

ASX ANNOUNCEMENT

24 December 2018

Update on Penta Tokens

CCP Technologies Limited (ASX:CT1) ("**CCP**" or the "**Company**") wishes to advise the market on the current status of the Penta tokens ("**PNT**") contributed by Penta Global Blockchain Foundation Ltd ("**Penta**"), as follows:

- On 17 July 2018, the Company announced the strategic placement of A\$861,247 (before costs) as it welcomed Penta and other two strategic investors to its register. Out of the total placement amount, Penta's contribution is A\$561,247, equivalent to 28,062,350 fully paid ordinary shares ("**Placement shares**") at \$0.02 (2 cents) per share.
- As per the details provided on the Response to ASX Query letter dated 17 July 2018 and on the Company's previous Quarterly report & Appendix 4C dated 31 October 2018, the Placement shares are subject to a voluntary escrow and only released proportionately upon the Company converting PNT into cash and that any shortfall from the sale of PNT will be compensated with an additional top-up at the 12-month anniversary of the placement completion date.
- Upon the completion of the strategic placement in on 8 August 2018, Penta transferred a total of 87,640,340 PNT as consideration at the price of approximately A\$0.0064 (US\$0.0047) per PNT, being the 30-day trading VWAP of PNT at that time. In exchange, the Placement shares were issued to Penta under voluntary escrow as discussed above.
- During the period from 8 August 2018 until today, the Company has fully disposed of the entire PNT balance for a total consideration of A\$97,804, representing an average selling price per PNT of A\$0.0011. Accordingly, the corresponding portion of shares have been released from escrow as notified on 5 September 2018 and 12 December 2018.
- The Company does not speculate on the future of the cryptocurrency market though observes that the drop in the PNT price is reflected across the overall cryptocurrency market.
- The Board of CCP have been in contact with Penta and received reassurance that an additional top-up as contractually agreed will take place on or around 8 August 2019,

upon which the Company will further convert the additional PNT into cash to fund its working capital.

- Penta have advised that they hold a sufficient quantity of PNT tokens to fulfil their obligations under the agreement. Additionally, Penta has advised that they hold Ethereum (ETH) that is also available to fulfil their obligations, subject to acceptance by the Company in lieu of PNT tokens.
- Subject to any further updates by the Company, that may be required based on future movements in the cryptocurrency market and the resulting value of PNT and ETH, the Company hereby reconfirms the value of Penta's placement to remain unchanged at A\$561,247 and that the decline in PNT only represents a timing issue on when the Company can realise PNT into cash, however it does not affect the valuation of the contribution made by Penta.

The Company is reviewing their funding options and is in active discussions with a number of potential funders. Additionally, the company is in advanced, though as yet incomplete discussions, regarding a material corporate transaction.

The Company will provide further updates early in the New Year.

END

About CCP Network

CCP Technologies – 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. For further information on the CCP Solution, visit: www.ccp-network.com