



2 March 2017

STATEMENT OF COMMITMENTS
(BASED ON ACTUAL FUNDS RAISED OF \$5,000,000)

Quantify Technology Holdings Ltd ACN 113 326 524 (**Company**) intends to apply funds raised from its Prospectus Offer, with its existing cash reserves, over the first two years following re-admission of the Company to the official list of the ASX as follows.

	Year 1	Year 2	Total
Existing funds	1,320,000		1,320,000
Revenue & Other Income ⁶	1,325,000	455,000	1,780,000
Equity Offer	5,000,000		5,000,000
Total Funds Raised and cash at bank	7,645,000	455,000	8,100,000
Add cash balance from Year 1		<u>2,845,000</u>	
		3,300,000	
Sales and Business Development Costs ²	1,160,000	1,230,000	2,390,000
Research, Development and Engineering costs	1,570,000	740,000	2,310,000
Administration costs, working capital and other expenses	533,470	453,333	986,803
Employment costs ³	680,000	710,000	1,390,000
Offer and Acquisition Costs ⁴	673,197		673,197
Reimbursement of past expenditure to Cuda ⁵	333,333	166,667	500,000
Less costs of the Offer already paid	(150,000)		(150,000)
Total Expenditure	4,800,000	3,300,000	8,100,000
Cash at end of Year Maximum Subscription	2,845,000	-	

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Notes:

1. Revenue and other income in year 1 is made up of estimated interest (\$0.01 million), estimated first tranche payment from Export Market Development Grant (\$0.04 million) for an application that has been lodged with the Australian Trade and Investment Commission and estimates based on Quantify's previous and future estimated Research and Development (R&D) expenditure on eligible activities in each financial year under the research and development tax incentive program run by the Australian Taxation Office (ATO).

Refundable tax offsets are payable by the ATO based on a self-assessment basis. The Company has assessed that it is likely to continue to be eligible for a 45% refundable tax offset for years 1 and 2 and the projected revenues receivable from the ATO pursuant to the R&D incentive program are as follows:

- (a) estimated rebate of \$0.49 million for financial year 2015/16 (45% rebate payable by the ATO based on approximately \$1.097 million worth of eligible R&D expenditure for the financial year ending 30 June 16); and
- (b) estimated rebate of \$0.70 million for Financial year 2016/17 (45% rebate payable by the ATO based on an estimated amount of \$1.56 million on eligible R&D expenditure for the financial year ending 30 June 17).

Year 2 includes an estimated amount of interest (\$0.01 million) and an estimated \$0.3 million of R&D rebates for financial year 2017/18 (45% rebate payable by the ATO based on an estimated amount of \$0.65 million on eligible R&D expenditure for the financial year ending 30 June 18).

2. Sales and business development costs includes sales and business development salaries.
3. Employment costs includes executive and administration salaries.
4. Costs of raising, broker commissions listing costs including prospectus, legal and printing.
5. Refer to Section 4.10 of the Replacement Prospectus dated 23 December 2016.
6. Revenue for the Maximum Subscription Raise, year 1 budget is made up of estimated interest (\$0.03 million), estimated first tranche payment from Export Market Development Grant (\$0.04 million) for an application that has been lodged with the Australian Trade and Investment Commission and R&D rebate estimates made up of:
 - (a) estimated rebate of \$0.49 million for financial year 2015/16 (as mentioned above in note 1); and
 - (b) estimated rebate of \$0.76 million for financial year 2016/17 (45% rebate payable by the ATO based on approximately \$1.7 million worth of eligible R&D expenditure for the financial year ending 30 June 17).

Year 2 includes an estimated amount of interest (\$0.01 million) and an estimated \$0.44 million of R&D rebates for financial year 2017/2018 (45% rebate payable by the ATO based on an estimated amount of \$0.97 million on eligible R&D expenditure for the financial year ending 30 June 18).

The above table is a statement of current intentions as at the date of this announcement. As with any budget, intervening events and new circumstances have the potential to affect the ultimate way funds will be applied. The Board reserves the right to alter the way funds are applied on this basis.

Actual expenditure may differ significantly from the above estimates due to a change in market conditions, the development of new opportunities and other factors (including the risk factors outlined in Section 9 of the Replacement Prospectus dated 23 December 2016).

N J Bassett
Company Secretary