



Company Update - Strong start to the year

ASX RELEASE

16 February 2021

Highlights

- **Purchase orders for 17,000 devices representing sales in excess of \$1m**
- **Operating performance on track, with cost reduction successfully enacted**
- **Simon Gerard to become Chairman and Gary Castledine to resign from the board.**

On 11th December 2020, **Quantify Technology Holdings Limited (ASX:QFY)** ("**Quantify Technology**", the "**Company**") announced completion of the acquisition of GSM Innovations and a \$4m capital raise¹ ("**the acquisition**"). Bringing both companies together has created Australia's leading electrical Internet of Things provider with substantial synergies to accelerate growth in smart home technology market, worth over \$3b billion pa. in Australia.²

The Company is delighted to announce it has received purchase orders ("**the purchase orders**") from its distributor GSM-Electrical ("**Trader**") for over 17,000 products representing sales in excess of \$1m. The purchase orders represent a 7,000 product increase from the 10,000 announced earlier³. They are due to be delivered from June through to September 2021; however, global microchip shortages may result in some delays.

Trader is the Company's exclusive distributor into the electrical wholesale market selling into the more than 900 electrical wholesalers across Australia. Trader is a wholly owned subsidiary of Gerard Private Holdings (Finance) Pty Ltd and the purchase orders represent the fulfilment of part of the vesting conditions for performance rights issued as consideration for the acquisition. Specifically, one vesting condition is 'sales of 30,000 Zimi-controlled/Powermesh units or \$3,000,000 in Sales Revenue derived from Zimi-controlled /Powermesh units (whichever occurs first) within 12 months of Acquisition completing.'⁴

Beacon Lighting Group Ltd ("BLX" or "Beacon") is another of the Company's main distributors. Beacon continues the roll out of the Company's products into its flagship stores and through its on-line store. Steel-Line Garage Doors, a third main distributor, has begun commercialisation of the garage door controllers.

¹ <https://wcsecure.weblink.com.au/pdf/QFY/02321070.pdf>

² <https://www.statista.com/outlook/279/107/smart-home/australia>

³ <https://wcsecure.weblink.com.au/pdf/QFY/02334737.pdf>

⁴ <https://wcsecure.weblink.com.au/pdf/QFY/02288590.pdf>



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At the end of January, there were 6,300 paired (activated) devices on the Zimi network. At the same time, the Company has enhanced its products substantially as part of its on-going commercialisation. The product range has been improved and a blind controller has been released for the first time to be delivered as part of the purchase orders. There have also been significant enhancements to the software and cloud platform, including integration with Amazon Alexa alongside Google Home. Together these tech companies represent 78% of the smart speaker market in Australia⁵.

The integration of the acquisition and subsequent cost reduction measures have been successfully implemented. A number of staff have been made redundant and the company is exiting its Perth office.

Finally, the Company is delighted to announce that Simon Gerard is stepping up to the role of non-executive chairman. Simon has agreed to take no fees for his first twelve months in this role. Peter Rossdeutscher has agreed to step down as chairman and will continue as a non-executive director. Gary Castledine has decided to resign as a non-executive director but will continue in an advisory capacity for a share-based remuneration to be approved by shareholders.

Quantify Technology CEO Brett Savill commented: 'This has been a busy start to the year and I'm very confident about the opportunities ahead. We will continue to work with Gary Castledine, but I would like to take this opportunity to thank him for all that he has done for the company and wish him all the best for the future.'

Quantify Technology Chairman Simon Gerard commented: 'Now the dust has settled on the acquisition, I am more than ever convinced of the huge opportunity ahead. Given my substantial shareholding and the need to focus shareholders' funds on top line sales, I have decided to take on the role of Chairman at no cost for the first twelve months.'

This release has been authorised by the board.

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⁵ <https://www.channelnews.com.au/pandemic-triggers-boom-in-smart-home-technology-market/>



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Further Information:

For other enquiries

Brett Savill

E: brett.savill@quantifytechnology.com | P: +61 433 932 020

About Quantify Technology

Quantify Technology is an Australian-based company, focused on making lives better in homes, workplaces, and communities with their Internet of Things (IoT) smart home technology.