

Q Technology Group Limited - 2018 Chairman's Address

Welcome

On behalf of the Directors and Management I am pleased to welcome shareholders to the 2018 Annual General Meeting of Q Technology Group Limited.

The Company's financial results and full year accounts are set out in the annual report.

On a consolidated basis QTG reported a net loss after tax of \$2.05 million for the year ended 30 June 2018 similar to the previous year.

This result was not acceptable with ongoing action being taken by the board and management to focus on building the sales expertise across the business to support future revenues growth in order to restore profitability.

As Chairman I would like to acknowledge the efforts of the all the senior management team over the last 12 months during what has been a very challenging period for the company. Andrew and Howard have set a plan to deliver growth in revenues and restoring profitability to the business in coming quarters.

The market remains strong for the company's products and services. 2018 was a year of significant reorganisation for QSS which CEO Andrew Phillips will outline in his presentation which should provide a platform for growth in FY19 and beyond.

Outlook for 2018/19 and beyond

The business continued to streamline the operating model with operating costs reduced in FY18 although recent new hires will see an increased sale team headcount which is required to support the drive in revenue growth.

The Board believes the Group is ready to deliver an improved result in FY19 with a more focused approach and a range of quality suppliers with planned new product releases capable of increasing market share and margins together with maintaining an appropriate focus on cost control and inventory management.

The board continues to work with its Shareholders to ensure sufficient capital is available to support the implementation of the turnaround plan during FY19 and will shortly embark on a \$1.56m rights issue to support the working capital requirements of the business.

As a listed company we currently lack the required scale to carry the ASX listing costs and related overheads to deliver satisfactory earnings per share. We will continue to seek opportunities in the coming year to unlock value to shareholders.

On behalf of the Directors we wish to thank the senior management team and all employees for their hard work, commitment and customer service focus during the year and also thank our customers and shareholders for their continuing support.

Douglas Potter
Chairman, Q Technology Group Limited
22 November 2018

