



QUANTIFY TECHNOLOGY TO TARGET CHINA SMART CITIES AS PART OF GLOBAL EXPANSION

ASX RELEASE

3 April 2017

Highlights

- Quantify has identified Chinese Government's 300 Smart City program as a target entry point for its unique and innovative technology platform into one of the world's largest economies.
- The Company is currently in discussions for its flagship Q Device to be used in Smart City developments in a number of cities in China.
- The Company has been formally invited to visit the Linyi National High-Tech Industrial Development Zone to discuss the use of its Q Device in buildings in that region.
- Quantify is also pleased to announce the appointment of software pioneer and Microsoft veteran, Alan Boyd as a key advisor to assist with the Company's entry into the Chinese market.
- With more than 40 years' experience, Mr Boyd is one of the world's most knowledgeable technology and intellectual property specialists.
- He was a pioneer of the US personal computer industry and was Microsoft's Head of Acquisitions, after working as first Product Development Manager for the company, reporting directly to Bill Gates.

Quantify Technology Holdings Limited (ASX: QFY) ('Quantify' or the 'Company'), a unique and disruptive player in the multi-billion dollar Internet of Things (IoT) market, is pleased to announce the appointment of software pioneer and Microsoft veteran, Alan Boyd, as a key advisor in formulating Quantify's entry plans into one of the world's largest economies via the Chinese Government's 300 Smart City program.

The appointment significantly strengthens Quantify's technological expertise, with Mr Boyd being one of the world's most knowledgeable technology and intellectual property (IP) specialists, having more than 40 years' experience in the industry.

Mr Boyd will assist the Company to target Smart Cities in China following the announcement that the country will create more than 300 new smart cities. A smart city is an urban development vision to integrate multiple information and communication technology and Internet of things (IoT) solutions in a secure fashion to manage a city's assets, including municipal information systems, schools and libraries.

Quantify is currently in discussions for its flagship Q Device to be used in the Smart City developments in China, as well as a number of leading Chinese building design groups for building upgrades using the Q Device.

Mr Boyd was a pioneer of the US personal computer industry in the 1970s and wrote some of the earliest personal computer programs for MUSE, one of the first independent software companies.

Mr Boyd headed up Microsoft's acquisitions team and was also Microsoft's first Product Development Manager where he reported directly to Bill Gates and was an early influence on Microsoft's product strategy. At Microsoft, he was responsible for the development of many ubiquitous software products that have become household names and sold hundreds of millions of copies.

On leaving Microsoft, he introduced the first commercially available hypertext browser and established hypertext as a key technology for the Internet.

In the 1980s, Mr Boyd was acknowledged by the Reagan administration as one of the world's leading experts on IP and was employed by the US Treasury Department as an Expert Witness in a number of high profile IP cases.

Mr Boyd co-founded SmartCity Software, the first Chinese software company to focus on the design, development, acquisition and licensing of software needed to design, build and operate modern smart cities. SmartCity Software has acquired the rights for China for some of the world's most advanced software including artificial intelligence controlled microgrids, buildings and homes.

"We are excited to welcome Alan to our team. To have someone of his calibre join our team is a tremendous honour and his significant technological expertise will be invaluable as we continue to work towards our goal of redefining the IoT industry standard. His expertise in smart city development will be instrumental as we look to target smart cities in China with our unique and innovative IoT technology," said Quantify Technology Managing Director, Mark Lapins.

Alan Boyd added, "I've been very impressed with the work Mark and his team have done. They've come up with an elegant solution for one of the most difficult problems of the IoT. This fits very well with where the industry is heading not only in China but around the world. It ticks a box that's been conspicuously unticked for too long. Technology design at its best."

For further comment from Alan Boyd click here:

http://info.quantifytechnology.com/quantify_targets_china

Quantify's effort to expand into China is already paying off. The Company's Chairman, Aidan Montague, has been invited to meet with the Chinese Government official in charge of the Linyi National High-Tech Industrial Development Zone to discuss the use of the Q Device in smart buildings in the zone.

The Linyi National High-Tech Industrial Development Zone is a national economic and technology development area in China's Shandong province.

In consideration of Mr Boyd's appointment, the Company has issued a total of 2 million Options (see attached Appendix 3B) with an exercise price of \$0.10 each expiring on or before 4 April 2020 under the Company's Employee Option Plan.

Quantify may further compensate Mr Boyd for facilitation in securing contracts for large scale distribution or partnership agreements in China and additional work related to the Chinese Smart City program.

-ENDS-

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More about Quantify – Quantify Videos:

<http://info.quantifytechnology.com/videos>

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Quantify Technology Holdings Limited

ABN

25 113 326 524

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | Unlisted Options (4/4/2020; \$0.10) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 2,000,000 |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | <div>A. 400,000 unlisted options exercisable at \$0.10 each, vesting immediately and expire on 4 April 2020</div> <div>B. 400,000 unlisted options exercisable at \$0.10 each, vesting on 4 April 2018 and expire on 4 April 2020</div> <div>C. 1,200,000 unlisted options exercisable at \$0.10 each, vesting upon Quantify entering into an agreement that includes Quantify's technology in at least one Chinese Smart City and expire on 4 April 2020</div> |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

4	<p>Do the ⁺securities rank equally in all respects from the ⁺issue date with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional ⁺securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>No – Shares issued on exercise of unlisted options will rank equally with the existing shares of the Company.</p>
5	Issue price or consideration	<p>Nil</p>
6	<p>Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Issued pursuant to the Company's Employee Option Plan</p>
6a	<p>Is the entity an ⁺eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the ⁺securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>No</p>
6b	The date the security holder resolution under rule 7.1A was passed	<p>N/A</p>
6c	Number of ⁺ securities issued without security holder approval under rule 7.1	<p>-</p>
6d	Number of ⁺ securities issued with security holder approval under rule 7.1A	<p>-</p>

⁺ See chapter 19 for defined terms.

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	-						
6f	Number of +securities issued under an exception in rule 7.2	2,000,000 unlisted options issued under Exception 9 in Listing Rule 7.2						
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	-						
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	-						
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Listing Rule 7.1 – 63,186,347						
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	3 April 2017						
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table><tr><th>Number</th><th>+Class</th></tr><tr><td>274,605,468</td><td>Ordinary shares</td></tr><tr><td>7,329,965</td><td>Options (\$0.166; 30 June 2018)</td></tr></table>	Number	+Class	274,605,468	Ordinary shares	7,329,965	Options (\$0.166; 30 June 2018)
Number	+Class							
274,605,468	Ordinary shares							
7,329,965	Options (\$0.166; 30 June 2018)							

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	133,342,563	Ordinary shares held in escrow for 24 months from reinstatement to official quotation.
	13,774,619	Ordinary shares held in escrow until 27 February 2018.
	1,320,875	Ordinary shares held in escrow until 25 May 2017.
	232,539	Options exercisable at \$11.62 on or before 3 December 2017.
	4,216,905	Options exercisable at \$0.332 on or before 31 July 2018
	8,747,626	Options exercisable at \$0.09 on or before 30 September 2019 held in escrow for 24 months from reinstatement to official quotation.
	31,596,511	Options exercisable at \$0.075 on or before 30 September 2019 held in escrow for 24 months from reinstatement to official quotation.
	41,639,654	Options exercisable at \$0.075 on or before 30 September 2019 held in escrow until 27 February 2018.
	400,000	Options exercisable at \$0.10 on or before 4 April 2020
	1,600,000	Options exercisable at \$0.10 on or before 4 April 2020 and subject to vesting conditions
	62,115,701	Performance Shares (1:1 ratio) held in escrow for 24 months from reinstatement to official quotation.
	57,884,299	Performance Shares (1:1 ratio) held in escrow until 27 February 2018.
	30,000,000	Founder Performance Shares (1:1 ratio) held in escrow for 24 months from reinstatement to official quotation.
	12,500,000	Performance Rights

+ See chapter 19 for defined terms.

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A
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Part 2 - Pro rata issue

11	Is security holder approval required?	-
12	Is the issue renounceable or non-renounceable?	-
13	Ratio in which the ⁺ securities will be offered	-
14	⁺ Class of ⁺ securities to which the offer relates	-
15	⁺ Record date to determine entitlements	-
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	-
17	Policy for deciding entitlements in relation to fractions	-
18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	-
19	Closing date for receipt of acceptances or renunciations	-

⁺ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

20	Names of any underwriters	-
21	Amount of any underwriting fee or commission	-
22	Names of any brokers to the issue	-
23	Fee or commission payable to the broker to the issue	-
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	-
25	If the issue is contingent on security holders' approval, the date of the meeting	-
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	-
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	-
28	Date rights trading will begin (if applicable)	-
29	Date rights trading will end (if applicable)	-
30	How do security holders sell their entitlements <i>in full</i> through a broker?	-
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	-

+ See chapter 19 for defined terms.

- 32 How do security holders dispose of their entitlements (except by sale through a broker)? -
- 33 ⁺Issue date -

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of ⁺securities
(tick one)

(a) ☐ ⁺Securities described in Part 1

(b) ☐ All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of ⁺ securities for which ⁺ quotation is sought	-	
39	⁺ Class of ⁺ securities for which quotation is sought	-	
40	Do the ⁺ securities rank equally in all respects from the ⁺ issue date with an existing ⁺ class of quoted ⁺ securities? If the additional ⁺ securities do not rank equally, please state: <ul style="list-style-type: none">• the date from which they do• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	-	
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another ⁺ security, clearly identify that other ⁺ security)	-	
42	Number and ⁺ class of all ⁺ securities quoted on ASX (including the ⁺ securities in clause 38)	Number	⁺ Class
		-	

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: N J Bassett
 (Company secretary)

Date: 3 April 2017

Print name: Neville John Bassett

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	66,815,133
Add the following: <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Ordinary shares issued 28/2/17 355,993,452
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
“A”	422,808,585

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	63,421,287
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 Note: <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Shares issued 29 June 2016 234,940
“C”	234,940
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	63,421,287
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	234,940
Total [“A” x 0.15] – “C”	63,186,347 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	-
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	-
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items 	
“E”	-

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	-
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	-
Total [“A” x 0.10] – “E”	- <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.