**(2,657,508)**	(2,372,208)

13 Financial risk management

The board is responsible for, amongst other issues, managing financial risk exposures of the group. The board monitors the group's financial risk management policies and exposures and approves substantial financial transactions. It also reviews the effectiveness of internal controls relating to counterparty credit risk, foreign currency risk, liquidity risk and interest rate risk.

The overall risk management strategy seeks to assist the group in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Their functions include the review of the use of hedging derivative instruments, credit risk policies and future cash flow requirements.

(a) Market risk

The main risks the group is exposed to through its financial instruments are market risks including foreign currency risk, interest rate risk, liquidity risk and credit risk.

Foreign exchange risk

The group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange rate risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the group's functional currency. Exposure to foreign currency risk may result in the fair value of future cash flows of a financial instrument fluctuating due to the movement in foreign exchange rates of currencies in which the group holds financial instruments which are other than the AUD functional currency of the group. This risk is measured using sensitivity analysis and cash flow forecasting.

With instruments held by overseas operations, fluctuations in the United States dollar and Indian rupee may impact on the group’s financial results unless those exposures are appropriately hedged. The cost of hedging at this time outweighs any benefits that may be obtained.

13 Financial risk management (continued)

(a) Market risk (continued)

The following financial assets and liabilities are subject to foreign currency risk. The amounts in the table below are segmented into columns stating the original currency, which are displayed in Australian dollars (AUD) at year-end spot rates.

Consolidated entity	**30 June 2018**			30 June 2017	
	INR	**SGD**	**USD**	INR	USD
	$	**$**	**$**	$	$
Cash and cash equivalents	**38,151**	**-**	**18,689**	38,019	13,860
Trade and other receivables	**9,553**	**3,197**	**6,920**	-	65,125
Trade and other payables	**827**	**-**	**-**	-	8,141
Total exposure	**48,531**	**3,197**	**25,609**	38,019	87,126

Sensitivity

The group has conducted a sensitivity analysis of its exposure to foreign currency risk. The group is currently exposed to the Indian rupee (INR), Singaporean dollar (SGD), and United States dollar (USD). The sensitivity analysis is conducted on a currency by currency basis using the sensitivity analysis variable, which is based on the average annual movement in exchange rates over the past five years at year-end spot rates. The variable for each currency are listed below:

- INR: 4.2% (2017: 4.5%)
- SGD: 5.2%
- USD: 6.2% (2017: 7.2%)

The results of this sensitivity analysis are shown in the table below:

	Consolidated entity	
	30 June 2018	30 June 2017
	$	$
INR/AUD exchange rate - increase 4.2% (2017: 4.5%)	**2,184**	1,711
INR/AUD exchange rate - decrease 4.2% (2017: 4.5%)	**(2,184)**	(1,711)
SGD/AUD exchange rate - increase 5.2%	**166**	-
SGD/AUD exchange rate - decrease 5.2%	**(166)**	-
USD/AUD exchange rate - increase 6.2% (2017: 7.2%)	**1,844**	6,273
USD/AUD exchange rate - decrease 6.2% (2017: 7.2%)	**(1,844)**	(6,273)

(b) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the group.

Credit risk is managed through the maintenance of procedures (such as the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring the financial stability of significant customers and counterparties), ensuring to the extent possible that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Depending on size of the customer credit terms are normally 14 to 30 days from the invoice date.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating.

Where the group is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, the risk may be further managed by obtaining further security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of default.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are detailed in note 13(b)(iii).

13 Financial risk management (continued)

(b) Credit risk (continued)

(i) Credit quality

Credit risk related to balances with banks and other financial institutions is managed by the board of directors. The policy requires that the majority of surplus funds are invested with counterparties with a Standard & Poor's rating of at least AA-. As at 30 June 2018, the group held cash and cash equivalents of $396,936 rated AA-, with the remaining $56,840 held by lower-rated financial institutions. These lower rated financial institutions hold the group's cash reserves for the subsidiaries in India and the United States.

	Consolidated entity	
	30 June 2018 $	30 June 2017 $
Cash at bank and short-term bank deposits		
AA rated	**-**	1,675,258
AA- rated	**396,936**	-
BBB- rated	**56,840**	51,879
	453,776	1,727,137

(ii) Impaired trade receivables

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount directly. The other receivables are assessed collectively to determine whether there is objective evidence that an impairment has been incurred but not yet been identified. For these receivables the estimated impairment losses are recognised in a separate provision for impairment. The group considers that there is evidence of impairment if any of the following indicators are present:

- significant financial difficulties of the debtor;
- probability that the debtor will enter bankruptcy or financial reorganisation, and
- default or delinquency in payments (more than 30 days overdue).

Receivables for which an impairment provision was recognised are written off against the provision when there is no expectation of recovering additional cash.

Impairment losses are recognised in profit or loss as doubtful debts. Subsequent recoveries of amounts previously written off are credited against doubtful debts.

Movements in the provision for impairment of trade receivables that are assessed for impairment collectively are as follows:

	Consolidated entity	
	30 June 2018 $	30 June 2017 $
At 1 July	**-**	-
Provision for impairment recognised during the year	**41,865**	-
Receivables written off during the year as Impaired trade receivables	**-**	-
Unused amounts reversed	**-**	-
At 30 June	**41,865**	-

(iii) Past due but not impaired

As at 30 June 2018, trade receivables of $16,604 (2017: $65,954) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

13 Financial risk management (continued)

(b) Credit risk (continued)

	Consolidated entity 30 June 2018 $	30 June 2017 $
Less than 30 days	**6,121**	65,168
31–60 days	**3,399**	589
61–90 days	**1,761**	132
More than 90 days	**5,323**	65
Within initial trade terms	**46,508**	3,656
	63,112	69,610

(c) Liquidity risk

Liquidity risk arises from the possibility that the group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The group manages this risk through the following mechanisms:

- preparing forward looking cash flow analyses in relation to its operating, investing and financing activities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- investing cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

(i) Maturities of financial liabilities

The table below analyses the group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed are the contracted undiscounted cash flows.

Contractual maturities of financial liabilities	Less than 6 months	6 - 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount (assets)/ liabilities
At 30 June 2018	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Trade and other payables	169,679	-	-	-	-	169,679	169,679
Total	**169,679**	**-**	**-**	**-**	**-**	**169,679**	**169,679**
At 30 June 2017							
Trade and other payables	204,116	-	-	-	-	204,116	204,116
Total	**204,116**	**-**	**-**	**-**	**-**	**204,116**	**204,116**

(d) Capital risk management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the group may issue new shares or reduce its capital, subject to the provisions of the group's constitution. The capital structure of the group consists of equity attributed to equity holders of the group, comprising contributed equity, reserves and accumulated losses. By monitoring undiscounted cash flow forecasts and actual cash flows provided to the board by the group's management, the board monitors the need to raise additional equity from the equity markets.

14 Contingent liabilities

The group had no contingent liabilities at 30 June 2018 (2017: nil).

15 Commitments

(a) Capital commitments

The group had no capital commitments at 30 June 2018 (2017: nil).

(b) Non-cancellable operating leases

The group leases various offices under non-cancellable operating leases expiring within two to eight years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

	Consolidated entity	
	30 June 2018 $	30 June 2017 $
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	**61,134**	45,606
Later than one year but not later than five years	**13,638**	19,587
	74,772	65,193

16 Events occurring after the reporting period

On 17 July 2018, CCP Technologies Limited announced commitments from strategic investors to raise $861,247 (before costs) by issue of 43,062,350 new ordinary shares at $0.02 per share. On 8 August 2018, the group announced the successful completion of this private placement. Each subscriber in the placement also received a two-year unlisted option, for each share issued, with an exercise price of $0.03, subject to shareholder approval at the 2018 annual general meeting (AGM).

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 years.

17 Key management personnel disclosures

The specified directors of CCP Technologies Limited during the financial year were:

Mr Michael White	Executive Director and Chief Executive Officer
Mr Anthony Rowley	Executive Director and Chief Operating Officer
Mr Leath Nicholson	Independent Non-Executive Chairman
Mr Anoosh Manzoori	Independent Non-Executive Director
Mr Adam Gallagher	Independent Non-Executive Director

The specified executives of CCP Technologies Limited during the financial year were:

Mr Gary Taylor	Chief Financial Officer (resigned 9 November 2017)
Mr Kartheek Munigoti	Chief Technical Officer
Mr Tom Chicoine	President - CCP North Amercia (resigned 19 March 2018)
Mr Axel Striefler	President - CCP North Amercia (appointed 19 March 2018)

17 Key management personnel disclosures (continued)

(a) Key management personnel compensation

Detailed remuneration disclosures are provided in the remuneration report.

(b) Aggregate compensation

The aggregate compensation made to directors and other members of key management personnel of the group is set out below:

	Consolidated entity	
	30 June 2018 $	30 June 2017 $
Short-term employee benefits	**799,649**	768,005
Post-employment benefits	**55,400**	51,223
Share-based payments	**84,237**	70,032
	939,286	889,260

Related party transactions are set out in note 18.

18 Related party transactions

Transactions with other related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. The following transactions occurred during the year ended 30 June 2018 with related parties:

	Consolidated entity	
	30 June 2018 $	30 June 2017 $
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.	**20,533**	32,763
Consultancy fees paid to Nillahcootie Enterprises Pty Ltd, a company associated with Michael White, in respect of the provision of sales and administrative services.	**-**	10,720
Consultancy fees paid to Adtay Pty Ltd, a company associated with Gary Taylor, in respect of the provision of sales services.	**-**	7,753
Consultancy fees paid to Skantech Pty Ltd, a company associated with Kartheek Munigoti, in respect of the provision of IT technical support services.	**28,342**	17,920
Consultancy fees paid to Saks Technologies Pvt Ltd, a company associated with Kartheek Munigoti, in respect of the provision of IT technical support services in India.	**-**	205,575
Interest paid to Reefpeak Pty Ltd, a company associated with Craig Chapman in respect of unsecured loan advanced pending completion of the acquisition.	**-**	422
Interest paid to Anthony Rowley in respect of unsecured loan advanced pending completion of the acquisition.	**-**	140
Interest paid to Michael White in respect of unsecured loan advanced pending completion of the acquisition.	**-**	140
Legal fees paid on normal commercial terms to Nicholson Ryan Lawyers Pty Ltd (formerly Foster Nicholson Jones Lawyers Pty Ltd), a company associated with Leath Nicholson.	**25,753**	37,501

19 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

BDO Audit Pty Ltd

	Consolidated entity	
	2018	2017
	$	$
Audit and other assurance services		
Audit and review of financial statements	**47,500**	36,864
Total remuneration for audit and other assurance services	**47,500**	36,864

20 Parent entity financial information

Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	30 June 2018	30 June 2017
	$	$
Balance sheet		
Current assets	**533,810**	1,752,841
Non-current assets	**2,000**	63,160
Total assets	**535,810**	1,816,001
Current liabilities	**169,319**	193,499
Non-current liabilities	**-**	-
Total liabilities	**169,319**	193,499
Shareholders' equity		
Issued capital	**83,191,180**	81,700,163
Reserves		
Share-based payments	**4,813,740**	4,725,559
Retained earnings	**(87,638,429)**	(84,803,220)
	366,491	1,622,502
Profit or loss for the period	**(2,835,209)**	(3,004,725)
Total comprehensive income	**(2,835,209)**	(3,004,725)

21 Interests in subsidiaries

CCP Technologies Limited had interests in the follow subsidiaries at 30 June 2018.

Name of entity	Principal place of business	Country of incorporation	Ownership interest held by the group 2018 %	2017 %
CCP Network Australia Pty Ltd	Melbourne	Australia	**100.0**	100.0
CCP IP Pty Ltd	Melbourne	Australia	**100.0**	100.0
CCP Asia Pacific Pty Ltd	Melbourne	Australia	**100.0**	100.0
CCP Network North America Inc.	Minneapolis, MN	Unites States	**100.0**	100.0
CCP IoT Technologies Pvt Ltd	Bangalore	India	**100.0**	100.0
Agen Limited	Melbourne	Australia	**100.0**	100.0
Agen Biomedical Limited	Melbourne	Australia	**100.0**	100.0

The percentage ownership stated above reflects the legal ownership structure of the group.

It is proposed that following destruction of all biotechnology related materials held on behalf of the Agen companies, both Agen companies will be wound up by way of members' voluntary liquidation in the 2019 financial year.

Pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785, relief has been granted to all of the above controlled entities of CCP Technologies Limited, that were incorporated in Australia ('closed group') other than Agen Biomedical Limited and Agen Limited from the *Corporations Act 2001* requirement for the preparation, audit and lodgement of their financial reports.

Contents of the summary of significant accounting policies

22 Summary of significant accounting policies

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared in an accrual basis and are prepared on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The accounting policies and methods of computation adopted in the preparation of this financial report are consistent with those adopted and disclosed in the annual report for financial year ended 30 June 2017.

(b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all the subsidiaries of CCP Technologies Limited ('company' or 'parent entity') as at 30 June 2018 and the results of all subsidiaries as set out in note 21. CCP Technologies Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity' or 'group'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

(c) Going concern

The 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 financial statements, the consolidated entity has at 30 June 2018 cash and cash equivalents of $453,776 (30 June 2017: $1,727,137). The consolidated entity also generated a loss after tax of $2,833,837 (30 June 2017: $3,758,069).

The ability of the consolidated entity to continue as a going concern is principally dependent upon one or more of the following conditions:

- the ability of the consolidated entity to raise sufficient capital and when necessary; and
- the successful commercialisation of its intellectual property in a manner that generates sufficient operating cash inflows.

These conditions give rise to material uncertainty, which may cast significant doubt over the consolidated entity's ability to continue as a going concern.

The directors believe that the going concern basis of preparation is appropriate due to its recent history of raising capital and the significant progress made on exploiting its intellectual property.

Importantly the consolidated entity is incurring a rate of expenditure designed to enhance its prospects of expanding into the North American market and hence generate sales. In the event that the company encounters any difficulties in raising capital the board is comfortable that this expenditure can be scaled back to preserve cash.

22 Summary of significant accounting policies (continued)

(c) Going concern (continued)

Should the consolidated entity be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial report. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the consolidated entity be unable to continue as a going concern.

(d) Discontinued operations

A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a major line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the profit or loss and other comprehensive income. Where a decision is made to treat a major line of business or area of operations as discontinued the comparative information is restated to reflect as if that major line of business or area of operations had been discontinued in the prior period.

(e) Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group’s accounting policies. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on the historical experience and other various factors, including expectations of future events; management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The consolidated entity considers that its judgements, estimates and assumptions will not carry a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Impairment of assets

The carrying values of non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffer impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

Impairment exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount.

(ii) Share-based payments

The value attributed to share options issued is an estimate calculated using an appropriate mathematical formula based on an option pricing model. The choice of models and the resultant option value require assumptions to be made in relation to the likelihood and timing of the conversion of the options to shares and the value of volatility of the price of the underlying shares. Refer to note 10 for more details.

(f) Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the consolidated entity only. Supplementary Information about the parent entity is disclosed in note 20.

(g) Operating segments

Operating segments are presented using the ‘management approach’ where the information presented is on the same basis as the internal reports presented to the chief operating decision makers (‘CODM’). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

22 Summary of significant accounting policies (continued)

(h) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the group’s functional currency.

(i) Foreign currency transactions and balances

Functional and presentation currency

The functional currency of each of the group’s entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars, which is CCP Technologies Limited’s functional and presentation currency.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date the fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the profit and loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income, otherwise the exchange difference is recognised in the profit and loss.

Foreign operations

The financial results and position of foreign operations, whose functional currency is different from the group’s presentation currency, are translated as follows:

- Assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- Income and expenses are translated at average exchange rates for the period; and
- Retained earnings are translated at the exchange rate prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. The cumulative amount of these differences is reclassified into profit and loss in the period in which the operation is disposed of.

(j) Income tax

The income tax expense or benefit is the tax payable on that period’s taxable income based upon the applicable income tax rate for each jurisdiction, adjusted for changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised in prior periods, where applicable.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it probable that future taxable amounts will be available to utilise those temporary differences and unused tax losses. No deferred tax assets have been recognised at reporting date.

CCP Technologies Limited ('the head entity for taxation purposes') and its wholly owned Australian subsidiaries form part of a consolidated tax group under the tax consolidation regime. Subsidiaries acquired during the year are automatically joined to the consolidated tax group as at the date of acquisition.

The head entity and each individual subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the ‘separate taxpayer within the group’ approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

22 Summary of significant accounting policies (continued)

(j) Income tax (continued)

The head entity has unused tax losses which have not been recognised as a deferred asset at this time as a result no assets or liabilities arise under tax funding arrangements with the consolidated tax entity. In the event that the tax consolidated group derives future taxable amounts to recoup unused tax losses, the tax funding arrangement will ensure that the inter-company charge equals the then tax liability or benefit of each consolidated tax group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

(k) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the group's activities as described below. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The specific accounting policies for the group’s main types of revenue are explained in note 2.

Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

(l) Employee benefits

(i) Short-term benefits

Provision is made for the group’s obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The group’s obligation for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position. The group’s obligations for employee annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

(ii) Other long-term employee benefits

No other long-term benefits which are required to be recognised as non-current liabilities exist as at the date of this report or the reporting period.

(m) Share-based payments

Equity settled share-based compensation benefits are provided to employees.

Equity settled transactions are awards of securities, or options over securities, which are provided to employees in exchange for the rendering of services. Cash settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by the price of the securities.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. Fair value is independently determined using the Black-Scholes pricing option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the securities price at grant date and expected price volatility of the underlying securities, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of other vesting provisions, if any.

22 Summary of significant accounting policies (continued)

(m) Share-based payments (continued)

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions and considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or the employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

(n) Issued capital

Ordinary securities are classified as issued capital.

Incremental costs directly attributable to the issue of new securities or options are shown in equity as a deduction, net of tax, from the proceeds.

Milestone shares allotted on the acquisition of CCP group have no value until such time as the conditions precedent in respect of achieving milestone targets are met. As such no value has been ascribed to the milestone shares allotted or currently on issue at the end of the reporting period.

(o) Loss per security

Basic earnings per security is calculated by dividing the profit (loss) attributable to the owners of CCP Technologies Limited excluding any costs of servicing equity other than ordinary securities, by the weighted average number of ordinary securities outstanding during the reporting period, adjusted for bonus elements or share consolidation elements in ordinary securities issued during the reporting period.

Diluted earnings per security adjusts the figures used in the determination of basic earnings per security to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary securities and the weighted average number of securities assumed to have been issued for no consideration in relation to dilutive potential ordinary securities.

Outstanding options considered to be anti-dilutive are excluded from the diluted weighted average number of ordinary shares calculation.

(p) Trade and other payables

Trade and other payables represent liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(q) Goods and services tax (GST) and foreign based value added tax (VAT)

Revenues, expenses and assets are recognised net of the amount of associated GST or VAT, except where the amount of GST or VAT incurred is not recoverable from the appropriate Taxation Authority. In these circumstances, the GST or VAT is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST or VAT, where applicable. The net amount recoverable from or payable to the tax authority is shown as other receivable or other payable in the statement of financial position.

Cash flows are presented on a gross basis. The GST or VAT, as applicable, components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments or contingencies are disclosed net of the amount of GST or VAT recoverable, or payable to the tax authority.

22 Summary of significant accounting policies (continued)

(r) Government grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs it is compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on straight line basis.

(s) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting date; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer thee settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(t) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. The consolidated entity has not at any time during or since the end of the reporting period obtained bank overdraft facilities.

(u) Trade and other receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value. Refer to note 5(a) for further discussion on the determination of impairment losses.

(v) Impairment

A financial asset (or group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a “loss event”) having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with default.

For financial assets carried at amortised cost (including loans and receivables) a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of the impaired financial asset is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

22 Summary of significant accounting policies (continued)

(w) Property plant and equipment

Office equipment is carried at cost as indicated less, where applicable, any accumulated depreciation and impairment losses.

Office equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(x) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefit will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(y) Patents and trademarks

Patents and trademarks are recognised at cost of acquisition. They have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Patents and trademarks are amortised over their useful lives ranging from 15 to 20 years. Where the future economic benefits or their useful life cannot be determined with certainty the cost of acquisition of patents and trademarks are recognised as an expense when incurred.

(z) Research and development

Expenditure during the research phase of project is recognised as an expense when incurred. Development costs are capitalised only when the technical feasibility studies that the project is expected to deliver future economic benefits and these benefits can be measured reliably.

Capitalised development costs have a finite useful life and are amortised on a systematic basis based on the future economic benefits over the useful life of the project.

(aa) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the entity commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

22 Summary of significant accounting policies (continued)

(aa) Financial instruments (continued)

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The group does not designate any interests in subsidiaries, associates or joint ventures as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(ii) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

(ab) New accounting standards for application in future periods

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2018 reporting periods and have not been early adopted by the group. The company's assessment of the impact of these new standards and interpretations is set out below.

There are no other standards that are not yet effective and that would be expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions.

22 Summary of significant accounting policies (continued)

(ab) New accounting standards for application in future periods (continued)

Title	Nature of change	Impact	Application date
AASB 9 *Financial Instruments*	The new standard introduces new requirements for the classification and measurement of financial assets and liabilities and includes a forward-looking 'expected loss' impairment model and a substantially-changed approach to hedge accounting. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139.	The group performed a detailed assessment of the impact against each class of financial instrument and determined the expected impact to be nil.	Mandatory for financial years commencing on or after 1 January 2018.
AASB 15 *Revenue from Contracts with Customers*	The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers revenue arising from the sale of goods and the rendering of services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for the adoption.	Management has performed a preliminary assessment of the impact of AASB 15 on the recognition of revenue and concluded that there would be no material difference to how revenue has been recognised under the prevailing accounting standard for the subscription fees received for the CCP Solution. It has been determined that there will be a potential impact on the treatment of project work revenue under AASB 15 as the group will need to ensure revenue is recognised in the correct period based on the satisfaction of performance obligations. The extent of this impact has been judged to be not material in nature.	Mandatory for financial years commencing on or after 1 January 2018.
AASB 16 *Leases*	AASB 16 requires almost all leases to be recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low-value leases. The accounting for lessors will not significantly change.	The standard will affect primarily the accounting for the group's operating leases. As at the reporting date, the group has non-cancellable operating lease commitments of $74,772, see note 15. The group expects that its operating lease commitments will be recognised on balance sheet as an asset and a liability. This standard will also have an impact on reported performance and cash flows.	Mandatory for financial years commencing on or after 1 January 2019.

22 Summary of significant accounting policies (continued)

(ab) New accounting standards for application in future periods (continued)

Title	Nature of change	Impact	Application date
AASB 2016-5 *Classification and Measurement of Share-based Payment Transactions*	This AASB has amended AASB 2 *Share-based Payment* to address: a. The accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; b. The classification of share-based payment transactions with a net settlement feature for withholding tax obligations; and c. The accounting for a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.	The group has determined the expected impact to be nil as the group did not: a. Enter into cash-settled share-based payments; b. Have withholding tax obligations on share-based payments; and c. Modify the terms and conditions of share-based payments from cash-settled to equity-settled.	Mandatory for financial years commencing on or after 1 January 2018.

In the directors' opinion:

(a) the financial statements and notes set out on pages 29 to 65 are in accordance with the *Corporations Act 2001*, including:

  (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

  (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2018 and of its performance for the financial year ended on that date, and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Note 22(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of directors.

Mr Michael White
Executive Director and Chief Executive Officer

Melbourne
31 August 2018

Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 10, 12 Creek St
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of CCP Technologies Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of CCP Technologies Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 22(c) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Except for the matter described in the *Material uncertainty related to going concern section*, we have determined that there are no other key audit matters to communicate in our report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 14 to 25 of the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of CCP Technologies Limited, for the year ended 30 June 2018, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

M Cutri

Director

Brisbane, 31 August 2018

The shareholder information set out below was applicable as at 28 August 2018.

A. Distribution of equity securities

Ordinary shares

394,166,170 fully paid ordinary shares are held by 906 individual shareholders, including 275 holders of less than market table parcel. All ordinary shares carry one vote per share.

Analysis of numbers of equity security holders by size of holding:

Holding	No. of holders
1 - 1000	123
1,001 - 5,000	34
5,001 - 10,000	10
10,001 - 100,000	372
100,001 and over	367
	906

Other securities

4,000,000 unlisted options vesting on 15 December 2018 and expiring on 15 December 2020 with an exercise price of $0.10 per option.

1,533,000 unlisted options vesting on 15 December 2017 and expiring on 15 December 2019 with an exercise price of $nil per option.

1,446,550 unlisted options vesting on 21 November 2019 and expiring on 20 November 2021 with an exercise price of $0.10 per option.

10,000,000 share rights vesting on 31 December 2019 expiring on 31 December 2020 with an exercise price of $0.10 per right.

B. Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest holders of quoted equity securities are listed below:

Name	Ordinary shares Number held	%
K&M HOLDINGS AUSTRALIA PTY LTD <THE NILLAHCOOTIE A/C>	34,488,473	8.75
MAINLINE SOLUTIONS PTY LIMITED	33,249,873	8.44
S & M FRENCH INVESTMENTS PTY LTD	28,984,983	7.35
PENTA GLOBAL BLOCKCHAIN FOUNDATION LTD	28,062,350	7.12
KARTHEEK MUNIGOTI SHANKAR RAO <THE SRISKANDA A/C>	22,047,080	5.59
FIRST GROWTH FUNDS LIMITED	12,500,000	3.17
MR MURRAY EDWARD BLEACH + MRS NORMA LEIGH EDWARDS <THE BLEACH SUPER A/C>	11,631,929	2.95
EQUITAS NOMINEES PTY LIMITED <PB-600853 A/C>	11,260,869	2.86
SUPERFOS PTY LTD <FOSTER FAMILY SUPERFUND A/C>	6,652,173	1.69
SILVAN BOND PTY LTD	6,000,000	1.52
MR CRAIG GRAEME CHAPMAN <NAMPAC DISCRETIONARY A/C>	5,224,818	1.33
BLAMNCO TRADING PTY LTD	4,800,000	1.22
DENLIN NOMINEES PTY LIMITED	4,750,000	1.21
SCINTILLA STRATEGIC INVESTMENTS LIMITED	4,500,000	1.14
BRAVO FUTURA CAPITAL PTY LTD <BRAVO FUTURE HOLDINGS A/C>	4,124,200	1.05
MINSK PTY LTD	3,752,570	0.95
MR ANTHONY COBORELOS	3,200,000	0.81
MR KEVIN JOHN CAIRNS + MRS CATHERINE VALERIE CAIRNS <CAIRNS FAMILY SUPER A/C>	3,157,499	0.80
OKS AGX INC	3,145,533	0.80

B. Equity security holders (continued)

Name	Ordinary shares Number held	%
MR TENG LIP KOAY + MRS GNET KOOI KOAY <KOAY SUPERANNUATION FUND A/C>	2,580,000	0.65
	234,112,350	59.40

C. Substantial holders

Substantial holders in the company are set out below:

	Number held	%
K&M HOLDINGS AUSTRALIA PTY LTD <THE NILLAHCOOTIE A/C>	34,488,473	8.75
MAINLINE SOLUTIONS PTY LIMITED	33,249,873	8.44
S & M FRENCH INVESTMENTS PTY LTD	28,984,983	7.35
PENTA GLOBAL BLOCKCHAIN FOUNDATION LTD	28,062,350	7.12
KARTHEEK MUNIGOTI SHANKAR RAO <THE SRISKANDA A/C>	22,047,080	5.59

D. Voting rights

The voting rights attaching to each class of equity securities are set out below:

(a) Ordinary shares: on a show of hands every member present at the meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

(b) Options: no voting rights.

E. Listing rule 4.10.19 disclosure

For the purpose of ASX Listing Rule 4.10.19, the board confirms that during the period from IPO date to 30 June 2018, the company used its cash and assets readily convertible to cash in a manner consistent with its stated business objectives.