QUANTIFY

truly intelligent buildings

annual report 2017

CONTENTS

CORPORATE DIRECTORY

Directors

Executive Directors

Aidan Montague
Mark Lapins

Non-Executive Director

Alex Paior

Key Management Personnel

Tim Leahy – Chief Financial Officer
David Porter – Chief Technology Officer

Auditor

HLB Mann Judd
Level 4, 130 Stirling Street
Perth WA 6000
Telephone: +61 8 9227 7500

Company Secretary

Neville Bassett

Principal Registered Office

Level 4, 216 St George's Terrace
Perth WA 6000
Telephone: +61 8 9410 1111

Share Register

Automic Share Registry Services
Level 2, 267 St George's Terrace
Perth WA 6000
Telephone: +61 8 9324 2099

ASX Ticker Code

QFY.ASX

ABN

23 113 326 524

CHAIRMAN'S REPORT

Dear Shareholders,

On behalf of the Board of Quantify Technology Ltd, it is my pleasure to present the inaugural 2017 Annual Report, at the close of a year that has seen a significant transition in the Company.

Quantify Technology brings a unique point of difference to the multi-billion dollar Internet of Things ("IoT") market. Our products allow IoT solutions to become part of the fabric of buildings, redefining the industry standard with a view to making our solution the platform of choice in the market.

Our patented flagship product is the Q Device. The Q Device provides real-time evaluation/monitoring of energy usage including environmental and other risk factors for building occupants. We proactively manage services and utilities (e.g power) to ensure the highest levels of efficiency are achieved to create Truly Intelligent Buildings™.

Our products have several competitive advantages over existing IoT technologies:

1. The Quantify Technology solution is "retrofittable" and simple to install by replacing existing light switches and GPO's (power points). This allows Quantify Technology to target not only new builds but also the far larger retrofit market at a significantly lower price.

2. The client will immediately see a benefit in the form of lower energy costs (i.e lower power bills). Independent studies indicate that the potential energy savings, with Quantify Technology devices installed, may be as high as 30% when compared to conventional systems. This means that Quantify Technology can demonstrate a powerful Return on Investment (ROI) to clients, based on the initial, basic functionality without any of the highly advanced, future functionality.

3. The Quantify Technology platform is scalable, extensible, autonomous and inherently secure. Our ability to securely scale, opens access to most major IoT markets such as consumer, commercial and enterprise. Being extensible (allowing certified 3rd parties to build software services onto the platform), opens our platform to a vast range of adjacent markets.

The Company is targeting four distinct markets in a phased rollout strategy, with the first stage being energy management. In this initial phase, we aim to provide advanced power management and smart grid applications through measuring, reporting and controlling power consumption.

The second phase is behavioural and environmental sensing in which we will provide additional functionality to our products to enable the measurement of environmental factors in real time – such as temperature, humidity, toxins, bacteria and gases, as well as the integration of audio and visual capabilities, and basic algorithms which will provide building occupant profiling. To facilitate this, our devices will allow the secure on-boarding of 3rd party IoT devices, effectively creating a secure in-building IoT fabric (fabric extension).

In the third phase, we will target adjacent markets such as the retirement living market by providing real-time in-building living assistance for the ageing population.

The final phase is our Truly Intelligent Buildings™ framework, in which Big Data Analytics ("BDA") will be used to identify appropriate building responses tailored to the occupants preferences.

This financial year saw our Company achieve a major milestone in terms of its corporate development, namely our relisting on the Australian Securities Exchange in March 2017 following a significantly oversubscribed capital raising. The funds raised from the capital raising have put us in a strong financial position to commercialise and continue development of our innovative intelligent building technology, including the Q Device and our cloud management platform Qumulus.

We have made substantial progress in the few short months since our listing, namely building a sales pipeline targeting commercial and enterprise projects. This will enable us to manufacture the Q Device in high volumes and in a cost-efficient manner in order to maximise product profitability.

Subsequent to year-end, we successfully delivered and commissioned the device to the Medical and Dental Library at the University of Western Australia.

We will supply the Q Device to the multi-million dollar Wallaroo Shores development in South Australia, and the device has also been included in the electrical engineering plans for projects in Western Australia and Queensland. We expect to deliver the product to projects in Western Australia and Sydney and other leading Australia projects in Q2 FY2018.

In addition, we have also added to our product suite with the production development of our Fabric Extension fascia, which allows third-party IoT devices to connect directly to the Company's technology platform and significantly increase the marketability of Quantify Technology's products.

We have also successfully delivered our passive infra-red motion sensor fascia which complements our growing suite of products and incorporates passive infra-red motion, light measurement, temperature, and humidity monitoring.

Additionally, we have significantly increased the breadth and depth of our industry and commercialisation expertise through the appointment of key advisors to our Advisory Board.

In April, we appointed software pioneer and Microsoft veteran, Alan Boyd as a key advisor to assist with the Company's entry into the Chinese market and in May, we appointed US technology veteran, Peter Osmond as an advisor to help formulate and execute the Company's US expansion plan.

Just post year end, we appointed business strategist and resources expert Peter Long to facilitate our commercial partnerships in the oil and gas, power, and mining industries.

I would like to thank our Chief Executive Officer, Mark Lapins, my fellow Board members and the executive management team for their hard work and dedication over the financial year and especially over the past few months following our public listing.

Quantify Technology has a highly experienced Board and management team with the right expertise and skill set to take the Company forward as we continue to progress our commercialisation efforts for our unique and innovative products.

Finally, on behalf of the Board, we would like to thank our shareholders for your ongoing support and backing of the Quantify Technology vision. I look forward to updating you on our progress and achievements in the months ahead.

Aidan Montague
Chairman

CHIEF EXECUTIVE OFFICER'S REPORT

Dear Shareholders,

I am pleased to report on our activities for the 2017 financial year, a period of significant innovation and achievement for Quantify Technology that has cemented our place at the forefront of the massively expanding Internet of Things industry.

Our relisting on the Australian Securities Exchange in March 2017 was a key milestone for our Company. Our oversubscribed capital raising of $5 million put us in a strong position to commercialise and continue the development of our innovative intelligent building technology, including our patented flagship product, the Q Device.

In a few short months, we have continued to make strong progress across several fronts as we build a sales pipeline to enable the high-volume, cost-efficient manufacturing of the Q Device in order to maximise profitability.

We remain focused on integrating our platform in new construction projects, including iconic commercial and enterprise projects, as our technology platform generates strong interest from potential customers.

COMMERCIALISATION PROGRESS

One of our major achievements has been our agreement to supply the Q Device to the multi-million dollar Wallaroo Shores Development in South Australia.

We will supply 2,000-2,500 devices for 100 townhouses under construction for the first stage of the $220 million development—the Mantra Wallaroo Shores Resort, a $40 million, four-star development that will be managed by Mantra Group (ASX: MTR), a leading Australian accommodation operating and marketing firm.

Quantify Technology's platform will be exclusively promoted and installed throughout the entire development: approximately 656 residential dwellings—including 134 retirement apartments—and a mixed-use precinct. Early estimates suggest an additional 13,500 devices will be required, which has the potential to generate revenue in excess of $2 million over the life of the development.

During the past year, we succeeded in having the Q Device specified in a number of major Australian developments—i.e having the Q Device included in the electrical engineering plans for the developments. This is the first step in supplying the product to any major development.

In March, it was specified in three projects: the Medical and Dental Library project at the University of Western Australia and the Crest Apartment project in Western Australia and the Lindfield Apartment project in Sydney. This strong momentum continued in June, with the Q Device being included in the electrical specifications for the $1.8 million refurbishment project at the East Fremantle Town Hall.

As of Q1 FY2018, Q Device has been delivered and installed in the Medical and Dental Library at UWA, and we expect to deliver product to other leading Australian projects in Q2 FY2018.

In May, we secured an agreement with the Cisco Internet of Everything Innovation Centre (CIIC)—a leading industry and research collaboration centre at Curtin University—to showcase and promote Quantify Technology's solutions to potential property development partners. Under the move, the CIIC will facilitate connections between Quantify Technology and key stakeholders in the building management and development industry.

During the year, we also successfully installed our platform in a luxury apartment on York Street in Sydney to showcase our Truly Intelligent Building Solution. Subsequent to financial year end, we completed the programming and testing of the apartment, which has been commissioned with the Company's first feature set demonstrating power management. The demonstration suite will evolve with technological upgrades and add-ons as they are developed.

PRODUCT DEVELOPMENT

In June, we moved to the production development phase of our unique Fabric Extension fascia, an innovative technology that provides a disruptive solution to the problems in the IoT, namely the requirement of a dedicated gateway for every product a consumer uses, which restricts scalability and adoption of new IoT offerings.

This fascia provides a server-less, gateway-less IoT solution, making it more reliable and simplifying connectivity and integration of all devices in a home or building. This significantly increases the marketability of our platform, enabling Quantify Technology to partner with other IoT vendors and sensor manufacturers.

We also sent our passive infra-red motion sensor fascia to production and successfully delivered this product for installation post-Q4 FY2017.

The fascia complements our growing suite of products and allows Quantify Technology's platform to manage power usage by collecting and analysing data and responding to the environment. The modular design allows for easy upgrades and add-ons, such as the infra-red motion sensor to ensure that customer needs can easily be met as their needs and our technology evolve over time.

GEOGRAPHIC EXPANSION AND ADVISORY BOARD APPOINTMENTS

The 2017 financial year also saw Quantify Technology make significant inroads in terms of its geographic expansion by appointing key advisors.

In April, we appointed software pioneer and Microsoft veteran Alan Boyd to formulate our entry plans into China via the Chinese Government's Smart City program. Mr. Boyd will assist us in targeting Smart Cities with China planning to create more than 300 smart cities.

We also appointed Peter Osmond as a strategic advisor to accelerate our planned expansion into the United States market and assist in our negotiations with major technology players. Mr. Osmond is an important new member of the Quantify Technology team with over 20 years of experience in the high-tech industry, spanning acquisition diligence, integration, divestiture planning, documentation, global team coordination, and sales business development.

These efforts were augmented post-Q4 FY2017 with the appointment of business strategist and resources expert Peter Long. Mr. Long will facilitate commercial partnerships between Quantify Technology and the oil and gas, power, and mining industries.

FINANCIAL RESULTS

- Quantify Technology reported a net loss after tax of $11,661,543 for the year ended FY2017 (FY2016: $3,107,122). FY2017 loss before interest, tax, depreciation and amortisation (EBITDA) was $11,612,806.
- As at 30 June 2017, the Group had $2,887,736 cash on hand (FY2016: $950,977).

EBITDA is a non-IFRS measure. The information is unaudited but is extracted from the audited financial statements. EBITDA is used by management to understand cash flows within the group.

OUTLOOK

Thanks to the achievements over the financial year, Quantify Technology is in a strong position in terms of its development and commercialisation efforts and expects to achieve further key milestones in FY2018.

The technology upgrades we have achieved enable us to remain at the forefront of the emerging IoT industry, and we are confident about securing more partnership and collaboration agreements over the coming months. In addition, we expect to deliver our product to more projects in Australia and to continue to gain solid interest from potential partners around the globe as our focus continues on revenue generating sales opportunities and partnerships.

I would like to thank my fellow Board Members, management team, and our brilliant engineering team for their exceptional work and dedication to the important and innovative platform we've developed.

Our goal remains—to allow IoT solutions to become part of the fabric of buildings, redefining the industry standard by making Quantify Technology's solution the platform of choice. The hard work and tremendous efforts of our team and the support of our shareholders is helping us make this aim a reality.

I thank our shareholders for their continued support and invite you to read the full Annual Report.

Mark Lapins
Chief Executive Officer

29 September 2017

REVIEW OF OPERATIONS

ACQUISITION – QUANTIFY TECHNOLOGY LIMITED

On 12 September 2016, WHL Energy Ltd ("WHL Energy") announced that it had signed a Merger Implementation Agreement ("MIA") with Quantify Technology Limited ("Quantify") with a view to making separate off market takeover offers to acquire all of Quantify's fully paid, ordinary shares (Share Offer) and main class of options (Option Offer) and to acquire all other Quantify securities by private agreement ("Transaction").

On 22 December 2016, the shareholders of WHL Energy approved the following resolutions:

- Change of control of the Company;
- Approval of securities issuance (described later in Review of Operations); and
- Change of Company name.

WHL Energy Limited changed its name to Quantify Technology Holdings Limited ("Quantify Technology" or the "Company") on 27 February 2017 and the Company's securities re-commenced trading on ASX on 8 March 2017.

On 1 March 2017, Gary Castledine, Neville Bassett and Faldi Ismail resigned as Directors of Quantify Technology, and were replaced by Aidan Montague, Alex Paior and Mark Lapins.

On 3 March 2017, Quantify Technology successfully completed the reverse-acquisition, and issued the following securities as part of the take-over:

- 250,000,000 shares and 120,000,000 performance shares as consideration to acquire Quantify's 245,364,169 outstanding shares;
- 30,000,000 Founder performance shares to the major shareholder in replacement of Class A and Class B Quantify performance shares;
- 11,826,787 shares as consideration to acquire all Quantify's Class C shares; and
- 61,325,622 bid options as consideration for the acquisition of 59,900,002 Quantify ordinary options.

In addition, the following securities were issued as a direct consequence of the acquisition:

- 6,910,543 employee options in replacement of Quantify's employee options;
- 10,833,333 shares in settlement of Quantify convertible note holder liabilities;
- 5,000,000 broker options in capital raising issuance costs;
- 8,747,626 advisor options for corporate advisory services;
- 12,500,000 performance rights to Mr Mark Lapins and Aidan Montague; and
- 83,333,333 shares, raising $5 million as part of an over-subscribed capital raising.

The acquisition of the Company by Quantify has the features of a reverse acquisition under Australian Accounting Standard AASB 3 "Business Combinations", notwithstanding Quantify Technology being the legal parent of the Group. The historical financial information presented in this Report for the year ended 30 June 2016 is the audited historical financial information of Quantify.

The legal structure of the Group subsequent to the acquisition of Quantify will be that Quantify Technology Holdings Limited will remain as the legal parent entity. However, the principles of reverse acquisition accounting are applicable where the owners of the acquired entity (in this case, Quantify Technology) obtain control of the acquiring entity (in this case, Quantify) as a result of the business' combination.
For accounting purposes, Quantify Technology Pty Ltd has been identified as the accounting acquirer of the consolidated group. The accompanying consolidated financial statements represent a continuation of Quantify's financial statements. The consolidated results reflect a full year of Quantify plus Quantify Technology Holdings Limited from the date of acquisition, 3 March 2017 to 30 June 2017. The comparative period results reflect Quantify only.

ABOUT QUANTIFY TECHNOLOGY

Quantify Technology is a first mover in the Internet of Things ("IoT") market and primarily develops hardware and software devices that enable the monitoring and management of the next generation of internet-enabled devices (such as lighting, power, heating and cooling systems) installed in buildings.

The Company's patented flagship product, the Q Device, provides real-time evaluation of environmental and risk factors for building occupants, as well as proactively managing services and utilities to ensure the highest levels of efficiency are achieved – for example, maximum energy efficiency – to create truly intelligent buildings.

Quantify's products are designed to be retrofittable, cost effective, simple, scalable, extensible, autonomous and secure, and aim to allow IoT solutions to become part of the fabric of buildings - redefining the industry standard with a view to making Quantify Technology's solution the platform of choice.

During the year, the Company:

- moved to the production development phase of its Fabric Extension fascia following favourable demonstrations with potential U.S. commercial partners in Q4 FY2017. The Fabric Extension fascia allows third-party IoT devices to connect directly to the Company's technology platform. This innovative and disruptive technology simplifies connectivity and integration of all devices in a home or building;
- signed an agreement with the Cisco Internet of Everything Innovation Centre (CIIC) to demonstrate first-hand the potential of Quantify Technology's platform and its applications in Truly Intelligent Buildings to strategic customers; and
- successfully installed the Q Device in a luxury apartment on York Street in Sydney to showcase its Truly Intelligent Building Solution.

DIRECTORS' REPORT

The Board of Directors of Quantify Technology Limited submit their report for the year ended 30 June 2017.

DIRECTORS

The names and details of the Company's Directors in office during the financial year and until the date of this report are detailed below. Directors were in office for the entire financial year unless otherwise stated.

Aidan Montague – Executive Chairman – appointed 1 March 2017

Aidan is a Professional Engineer by qualification and a former Chartered Member of the Institution of Engineers Australia.
He has more than 25 years in sales and marketing operations with a strong technology and internet background.
Aidan was instumental in the establishment and growth of the Australian arm of the internet/communications global giant, Cisco Systems.
He has held various senior roles with Cisco internationally.

Alex Paior – Non-Executive Director – appointed 1 March 2017

Alex is a highly respected Australian commercial lawyer with over 40 years' experience in the field. Additionally, he has extensive legal and practical expertise in property development. During his career in law, Alex has been a Senior Commercial Partner and Managing Partner of multiple major Australian law firms. Alex has also served on the board of numerous Australian Securities Exchange listed and private companies, illustrating his considerable experience in the areas of corporate governance and risk management. Alex has extensive experience in international transactions, acting for major Australian companies in mergers and acquisitions in Europe (United Kingdom, France, Germany and Greece) and Asia (Singapore, Hong Kong, Thailand and China). In the late 1990's, Alex was "seconded" to South Australia's Crown Law Department for nine months, to assist the South Australian Government's Asset Management Task Force as senior legal counsel to its Asset Disposal program. During that time, he managed the legal aspects of the Task Force's disposal of Government enterprises and assets in excess of $4 billion.

Mark Lapins – Chief Executive Officer (CEO) – appointed 1 March 2017

Mark is a leading innovator in the field of IP Communications Technology and Solutions. He has extensive business acumen and experience in the sector, having spent almost twenty years providing solutions as well as successfully building up and selling two communications technology companies, one of which was acquired by global company Schneider Electric in 2008.
A rare blend of entrepreneurship, business and engineering skills has allowed him to create and deliver a company that will engineer change on a global scale.

COMPANY SECRETARY

Neville Bassett – Company Secretary

Mr Bassett is a Chartered Accountant, specialising in the area of corporate, financial and management advisory services. Mr Bassett has been involved with numerous public company listings, capital raisings and mergers and acquisitions. Mr Bassett has experience in matters pertaining to the Corporations Act, ASX listing requirements, corporate taxation and finance. He is a director or company secretary of a number of public and private companies. Mr Bassett is currently also non-executive Chairman of Ram Resources Limited, non-executive Director of Meteoric Resources NL and Vector Resources Limited.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the year were research and development within the Internet of Things ("IoT") market, and the assessment of new investment opportunities and product commercialisation.

OPERATING RESULTS FOR THE YEAR

The net loss after tax of the consolidated entity for the financial year was $11,661,543 after income tax (FY2016: net loss after tax of $3,107,122).

REVIEW OF OPERATIONS

A review of the operations of the consolidated entity is outlined in the Review of Operations on page 8.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Details of the significant changes to the structure and operations is outlined in the Review of Operations on page 8.

DIVIDENDS

No dividends have been paid or declared since the start of the financial year and the Directors do not recommend the payment of a dividend in respect of the financial year.

SIGNIFICANT EVENTS AFTER BALANCE DATE

On 31 July, the Group announced it had entered into a new contract to supply 2,000-2,500 devices for the first stage of townhouse construction for the Mantra Wallaroo Shores Resort. Early estimates suggest an additional 13,500 devices will be required, generating revenue in excess of $2 million, over the life of the Wallaroo Shores development.

On 4 September, a corporate restructure was undertaken, with the aim of reducing overheads in a number of areas to ensure it is focusing resources on its sales and marketing efforts. As part of the corporate restructure and to bolster commercialisation efforts, the Group appointed David Barker to the new position of General Manager, a role intended to oversee the Group's day-to-day operations, including its sales, marketing, engineering and operations divisions.

Aside from the above, there has not been any other matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

A general discussion of the Group's outlook is included in the Chairman's Report on page 3 and the Review of Operations on page 8.

DIRECTORS' INTERESTS IN THE SHARES, OPTIONS AND PERFORMANCE RIGHTS OF THE COMPANY AND RELATED BODIES CORPORATE

At the date of this report, share, options, convertible notes and performance rights granted to Directors of the Company and the entities it controlled are:

	Number				
Director	Ordinary Shares	Options	Performance Rights	Founder Performance Shares	Performance Shares
Aidan Montague	17,321,300	2,047,600	6,250,000	-	8,314,700
Alex Paior	-	19,429,911	-	-	-
Mark Lapins	112,079,001	5,119,000	6,250,000	30,000,000	53,801,001

REMUNERATION REPORT

The Remuneration Report, which forms part of the Directors' report, outlines the remuneration arrangements in place for the Key Management Personnel of the Group for the financial year ended 30 June 2017 and is included on page 15.

SHARE OPTIONS, PERFORMANCE SHARES AND PERFORMANCE RIGHTS

There were 95,763,200 issued ordinary shares under options, 120,000,000 performance shares, 30,000,000 founder performance shares, 13,775,150 share rights and 12,500,000 performance rights at the date of this report. Refer to Note 23 for further details of the options outstanding. There were no options exercised during the year.

DIRECTORS' MEETINGS

The number of meetings of Directors held during the year and the number of meetings attended by each Director was as follows:

	Board of Directors
Number of meetings held	10
Number of meetings attended:	
Aidan Montague [1]	10
Alex Paior [2]	10
Mark Lapins [3]	10

1. Aidan Montague was appointed as Director of Quantify Technology on 1 March 2017
2. Alex Paior was appointed as Director of Quantify Technology on 1 March 2017
3. Mark Lapins was appointed as Director of Quantify Technology on 1 March 2017

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group is not subject to any significant environmental legislation.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has agreed to indemnify all the Directors of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as Directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

During the financial year the Company paid a premium in respect of a contract insuring the Directors and officers of the Company and its controlled entities against any liability incurred in the course of their duties to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

NON-AUDIT SERVICES

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 4 to the financial statements. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services do not compromise the auditor's independence as all non-audit services have been reviewed to ensure that they do not impact the impartiality and objectivity of the auditor and none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board.

During the year, the following fees were paid or payable for non-audit services provided by the auditor of the parent entity:

		2017
HLB MANN JUDD:		
Tax compliance services	$	11,450
Total remuneration for taxation services	$	11,450
Independent Accountant's Report	$	17,500
Other assurance services		9,000
Total remuneration for other services	$	26,500

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the Directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 31 and forms part of this Directors' report for the year ended 30 June 2017.

COMMITTEE MEMBERSHIP

The Company's Board of Directors performs all required functions of an Audit & Risk Committee and a Nomination & Remuneration Committee.

Members acting on the Board during the year were:

Board of Directors

Aidan Montague[1]
Mark Lapins
Alex Paior

[1] Designates the Chairman of the Board

REMUNERATION REPORT (AUDITED)

The Remuneration Report details the remuneration arrangements for Key Management Personnel who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Group.
The Remuneration Report is presented under the following sections:

This report, which forms part of the Directors' report, outlines the remuneration arrangements in place for the Key Management Personnel of Quantify Technology for the year ended 30 June 2017.

The information provided in this Remuneration Report has been audited as required by Section 308(3C) of the Corporations Act 2001.

REMUNERATION REPORT (AUDITED)

1. PERSONS COVERED BY THIS REPORT

This report covers all Key Management Personnel (KMP) as defined in the Accounting Standards, including all Directors, as well as those Executives who have specific responsibility for planning, directing, and controlling material activities of the Group.

The KMP for the year ended 30 June 2017 were:

EXECUTIVE DIRECTORS

Mr Aidan Montague	Chairman - appointed 1 March 2017
Mr Mark Lapins	Chief Executive Officer - appointed 1 March 2017

EXECUTIVES WITH NO DIRECTOR DUTIES

Mr Timothy Leahy	Chief Financial Officer - appointed 1 March 2017
Mr David Porter	Chief Technology Officer - appointed 1 March 2017

NON-EXECUTIVE DIRECTORS

Mr Alex Paior	Non-Executive Director - appointed 1 March 2017

The following persons ceased to be a non-executive director during FY2017:

Mr Faldi Ismail	Non-Executive Director - resigned 1 March 2017
Mr Neville Bassett	Non-Executive Director - resigned 1 March 2017
Mr Gary Castledine	Non-Executive Director - resigned 1 March 2017

2. REMUNERATION GOVERNANCE FRAMEWORK AND STRATEGY

I. Remuneration Philosophy

The performance of the Company depends upon the quality of the Key Management Personnel. The philosophy of the Company in determining remuneration levels is to:

- set competitive remuneration packages to attract and retain high caliber employees;
- link executive rewards to shareholder value creation; and
- establish appropriate, demanding performance hurdles for variable executive remuneration.

II. Securities Trading Policy

The Securities Trading Policy of Quantify Technology is available on the Quantify Technology website. The Policy contains the standard references to insider trading restrictions that are a legal requirement under the Corporations Act, as well as conditions associated with good corporate governance. The Policy specifies "Closed Periods" during which Directors and related parties, KMP, Senior Executives, and any employee in possession of inside information must not trade in the securities of the Company, unless written permission is provided by the Board following an assessment of the circumstances.

All equity based remuneration awards which have vested are subject to the Group's Share Trading Policy.

III. Remuneration Committee

The Board of Directors is responsible for determining and reviewing compensation arrangements for the Key Management Personnel.

The Board of Directors assesses the appropriateness of the nature and amount of remuneration of Key Management Personnel on a periodic basis by reference to relevant employment market conditions with an overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

3. EXECUTIVE KMP REMUNERATION POLICY

I. Structure

Remuneration consists of fixed remuneration and variable remuneration (comprising long-term incentive schemes).

II. Fixed remuneration

Fixed remuneration is reviewed annually by the Board of Directors. The process consists of a review of relevant comparative remuneration in both the market and internally and, where appropriate, external advice on policies and practices.
Executive Directors and other key management are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Group. The fixed remuneration component for the years ended 30 June 2017 and 30 June 2016 is detailed in the Remuneration of KMP tables on page 21.

III. Long Term Incentive (LTI)

The Group also makes long-term incentive payments to reward Executive Directors and Other Key Management in a manner that aligns this element of remuneration with the creation of shareholder wealth.

i. Purpose

The purpose of LTI is to incentivise Senior Executives to deliver Group performance that will lead to sustainable superior returns for shareholders and to modulate the cost of employing Senior Executives.

ii. Form of incentive

The LTI should be based on Employee Options that vest based on service period. No dividends are payable or accrued on Employee Options which are unvested and unexercised.

iii. Measurement period

LTI will typically have five measurement periods. 50% vests over the first 12 months, and the final 50% across the second year, pro-rata each quarter.

iv. Vesting of Employee Options

The Employee Options for each employee vest at the end of the measurement period, subject to meeting the service period hurdles, unless the Board exercises its discretion to extend the original measurement period.

Participants are not required to make any payments in respect of Employee Options at grant. Participants will require the payment on the option's strike price.

v. Holding period

Unless the Board exercises its discretion, Employee Options are forfeit if a participant ceases employment during the service period.

IV. Use of remuneration consultants

The Board is satisfied that any recommendations made were free from undue influence from any members of Key Management Personnel. No consultants were used in FY2017.

V. Details of contractual provisions for KMP

Name	Employing company	Contract Duration	Notice Period
Mark Lapins	Quantify Technology Holdings Ltd	3 Years	6 months[1]
Timothy Leahy	Quantify Technology Holdings Ltd	3 Years	6 months[1]
David Porter	Quantify Technology Ltd	Unlimited	1 month

1. Termination provisions for Executives on contracts – Quantify Technology may at its sole discretion dispose with the written notice period and choose to terminate the contract immediately by making:

- a payment to the Executive equal to the salary payable for the relevant period of notice; and
- a payment to the Executive of an amount equivalent to the salary they would have been paid from the end of the 6 month notice period until the end of the contract term, subject to the amount being reduced to the extent necessary to ensure that, when combined with any other payment made on termination of this Agreement, the Executive is not entitled to more than the maximum amount permitted by the Corporations Act and the Listing Rules.

4. NON-EXECUTIVE DIRECTOR REMUNERATION

I. Application

The Non-Executive Director Remuneration Policy applies to Non-Executive Directors (NED) of the Company in their capacity as directors and as members of committees.

II. Remuneration structure

Remuneration is composed of Board fees.

III. Fees

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain Non-Executive Directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

i. Fee cap

The ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting. The latest determination was at the Annual General Meeting held on 22 December 2016 when shareholders adopted the WHL Limited constitution, which limited the aggregate remuneration to $350,000 per year, excluding share-based payments.

ii. Non-Executive Director fees

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst the Non-Executive Directors is reviewed annually. As at 30 June 2017, the Group had one Non-Executive Director.

The Board of Directors considers advice from external shareholders as well as the fees paid to Non-Executive Directors of comparable companies when undertaking the annual review process.

Each Non-Executive Director receives a fee for being a Director of the Company.

iii. Committee fees

The Group does not remunerate Directors for their additional audit & risk and nomination & remuneration responsibilities.

IV. No termination benefits

Termination benefits are not paid to NED by the Company.

5. REMUNERATION OF KMP

	Short-Term Benefits			Post Employment Benefits	Long Term Benefits		Share Based Payments Expense				
	Salary & Fees	FY2017 Cash Bonus	Other Monetary Benefits	Super-annuation /	Leave Accrued	Termination Benefits	Options	Performance Shares & Rights	Total	Share Based Payments Expense %	Performance Related %
YEAR ENDED 30 JUNE 2017											
EXECUTIVE DIRECTORS											
Aidan Montague	$ 214,668	$ -	$ -	$ 760	$ 585	$ -	$ 71,178	$ 289,960	$ 577,151	62.6	50.2
Mark Lapins	337,654	-	762	30,633	25,973	-	177,946	1,654,549	2,227,517	82.3	74.3
NON-EXECUTIVE DIRECTORS											
Alex Paior	$ 48,000	$ -	$ -	$ -	$ -	$ -	$ 675,418	$ -	$ 723,418	93.4	-
OTHER KEY MANAGEMENT PERSONNEL											
Timothy Leahy [1]	$ 200,192	$ -	$ -	$ 18,315	$ 15,399	$ -	$ 20,619	$ 29,117	$ 283,642	17.5	10.3
David Porter [2]	196,269	-	-	18,645	15,098	-	13,278	22,010	265,300	13.3	8.3
	$ 996,783	$ -	$ 762	$ 68,353	$ 57,055	$ -	$ 958,439	$ 1,995,636	$ 4,077,028		

1. Mr Tim Leahy was appointed as Chief Financial Officer on 3 March 2017.
2. Mr David Porter was appointed as Chief Technology Officer on 1 July 2016.

	Short-Term Benefits			Post Employment Benefits	Long Term Benefits		Share Based Payments Expense				
	Salary & Fees	FY2017 Cash Bonus	Other Monetary Benefits	Super-annuation /	Leave Accrued	Termination Benefits	Options	Performance Shares & Rights	Total	Share Based Payments Expense %	Performance Related %
YEAR ENDED 30 JUNE 2016											
EXECUTIVE DIRECTORS											
Aidan Montague [1]	$ 165,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 165,000	-	-
Mark Lapins [2]	212,362	-	209	19,268	16,336	-	-	-	248,175	-	-
NON-EXECUTIVE DIRECTORS											
Alex Paior [3]	$ 4,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,000	-	-
OTHER KEY MANAGEMENT PERSONNEL											
Timothy Leahy [4]	$ 109,071	$ -	$ -	$ 10,266	$ 8,390	$ -	$ 31,896	$ -	$ 159,623	20.0	-
	$ 490,433	$ -	$ 209	$ 29,534	$ 24,726	$ -	$ 31,896	$ -	$ 576,798		

1. Mr Aidan Montague was appointed to the Board of Directors on 21 May 2016.
2. Mr Mark Lapins was appointed as Chief Executive Officer on 12 November 2015, and appointed as Director on 3 March 2017.
3. Mr Alex Paior was appointed to the Board of Directors on 1 June 2016.
4. Mr Tim Leahy was appointed as Corporate Development Officer on 12 October 2015.

6. EQUITY INSTRUMENTS HELD BY KMP

I. Bid Options

i. Bid Options

Prior to the reverse takeover, Quantify Technology had 25,978,228 ordinary options on issue to KMP, which were issued at $0.075 with an expiration date of 31 May 2017. As part of the merger, 26,596,510 WHL Bid options were issued in consideration for the Quantify ordinary options as held by the KMP.

The bid options were issued at a fair value of $0.035 each with an exercise price of $0.075 each on a post-consolidation basis.

ii. Measurement Periods

The bid options expire on 30 September 2019, and there is no vesting period.

iii. Vesting of Bid Options

The following options were provided at no cost and expire on the earlier of their expiration date of 30 September 2019, or the termination of the KMP employment.

Name	Options granted	Grant date	FV per option at award date	FV of options at grant date
Aidan Montague	2,047,600	3 Mar 2017	$ 0.035	$ 71,178
Mark Lapins	5,119,000	3 Mar 2017	$ 0.035	$ 177,946
Alex Paior	19,429,911	3 Mar 2017	$ 0.035	$ 675,418

Name	Vesting date	No. vested during year	No. exercised during year
Aidan Montague	3 Mar 2017	2,047,600	-
Mark Lapins	3 Mar 2017	5,119,000	-
Alex Paior	3 Mar 2017	19,429,911	-

II. Employee Options Grant

i. Employee Options Grant

2,500,000 employee options were granted to KMP of Quantify in FY2016. As part of the reverse takeover, which successfully concluded on 3 March 2017, the employee options were acquired and re-issued at a rate of 1.0238 WHL options for every Quantify option. As a result, the 2,500,000 initial tranche of employee options were acquired by the Company, and 2,559,493 employee options were re-issued to KMP.

These KMP were still employed by Quantify Technology at 30 June 2017, and 511,874 options remained unvested at 30 June 2017.

ii. Measurement Periods

There are four separate measurement periods for the employee options granted to KMP during the year, as follows:

- 3 March 2017 for 62.5% of the employee options
- 11 April 2017 for 12.5% of the employee options
- 11 July 2017 for 12.5% of the employee options
- 11 October 2017 for 12.5% of the employee options

Employee Options issued to Mr David Porter vested in full at the grant date.

iii. Employee Option Performance Criteria

The employee options are subject to service-based criteria.

iv. Vesting of Options from the Employee Option Grant

The following options were provided at no cost and expire on the earlier of their expiration date of 30 September 2019, or the termination of the KMP employment for any unvested option.

Name	Options granted	Grant date	FV per option at award date	FV of options at grant date
Timothy Leahy	2,047,493	3 Mar 2017	$ 0.035	$ 71,372
David Porter	511,900	3 Mar 2017	$ 0.035	$ 17,795

Name	Vesting date	No. vested during year	No. exercised during year
Timothy Leahy	3 Mar 2017	1,023,747	-
	3 Mar 2017	255,937	-
	11 Apr 2017	255,937	-
	11 Jul 2017	-	-
	11 Oct 2017	-	-
David Porter	3 Mar 2017	511,900	-

III. Share Rights Grant

i. Share Rights Grant

2,000,000 share rights were granted to KMP of Quantify in FY2016. As part of the reverse takeover, which successfully concluded on 3 March 2017, the employee share rights were acquired and re-issued at a rate of 1.0189 WHL share for every Quantify ordinary share share right. As a result, the 2,000,000 initial tranche of share rights were acquired by the Quantify, and 2,037,800 share rights were re-issued to KMP.

These KMP were still employed by Quantify Technology at 30 June 2017, and 509,450 share rights remained unvested at 30 June 2017.

ii. Measurement Periods

There are four separate measurement periods for the share rights granted during the year, as follows:

- 3 March 2017 for 62.5% of the share rights
- 11 April 2017 for 12.5% of the share rights
- 11 July 2017 for 12.5% of the share rights
- 11 October 2017 for 12.5% of the share rights

iii. Share Rights Performance Criteria

The share rights are subject to service-based criteria.

iv. Vesting of Share Rights from the Share Rights Grant

The following share rights were provided at no cost and expire upon the termination of the KMP employment.

Name	Options granted	Grant date	FV per option at award date	FV of rights at grant date
Timothy Leahy	2,036,229	12 Oct 2016	$ 0.040	$ 81,449

Name	Vesting date	No. vested during year	No. exercised during year
Timothy Leahy	3 Mar 2017	1,018,115	-
	3 Mar 2017	254,529	-
	11 Apr 2017	254,529	-
	11 Jul 2017	-	-
	11 Oct 2017	-	-

IV. Performance Rights Grant

The Group issued 12,500,000 performance rights in total in two tranches to the Chairman and the CEO, under the Merger Implementation Agreement, as part of the prospectus for the reverse takeover.
The performance rights were issued as follows:

		Performance Rights Granted		
		Tranche A	Tranche B	Total
Aidan Montague	Chairman	4,166,667	2,083,333	6,250,000
Mark Lapins	CEO	4,166,667	2,083,333	6,250,000
Total		8,333,334	4,166,666	12,500,000

i. Performance Rights Valuation Assumptions

The performance rights are subject to the terms and conditions of the WHL performance rights plan, as outlined in Section 11 of the prospectus.

The first tranche of the performance rights, Tranche A, will vest immediately upon the 20 day volume weighted average price (VWAP) increasing to $0.12 per share within 24 months of the 3 March 2017 (the Quotation Date).

The second tranche of the performance rights, Tranche B, will vest immediately upon the 20 day VWAP increasing to $0.24 per share within 36 months of the Quotation Date.

The performance valuation assumptions relating to the grant of performance rights to KMP are detailed below.

	Assumptions	
	Tranche A	Tranche B
HOADLEY BARRIER1 METHOD ASSUMPTIONS:		
Discount rate	1.81% p.a.	1.98% p.a.
Share price volatility	100% p.a.	100% p.a.
Grant date	3 March 2017	3 March 2017
Performance period (years)	2	3
FV OF RIGHTS AT GRANT DATE:		
Fair value per performance right	$0.046	$0.041
Share price at grant date	$0.060	$0.060

ii. Measurement Period

Tranche A has a 2 year measurement period, and Tranche B has a 3 year measurement period.

V. Performance Shares Grant

As part of the consideration for the acquisition of Quantify Technology Limited, WHL Limited issued four (4) tranches totalling 120,000,000 performance shares. Of these performance shares, 63,819,915 were issued to KMP of Quantify Technology.

i. Performance Shares criteria

The vesting conditions of the performance shares are as follows:

Tranche	No. granted	Grant date	Probability of vesting	Vesting conditions
A	30,000,000	3 Mar 2017	> 50%	Accredited Australian testing of the AC Controller, and receiving $3 million in committed orders within 18 months of the grant date.
B	30,000,000	3 Mar 2017	> 50%	Accredited Australian testing of the wireless feature card, and receiving $5 million in committed orders within 30 months of the grant date.
C	30,000,000	3 Mar 2017	< 50%	$10 million in committed orders within 42 months of the grant date.
D	30,000,000	3 Mar 2017	< 50%	$15 million in committed orders within 54 months of the grant date.

ii. Performance Shares Granted to KMP

Performance shares (PS) were provided to KMP as part of the merger implementation, as follows.

Name	No. granted	Probable to vest	FV per option at award date	FV of options at grant date
Aidan Montague	8,314,700	4,157,350	$ 0.060	$ 498,882
Mark Lapins	53,801,001	26,900,501	0.060	3,228,060
Timothy Leahy	970,564	485,282	0.060	58,234
David Porter	733,650	366,825	0.060	44,019

VI. Founder Performance Shares Grant

As part of the consideration for the acquisition of Quantify Technology Limited, WHL Limited issued 30,000,000 Founder Performance Shares, in replacement of 1,000 Class A and 1,000 Class B performance shares which were on issue in Quantify.

i. Founder Performance Shares criteria

The vesting conditions of the Founder Performance Shares are as follows:

Tranche	No. granted	Grant date	Probability of vesting	Vesting conditions
A	15,000,000	3 Mar 2017	> 50%	Accredited Australian testing of the AC Controller
B	15,000,000	3 Mar 2017	> 50%	Accredited Australian testing of the wireless feature card

ii. Founder Performance Shares Granted to KMP

Founder Performance Shares (FPS) were provided as part of the merger implementation, as follows.

Name	No. granted	Probable to vest	FV per option at award date	FV of options at grant date
Mark Lapins	30,000,000	30,000,000	$ 0.060	$ 1,800,000

VII. Rights holdings

	Rights holdings					
	Balance at 30 June 2016	Granted as Consideration[1]	Granted as Remuneration	Balance at 30 June 2017	Vested and Exercisable	Unvested
Directors						
Aidan Montague						
Options	-	2,047,600	-	2,047,600	2,047,600	-
Performance Rights	-	-	6,250,000	6,250,000	-	6,250,000
Performance Shares	-	8,314,700	-	8,314,700	-	8,314,700
Alex Paior						
Options	-	19,429,911	-	19,429,911	19,429,911	-
Mark Lapins						
Options	-	5,119,000	-	5,119,000	5,119,000	-
Performance Rights	-	-	6,250,000	6,250,000	-	6,250,000
Performance Shares	-	53,801,001	-	53,801,001	-	53,801,001
Founder Performance Shares	-	-	30,000,000	30,000,000	30,000,000	-
Executives						
Timothy Leahy						
Options	-	2,047,493	-	2,047,493	1,535,620	511,873
Performance Shares	-	970,564	-	970,564	-	970,564
David Porter						
Options	-	511,900	-	511,900	511,900	-
Performance Shares	-	733,650	-	733,650	-	733,650

1. Rights were provided as consideration for securities held in Quantify Technology Pty Ltd prior to the acquisition.

VIII. Shareholdings

	Balance at 30 June 2016	Acquired / (disposed)	Balance at 30 June 2017
Directors			
Aidan Montague		17,321,300	17,321,300
Mark Lapins	-	112,079,001	112,079,001
Executives			
Timothy Leahy	-	2,036,229	2,036,229
David Porter	-	1,528,350	1,528,350

Shares issued during the year were in consideration of shares held in Quantify Technology Pty Ltd.

7. OTHER RELATED MATTERS

I. Board composition

The Board of Directors reviews the structure, size and composition of the Board annually, taking inputs from investors and other independent advisors received during the year into account. The Board has recommended that the current practice of maintaining the existing Director composition on the Board should remain following the FY2016 review.

II. Aggregate amounts in respect of loans made to KMP

There were no loans to Directors or other key management personnel at any time during the year ended 30 June 2017.

As part of the acquistion of WHL Energy Ltd, the Group is required to reimburse Cuda Developments, a related party of Mark Lapins, for $500,000 of past expenditure incurred in developing Quantify's intellectual property. $333,333, including an additional $7,143 interest, was due at 30 June 2017.

Other than compensation and transactions concerning shares and performance rights as discussed in other sections of the Remuneration Report, and as noted above, there were no other transaction involving key management personnel.

End of Remuneration Report

AUDITOR'S INDEPENDENCE DECLARATION

The Directors received the following declaration from the auditor of Quantify Technology Holdings Limited.

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Quantify Technology Holdings Ltd for the year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
29 September 2017

M R Ohm
Partner

FINANCIAL REPORT

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017	2016
Revenue			
Grant income	3	$ 1,263,824	$ -
Other income	3	102,670	13,407
Expenses			
Operating expenses	4	$ (6,897,648)	$ (3,112,392)
Listing expense	4	(6,123,447)	-
Financing costs	4	(6,942)	(8,137)
(Loss) before income tax		$ (11,661,543)	$ (3,107,122)
Income tax expense	6	$ -	$ -
(Loss) after tax		$ (11,661,543)	$ (3,107,122)
Other comprehensive income (OCI)			
Other comprehensive income		$ -	$ -
Other comprehensive income net of tax for the period		$ -	$ -
Total comprehensive loss for the year		$ (11,661,543)	$ (3,107,122)
Loss per share ($ per share)			
- basic loss per share	5	$ (0.03)	$ (0.02)
- diluted loss per share	5	(0.03)	(0.02)

The Consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

	Notes	2017	2016
Assets			
Current Assets			
Cash and cash equivalents	7	$ 2,887,736	$ 950,977
Trade and other receivables	11	1,048,722	377,249
Prepayments		8,490	-
Total		$ 3,944,948	$ 1,328,226
Non - Current Assets			
Trade and other receivables	11	$ 28,409	$ 28,409
Property, plant and equipment	16	156,950	72,763
Intangible assets	17	6,833,591	6,298,007
Total		$ 7,018,950	$ 6,399,179
Total Assets		$ 10,963,898	$ 7,727,405
Liabilities			
Current Liabilities			
Trade payables	12	$ (1,076,899)	$ (513,240)
Interest-bearing loans and borrowings	8	(340,476)	-
Provisions	13	(131,705)	(74,418)
Total		$ (1,549,080)	$ (587,658)
Non - Current Liabilities			
Interest-bearing loans and borrowings	8	$ (17,905)	$ (526,042)
Total		$ (17,905)	$ (526,042)
Total Liabilities		$ (1,566,985)	$ (1,113,700)
Net Assets		$ 9,396,913	$ 6,613,705
Equity			
Contributed equity	9	$ 22,970,330	$ 9,592,781
Reserves	10	1,257,789	190,587
Retained earnings		(14,831,206)	(3,169,663)
Equity attributable to owners of the parent		$ 9,396,913	$ 6,613,705

The Consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2017

	Issued Capital	Share-Based Payment Reserve	Retained Earnings	Total
Balance at 1 July 2015	$ 4,950,081	$ -	$ (62,541)	$ 4,887,540
Comprehensive Income				
(Loss) after income tax expense for the year	$ -	$ -	$ (3,107,122)	$ (3,107,122)
Other Comprehensive Income, net of tax	-	-	-	-
Total Comprehensive (loss) for the year	$ -	$ -	$ (3,107,122)	$ (3,107,122)
Other equity transactions				
Shares issued	$ 4,642,700	$ -	$ -	$ 4,642,700
Share based payments expense	-	190,587	-	190,587
Total	$ 4,642,700	$ 190,587	$ -	$ 4,833,287
Balance at 1 July 2016	$ 9,592,781	$ 190,587	$ (3,169,663)	$ 6,613,705
Comprehensive Income				
Loss for the year	$ -	$ -	$ (11,661,543)	$ (11,661,543)
Other Comprehensive Income	-	-	-	-
Total	$ -	$ -	$ (11,661,543)	$ (11,661,543)
Other equity transactions				
Shares issued to acquire subsidiary	$ 7,161,451	$ -	$ -	$ 7,161,451
Shares issued to Class C shareholders	709,607	-		709,607
Shares issued to convertible note holders	650,000	-	-	650,000
Shares issued as part of capital raising	5,000,000	-	-	5,000,000
Transaction costs relating to issue of shares	(307,500)	-	-	(307,500)
Options issued to advisors	-	283,233		283,233
Options issued to brokers	(173,809)	173,809	-	-
Share-based payment - Employee Option Plan	-	63,331		63,331
Share-based payment - employee share rights	-	465,792		465,792
Share-based payment - performance rights	-	81,037		81,037
Settlement of advisor costs	148,800	-	-	148,800
Issue of shares - employees	60,000	-	-	60,000
Issue of shares - working capital	129,000	-	-	129,000
Total	$ 13,377,549	$ 1,067,202	$ -	$ 14,444,751
Equity at 30 June 2017	$ 22,970,330	$ 1,257,789	$ (14,831,206)	$ 9,396,913

The Consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017	2016
Cash flows from operation activities			
Payments to suppliers and employees		$ (3,765,436)	$ (1,916,882)
Interest received		2,885	13,407
Interest paid	4	(6,942)	-
Other tax receipts / (payments)		574,491	-
Net cash used in operating activities		$ (3,195,002)	$ (1,903,475)
Cash flows from operation activities			
Purchase of property, plant and equipment	16	$ (128,000)	$ (110,172)
Purchase of intangible assets	17	(772,401)	(522,990)
Cash acquired on acquisition of WHL Energy	4	924,523	-
WHL Energy signing fee		102,670	-
Net cash from / (used in) investing activities		$ 126,792	$ (633,162)
Cash flows from operation activities			
Proceeds from issue of shares net of transaction costs		$ 4,829,000	$ 3,269,199
Exercise of convertible notes	9	650,000	-
Repayment of borrowings		(167,600)	(80,894)
Transaction costs related to issues of securities	9	(307,500)	-
Net cash from financing activities		$ 5,003,900	$ 3,188,305
Net increase in cash and cash equivalents		$ 1,935,690	$ 651,668
Cash and cash equivalents			
Cash and cash equivalents at beginning of year	7	950,977	299,309
Net foreign exchange differences		1,069	-
Net increase in cash and cash equivalents		1,935,690	651,668
Cash and cash equivalents at the end of year	7	$ 2,887,736	$ 950,977

The Consolidated statement of financial position should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. BASIS OF PREPARATION

The financial report of the Quantify Technology Limited group of companies (the "Group") for the year ended 30 June 2017 was authorised for issue in accordance with a resolution of the Directors on 29 September 2017.

These financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the *Corporations Act 2001*, Accounting Standards and Interpretations and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements for the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

The financial statements have been prepared on a historical cost basis. Historical cost is based on the fair values of the consideration given in exchange for goods and services.

The Company is a listed public Company, incorporated in Australia and operating in Australia. The principal activities of the Group during the year were research and development into the Internet of Things ("IoT") market, and the assessment of new investment opportunities.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

I. Statement of compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

II. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement in with the investee; and
- has the ability to its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above.

When the Company has less than a majority of the voting rights of an investee, it has the power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholder meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Changes in the Group's ownership interest in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in subsidiaries. Any difference between the amount paid by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between:

- The aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- The previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by the applicable AASBs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

III. Reverse acquisition

The acquisition of Quantify Technology Pty Ltd by Quantify Technology Holdings Ltd ("Quantify Technology" or the "Company") has the features of a reverse acquisition under Australian Accounting Standard AASB 3 "Business Combinations", notwithstanding the Company being the legal parent of the Group. Consequently, the historical financial information presented in this Report for the year ended 30 June 2016 is the audited historical financial information of Quantify Technology.

The acquisition of the Company by Quantify is outside the scope of AASB 3 as the accounting acquiree does not constitute a business as defined by this Standard. In this instance, the principles of reverse acquisition accounting are applied to determine the accounting acquirer but the transactions are accounted for as share-based payments by the accounting acquirer for the net identifiable assets of the accounting acquiree in accordance with AASB 2 "Share-based Payment".

The legal structure of the Group subsequent to the acquisition of Quantify Techniology is that the Company is the legal parent entity. However, the principles of reverse acquisition accounting are applicable where the owners of the acquired entity (in this case, the Company) obtain control of the acquiring entity (in this case, Quantify) as a result of the business' combination.

Under reverse acquisition accounting, the consolidated financial statements are issued under the name of the legal parent (the Company) but are a continuation of the financial statements of the legal subsidiary (Quantify), with the assets and liabilities of the legal subsidiary being recognised and measured at their pre-combination carrying amounts rather than their fair values.

IV. New and amended standards adopted by the Group

The Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and are effective from 1 July 2016. These new and revised Standards include:

- AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation
- AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle
- AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101
- AASB 2015-9 Amendments to Australian Accounting Standards – Scope and Application Paragraphs
- AASB 2017-2 Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle
- AASB 1057 Application of Australian Accounting Standards

As a result of this review, the Directors have determined that these Standards and Interpretations did not have a material effect on the financial position or performance of the Group.

V. Pronouncements issued and not effective

A number of Australian Accounting Standards and Interpretations have been issued or amended but are not yet effective. A full assessment of the impact of all the new or amended Accounting Standards and interpretations issued but not effective has not yet been completed.
These Standards issued but not yet effective for the current financial year include:

- AASB 16 Leases
- AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107
- AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions
- AASB 2017-2 Amendments to Australian Accounting Standards - Further Annual Improvements 2014-2016 Cycle

VI. Going concern

For the year ended 30 June 2017, the Group incurred a loss of $11,661,543 and had cash outflows from operating activities of $3,195,002. The Group had available cash and cash equivalents of $2,887,736 as at 30 June 2017.
An R&D refund of $902,925 was received in September 2017.
The Group will seek additional funding by way of equity during the coming period. However, should such funding not eventuate, the Group has the option of selectively scaling back cash flows to the extent necessary to ensure it continues as a going concern for the relevant period. In addition, the Group has received confirmation from an external party that it will assist in providing financial support to the Group to the extent necessary to enable it to meet its obligations as and when they fall due.
Accordingly, the financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

EARNINGS FOR THE YEAR

This section addresses both the financial performance and the taxation position of the Group for the year ended 30 June 2017.

CONTENTS

NOTE 3. OTHER INCOME

	2017	2016
OTHER INCOME		
Research & Development grant income	$ 1,174,120	$ -
Export Market Development grant	89,704	-
Other income	102,670	13,407
Total	$ 1,366,494	$ 13,407

I. Recognition & measurement

Government grant income

Government grant income includes the following grants:

- Research & Development grant; and
- Export Market Development grant.

Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.
Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

II. Significant accounting judgements and estimates

Government grants

The Group engages in research and development and overseas marketing activities with regards to its IoT designs. Certain judgements are required in assessing whether the grant has been recognised in accordance with the Group's accounting policies.
Management has made judgements regarding which expenditure is classified as eligible for the grant, including assessing activities to determine whether they are conducted for the purposes of generating new knowledge, and whose outcome cannot be known or determined in advance or, in the case of the Export Market Development grant, that the expenditure is incurred in appropriate international marketing activities.

NOTE 4. EXPENSES

	2017	2016
OPERATING EXPENSES		
Administration and corporate	$ (1,344,986)	$ (1,144,805)
Marketing expenses	(455,622)	(436,446)
Occupancy costs	(185,796)	(107,058)
Travel	(281,804)	(158,675)
Total	$ (2,268,208)	$ (1,846,984)
Depreciation and amortisation		
Depreciation	$ (43,813)	$ (11,098)
Total	$ (43,813)	$ (11,098)
Employee benefits		
Wages and salaries	$ (2,684,874)	$ (884,291)
Superannuation	(227,563)	(83,906)
Share-based payments expense	(1,603,000)	(190,587)
Workers' compensation costs	(6,026)	-
Annual leave expenses	(57,287)	(87,495)
Other employee benefits expenses	(6,877)	(8,031)
Total	$ (4,585,627)	$ (1,254,310)
Total Operating expenses	$ (6,897,648)	$ (3,112,392)
LISTING EXPENSE		
Listing premium on reverse acquisition	$ (6,123,447)	$ -
Total	$ (6,123,447)	$ -
FINANCE COSTS		
Interest expense to unrelated parties	$ (6,942)	$ (8,137)
Total	$ (6,942)	$ (8,137)
AUDITOR'S REMUNERATION		
Amounts received or due and receivable by HLB Mann Judd for:		
An audit or review of the financial report of the entity and any other entity in the Group	$ 37,000	$ 78,500
Other services in relation to the entity and any other entity in the Group	37,950	18,000
Total	$ 74,950	$ 96,500

I. Measurement

Depreciation and amortisation

Refer to accounting policies for depreciation disclosed in Note 16, and to accounting policies related to amortisation of intangible assets in Note 17.

Employee benefits

Refer to accounting policies for employee benefits in Note 13.

Listing expense

As disclosed in Note 2.iii., the transaction involving the Company acquiring all the issued capital of Quantify Technology Limited has been accounted for under the principles of reverse acquisitions included in AASB 3 "*Business Combinations*".

As part of the consideration for the acquisition of Quantify Technology Limited, the following transactions were enacted:

- 250,000,000 WHL shares were issued at a deemed issue price of $0.06 each;
- 120,000,000 WHL performance shares in consideration for the acquisition of Quantify's ordinary shares, of which 60,000,000 were assessed as probable to vest;
- 30,000,000 WHL Founder Performance Shares were issued to major shareholders in replacement of 1,000 Class A and 1,000 Class B performance shares on issue in Quantify Technology to its major shareholders;
- 10,833,333 shares to repay the convertible note holders of Quantify Technology;
- 61,325,622 bid options exercisable at $0.075 each on or before 30 September 2019 in consideration for the acquisition of 59,900,002 Quantify Technology ordinary options; and
- $500,000 cash to Cuda for reimbursements of past expenditure incurred in developing Quantify's intellectual property.

Details of the pre-combination carrying amounts of the assets and liabilities of the acquiree are as follows:

	2017
NET ASSETS ACQUIRED	
Cash and cash equivalents	$ 924,523
Receivables and other	1,052,766
Trade payables	(939,285)
Net assets	$ 1,038,004
Contributed equity	$ 67,907,710
Accumulated losses	(73,853,396)
Reserves	6,983,690
Total equity	$ 1,038,004
LOSS ON ACQUISITION	
Acquisition consideration	$ 7,161,451
Less net assets acquired	(1,038,004)
Total	$ 6,123,447

Finance costs

Finance costs include interest payments on convertible notes and other costs that the Group incurs in connection with the borrowing of funds.
All finance costs are expensed in the period they occur.

NOTE 5. EARNINGS PER SHARE

	2017	2016
Net loss for the year	$ (11,661,543)	$ (3,107,122)
Weighted average number of share on issue	392,299,382	158,948,290
Basic and diluted loss per share	$ (0.03)	$ (0.02)

Losses per share is calculated as net loss attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

As the Group is loss making, there is no dilutive effect of the issued securities.

There have been no transactions involving ordinary shares subsequent to the reporting date and prior to the date of completion of these financial statements.

NOTE 6. INCOME TAX

	2017	2016
INCOME TAX EXPENSE		
Income tax expense		
Current tax	$ -	$ -
Deferred tax	-	-
	$ -	$ -
Deferred income tax (revenue) / expense included in income tax expense comprises:		
Decrease / (increase) in deferred tax assets	$ (223,918)	$ (151,997)
(Decrease) / increase in deferred tax liabilities	223,918	151,997
Total	$ -	$ -
Statement of Changes in Equity (not recognised)		
Deferred income tax:	$ (84,563)	$ -
Total	$ (84,563)	$ -
NUMERICAL RECONCILIATION OF INCOME TAX BENEFIT TO PRIMA FACIE TAX PAYABLE		
Loss from continuing operations before income tax expense	$ (11,661,543)	$ (3,107,122)
Tax at the Australian tax rate of 27.5% (2016: 28.5%)	$ (3,206,924)	$ (885,530)
Share-based payments	$ 440,825	$ 52,411
Non-deductible items	592,641	236,138
R&D non-deductible expenditure	-	170,851
Non-deductible loss on acquisition of subsidiary	1,683,948	-
Non-assessable amounts	(412,676)	-
Recognition of DTL on capitalised R&D	139,331	151,997
DTA recognised	-	(18,807)
DTA and DTL not recognised	70,940	277,408
Deferred tax - change in tax rate	723,151	-
Other	(31,233)	15,532
Total Adjustments	$ 3,206,924	$ 885,530
Income tax (expense) / benefit	$ -	$ -

	2017		2016	

UNRECOGNISED TAX LOSSES - TEMPORARY DIFFERENCES

	2017		2016	
Unused tax losses for which no deferred tax assets have been recognised:				
Australian losses	$	30,864,916	$	792,972
Potential tax benefit at 27.5% (FY2016: 28.5%)	$	8,487,852	$	225,997

Carry forward tax losses were incurred by Australian and foreign entities. Deferred tax assets have not been recognised in respect these losses as the likelihood of their use in the future is low, and tax losses deductible temporary differences do not expire under the current tax legislation.

OTHER UNRECOGNISED DEFERRED TAX ASSETS AND LIABILITIES

	2017		2016	
Deferred tax asets				
Provisions	$	69,463	$	18,106
Prepayments		699		537
Accruals		28,389		-
Loans		-		-
Borrowing costs		17,669		-
Undeducted s.40-880 costs		229,240		20,873
Other		-		-
Tax losses		8,487,852		225,997
DTA not recognised		(8,833,313)		(265,513)
Total	$	-	$	-
Deferred tax liabilities				
Other temporary differences	$	-	$	-
Recognition of DTA's for offset		-		-
Property Plant & Equipment & IP		-		-
Total	$	-	$	-
Net deferred tax asset / (liability)	$	-	$	-

CORPORATE TAX RATE

In accordance with the new tax legislation, Quantify Technology Holdings Ltd and its Australian subsidiaries are subject to a Corporate Tax Rate of 27.5% (2016: 28.5%) for the year ended 2017.

I. Recognition and measurement

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

II. Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.
Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

DEBT AND CAPITAL

This section addresses the cash, debt and capital positions of the Group for the year ended 30 June 2017.

CONTENTS

KEY RISKS

i. Capital management

The Group's policy is to maintain a strong and flexible capital base to provide investor, creditor and market confidence to sustain future development of the business. The Group monitors the return on capital, which the Group defines as total shareholders' equity attributable to members of Quantify Technology Limited. The Board determines the level of dividends to shareholders.

The Group monitors statement of financial position strength and flexibility using cash flow forecast analysis and detailed budgeting processes.

There were no changes in the Group's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting.

Neither the Group nor any of its subsidiaries are subject to externally imposed capital requirements.

II. Interest rate risk exposure

The Company and the Group are exposed to interest rate risk as entities in the Group invest funds at both fixed and floating interest rates.

Interest rate risk management is undertaken by the Group in order to reduce the potential volatility towards its financial position due to these fluctuations in prevailing market interest rates.

The Group's exposure to market interest rates relates primarily to the Group's investment in cash funds.

The Group constantly analyses its interest rate exposure. Consideration is given to potential renewals of existing term deposit positions, and alternative financing structures.

The Group had the following variable rate cash and borrowings outstanding at the end of the reporting period.

	2017	2016
Cash and cash equivalents		
Australian variable rate interest	$ 2,809,789	$ 950,977
US variable rate interest	77,947	-
Interest-bearing loans and borrowings		
Australian variable rate interest	$ (340,476)	$ -
NET EXPOSURE	$ 2,547,260	$ 950,977

Profit or loss is sensitive to higher / lower interest income from Australian dollar designated cash and cash equivalents as a result of changes in interest rates. There would be no material impact on other components of equity as a result of changes in interest rates, nor on USD denominated cash and cash equivalent balances.

The sensitivity analysis below shows the impact on post tax profit had a 25 basis point movement in interest rates occurred. 25 basis points was deemed to be a reasonable level of volatility based on FY2017 observations.

	2017	2016
POST TAX GAIN / (LOSS)		
AUD		
+0.25% (25 basis points)	$ 7,024	$ 2,377
-0.25% (25 basis points)	(7,024)	(2,377)

III. Interest rate risk strategies, policies and procedures

Cash and potential debt are forecasted and monitored on a monthly basis in order to forecast and monitor the interest rate risk.

IV. Liquidity risk

The liquidity position of the Group is managed to ensure sufficient liquid funds are available to meet financial commitments in a timely and cost-effective manner.

The Group's policy is to continually review the Group's liquidity position including cash flow forecasts to determine the forecast liquidity position and maintain appropriate liquidity levels.

The contractual maturities of financial liabilities (see Note 12), including interest payments are as follows:

	Carrying Amount	Years to maturity 0 - 1	> 1	Contractual Cash Flows
BALANCE 30 JUNE 2017				
Trade & other payables	$ (1,076,899)	$ (1,076,899)	$ -	$ (1,076,899)
Interest-bearing loans and borrowings	(358,381)	(358,381)	-	(358,381)
Total	$ (1,435,280)	$ (1,435,280)	$ -	$ (1,435,280)
BALANCE 30 JUNE 2016				
Trade & other payables	$ (513,240)	$ (513,240)	$ -	$ (513,240)
Interest-bearing loans and borrowings	(526,042)	(526,042)	-	(526,042)
Total	$ (1,039,282)	$ (1,039,282)	$ -	$ (1,039,282)

The Group had $340,476 in external debt due to Cuda Developments as at 30 June 2017 (FY2016: nil), and $2,887,736 (FY2016: $950,977) in cash and cash equivalents, which can be used to meet its liquidity needs.

NOTE 7. CASH AND CASH EQUIVALENTS

	2017	2016
CURRENT		
Cash at bank and in hand	$ 2,818,316	$ 950,977
Term deposits	69,420	-
TOTAL CASH PER CASH FLOW STATEMENT	$ 2,887,736	$ 950,977

I. Recognition and measurement

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.
Cash and cash equivalents for the purposes of the Consolidated statement of cash flows consists of cash and cash equivalents as defined above, net of cash held as a guarantee.

II. Foreign currency risk

As a result of cash predominantly denominated in Australian Dollars, the Group is not materially exposed to currency risk.

III. Reconciliation of net profit after tax to net cash flows from operations

	2017	2016
NET PROFIT	$ (11,661,543)	$ (3,107,122)
ADJUSTMENTS FOR:		
Depreciation	$ 43,813	$ 11,098
Share based payments	1,603,000	994,088
Non-cash settlements	508,800	-
Listing expense	6,123,447	-
Capitalised R&D offset	236,817	-
Other income	(102,670)	-
Foreign exchange	(1,069)	-
CHANGES IN ASSETS AND LIABILITIES		
(Increase) / decrease in debtors	$ 381,232	$ (8,416)
(Increase) / decrease in prepayments	(8,490)	-
(Decrease) / increase in trade creditors	(375,626)	198,740
(Decrease) / increase in provisions	57,287	8,137
TOTAL ADJUSTMENTS	$ 8,466,541	$ 1,203,647
NET CASH OUTFLOW FROM OPERATION ACTIVITIES	$ (3,195,002)	$ (1,903,475)

NOTE 8. INTEREST-BEARING LOANS AND BORROWINGS

	2017	2016
CURRENT		
Borrowings - related party (Note 21)	$ (340,476)	$ -
Total	$ (340,476)	$ -
NON-CURRENT		
Advanced from a related party (Note 21)	$ (17,905)	$ (17,905)
Borrowings - related party (Note 21)	-	(508,137)
Total	$ (17,905)	$ (526,042)

I. Recognition and measurement

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost.

Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised.

II. Fair value of borrowings

The fair values of all classes of borrowings are not materially different to their carrying amounts since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

NOTE 9. CONTRIBUTED EQUITY

	Shares		$	
	2017	2016	2017	2016
ORDINARY SHARES ON ISSUE				
Ordinary shares issued and fully paid	423,043,526	224,119,501	$ 22,970,330	$ 9,592,781

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

I. Movements in ordinary share capital

	Shares		$	
	2017	2016	2017	2016
ORDINARY SHARES ON ISSUE				
1 July	224,119,501	123,750,001	$ 9,592,781	$ 4,950,081
Shares issued during the year	-	100,369,500	$ -	$ 4,642,700
Settlement of advisor costs	2,596,669	-	$ 148,800	$ -
Issue of 1,000,000 shares - employees	1,000,000	-	60,000	-
Issue of 2,150,000 shares - working capital raising	2,149,999	-	129,000	-
Elimination of shares	(229,866,169)		$ -	$ -
Shares issued to acquire subsidiary	5,564,983,246	-	-	-
83 to 1 consolidation of shares	(5,497,933,173)		-	
Shares issued to Quantify shareholders	250,000,000	-	7,161,451	-
Shares issued to convertible note holders	10,833,333	-	650,000	-
Shares issued to Class C shareholders	11,826,787	-	709,607	-
Shares issued as part of capital raising	83,333,333	-	5,000,000	-
Transaction costs relating to issue of shares	-	-	(307,500)	-
Options issued to brokers related to the acquisition	-	-	(173,809)	-
30 June	423,043,526	224,119,501	$ 22,970,330	$ 9,592,781

The movement in ordinary shares during year ended 30 June 2017 is comprised of the following transactions.

On 7 December 2016, following shareholder approval, the outstanding shares held by WHL were consolidated at a rate of 83 to 1.

Shares were issued from Quantify Technology prior to the reverse take over for the payment of advisor and employee costs. Upon the acquisition of Quantify Technology, its existing legal share capital was eliminated. Following the acquisition, Quantify Technology's outstanding shares of 246,364,169 were eliminated (which includes 15.5 million shares under Quantify Technology's Employee Share Scheme). WHL's post-consolidation outstanding shares of 67,050,073 were recognised by the Group upon completion of the reverse take over on 3 March 2017.

Shares issued as part consideration for the reverse take over of WHL Ltd on 3 March 2017, included the following transactions:

- Quantify Technology issued 250,000,000 shares at $0.06 as part of the listing expense, resulting in a deemed consideration of $6,123,447 (refer to Note 4).
- Quantify Technology issued 10,833,333 shares to repay the convertible note holders of Quantify Technology as part of the listing expense (refer to Note 4).
- 11,826,787 shares were issued to all Quantify Technology Class C shareholders on 3 March 2017.
- 83,333,333 shares were issued in a $5 million capital raising at $0.06 on 3 March 2017.

II. Recognition and measurement

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds of the new shares or options.

Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

NOTE 10. RESERVES

	2017	2016
RESERVES		
Options reserve	$ 710,960	$ 190,587
Share rights reserve	465,792	-
Performance rights reserve	81,037	-
	$ 1,257,789	$ 190,587
MOVEMENT IN RESERVES		
Opening balance	$ 190,587	$ -
Movement for year	1,067,202	190,587
Total	$ 1,257,789	$ 190,587

I. Nature & purpose of reserves

Options / Share rights / Performance rights reserves

These reserves are used to record the value of equity benefits provided to employees and Directors as part of their remuneration. Refer to Note 23 for further details of share-based payment plans for the Group.

Dividends

No dividends were paid or proposed during the year ended 30 June 2017 (2016: nil).

OTHER ASSETS AND LIABILITIES

This section addresses all other assets and liabilities for the year.

CONTENTS

KEY RISKS

i. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

As at 30 June 2017, the Group's receivables are significantly held with either the Australian Government, or with tier one Australian banks. These are both considered to be low concentrations of credit risk.

NOTE 11. TRADE AND OTHER RECEIVABLES

	2017	2016
CURRENT		
Trade amounts owing by unrelated entities	$ 1,048,722	$ 377,249
Total	$ 1,048,722	$ 377,249
NON-CURRENT		
Trade amounts owing by unrelated entities	$ 28,409	$ 28,409
Total	$ 28,409	$ 28,409
TOTAL	$ 1,077,131	$ 405,658

I. Recognition and measurement

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within periods up to 30 days.

II. Impaired trade receivables

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly.
An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms.
Factors considered by the Group in making this determination include:

- known significant financial difficulties of the debtor,
- review of financial information; and
- significant delinquency in making contractual payments to the Group.

The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.
The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

III. Allowance for doubtful debts

No trade receivables were impaired nor provided for at 30 June 2017 (FY2016: nil).

IV. Ageing analysis of current trade and other receivables at 30 June

	Days					
	0-30	31-60	61-90	90+	Impaired	Total
2017	$ 1,077,131	$ -	$ -	$ -	$ -	$ 1,077,131
2016	$ 405,658	$ -	$ -	$ -	$ -	$ 405,658

Receivable balances are monitored on an ongoing basis.
The full trade and other receivables balance is deemed to be recoverable within the next 12 months.
Any trade and other receivable which is aged greater than 30 days is considered to be overdue.

V. Fair values of current trade and other receivables

The carrying amount of the receivables is assumed to be the same as their fair value due to their short term nature.

NOTE 12. TRADE AND OTHER PAYABLES

	2017		2016	
CURRENT				
Trade payables	$	(657,375)	$	(194,303)
PAYG withheld		(214,773)		(43,659)
Superannuation payable		(8,766)		(53,045)
Share buyback amount payable		(50,000)		(100,000)
Accrued expenses		(145,985)		(122,233)
Total	$	(1,076,899)	$	(513,240)
TOTAL	$	(1,076,899)	$	(513,240)

I. Recognition and measurement

Trade and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

II. Fair value of trade and other payables

The carrying amounts of trade and other payables are assumed to be the same as their fair values, due to their short-term nature.

NOTE 13. PROVISIONS

	Employee Benefits	Total
BALANCE 1 JULY 2016	**$ (74,418)**	**$ (74,418)**
Arising during the year	$ (185,819)	$ (185,819)
Utilised	128,532	128,532
Total	$ (57,287)	$ (57,287)
BALANCE 30 JUNE 2017	**$ (131,705)**	**$ (131,705)**

	Employee Benefits	Total
BALANCE 30 JUNE 2016		
Current	$ (74,418)	$ (74,418)
Non-Current	-	-
Total	$ (74,418)	$ (74,418)
BALANCE 30 JUNE 2017		
Current	$ (131,705)	$ (131,705)
Non-Current	-	-
Total	$ (131,705)	$ (131,705)

I. Recognition and measurement

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value or management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

II. Wages, salaries and annual leave

Liabilities accruing to employees in respect of wages and salaries, annual leave and long service leave expected to be settled within 12 months of the balance date are recognised in other payables in respect of employees' services up to the balance date. They are measured at the amounts expected to be paid when the liabilities are settled.

Liabilities accruing to employees in respect of wages and salaries, annual leave and long service leave not expected to be settled within 12 months of the balance date are recognised in non-current other payables in respect of employees' services up to the balance date. They are measured as the present value of the estimated future outflows to be made by the Group.

NOTE 14. SEGMENT ASSETS AND LIABILITIES

I. Identification of reportable segments

AASB 8 "Operating Segments" requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker in order to allocate resources to the segment and to assess its performance.
The Group's operating segments have been determined with reference to the monthly management accounts used by the Chief Operating Decision maker to make decisions regarding the Group's operations and allocation of working capital. Due to the size and nature of the Group, the Board as a whole has been determined as the Chief Operating Decision Maker.

II. Reportable segments

Based on the quantitative thresholds included in AASB 8, there is only one reportable segment, being manufacturing and one geographical segment, namely Australia.

III. Presentation of segment

The revenues and results of this segment are those of the Group as a whole and are set out in the consolidated statement of comprehensive income and the assets and liabilities of the Group as a whole are set out in the consolidated statement of financial position.

NOTE 15. FAIR VALUE MEASUREMENTS

I. Financial assets and financial liabilities

The Group holds the following financial instruments:

	Notes	2017	2016
FINANCIAL ASSETS			
Cash and cash equivalents	7	$ 2,887,736	$ 950,977
Trade and other receivables	11	1,077,131	405,658
		$ 3,964,867	$ 1,356,635
FINANCIAL LIABILITIES			
Trade and other payables	12	$ (1,076,899)	$ (513,240)
Interest-bearing loans and borrowings	8	(358,381)	(526,042)
		$ (1,435,280)	$ (1,039,282)

The Group's exposure to various risks associated with the financial instruments is discussed against each financial instrument note. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial asset mentioned above.

The assets and liabilities are held at amortised cost, and their fair values are described in the associated note referenced in the table above.

II. Impairment – financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset which is measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows, discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in Groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. The reversal is recognised in profit or loss for financial assets measured at amortised cost.

Impairment testing of trade receivables is described in Note 11.

DEVELOPMENT AND GROWTH ASSETS

This section addresses the primary research and development activities undertaken by the Group, and the associated hardware and software equipment assisting in the Company's growth.

CONTENTS

NOTE 16. PROPERTY, PLANT AND EQUIPMENT

I. Net carrying amount

	Computers & Software	Furniture & Fittings	Total
BALANCE 1 JULY 2015	$ 2,097	$ -	$ 2,097
Additions	$ 68,659	$ 13,105	$ 81,764
Depreciation charge for the year	(10,008)	(1,090)	(11,098)
Total	$ 58,651	$ 12,015	$ 70,666
BALANCE 1 JULY 2016	$ 60,748	$ 12,015	$ 72,763
Additions	$ 105,968	$ 22,032	$ 128,000
Depreciation charge for the year	(39,893)	(3,920)	(43,813)
Total	$ 66,075	$ 18,112	$ 84,187
BALANCE 30 JUNE 2017	$ 126,823	$ 30,127	$ 156,950

II. Reconciliation of movement for the year

	Computers & Software	Furniture & Fittings	Total
BALANCE 30 JUNE 2016			
Gross carrying amount at cost	$ 70,756	$ 13,105	$ 83,861
Accumulated Depreciation & Impairment	(10,008)	(1,090)	(11,098)
Net Carrying Amount	$ 60,748	$ 12,015	$ 72,763
BALANCE 30 JUNE 2017			
Gross carrying amount at cost	$ 176,724	$ 35,137	$ 211,861
Accumulated Depreciation & Impairment	(49,901)	(5,010)	(54,911)
Net Carrying Amount	$ 126,823	$ 30,127	$ 156,950

III. Recognition and measurement

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

IV. De-recognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.
Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

V. Key judgements and accounting estimates

Impairment of non-financial assets

The carrying values of plant and equipment are reviewed for impairment at each balance date, with the recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to approximate fair value.

An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience and the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful life are made when considered necessary.
Depreciation is calculated on a diminishing value basis over the estimated useful life of the assets as follows:

- Computers and equipment 2 – 5 years
- Furniture and fittings 5 – 10 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

NOTE 17. INTANGIBLE ASSETS

I. Net carrying amount

	Development		Patents & Trademarks		Total
BALANCE 1 JULY 2015	$	**5,035,251**	$ **569,239**	$	**5,604,490**
Additions	$	631,694	$ 61,823	$	693,517
Total	$	631,694	$ 61,823	$	693,517
BALANCE 1 JULY 2016	$	**5,666,945**	$ **631,062**	$	**6,298,007**
Additions	$	635,222	$ 137,179	$	772,401
R&D grant offset		(236,817)	-		(236,817)
Total	$	398,405	$ 137,179	$	535,584
BALANCE 30 JUNE 2017	$	**6,065,350**	$ **768,241**	$	**6,833,591**

II. Reconciliation of movement for the year

	Development		Patents & Trademarks		Total
BALANCE 30 JUNE 2016					
Gross carrying amount at cost	$	5,666,945	$ 631,062	$	6,298,007
Accumulated Amortisation & Impairment		-	-		-
Net Carrying Amount	$	5,666,945	$ 631,062	$	6,298,007
BALANCE 30 JUNE 2017					
Gross carrying amount at cost	$	6,065,350	$ 768,241	$	6,833,591
Accumulated Amortisation & Impairment		-	-		-
Net Carrying Amount	$	6,065,350	$ 768,241	$	6,833,591

III. Recognition and measurement

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

IV. De-recognition and disposal

An item of capitalised research and development expenditure is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

V. Key judgements and accounting estimates

Impairment of non-financial assets

The Group assesses at each balance date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience and the expected lives of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful life are made when considered necessary.

Recoverable amount of the intangible assets

The recoverable amount of the intangible research and development assets is determined based on value in use calculations, using five year cash projections from financial budgets that are approved by senior management. As the Company is still largely within its research and development phase, the assumptions are management's most reasonable expectations of future sales and recovery of the capitalised balance.

The Company's discount rate applied to the value in use calculation is derived from the Group's weighted average cost of capital. The discount rate presents the current market assessment of the risks specific to the Company's operations, taking into consideration the time value of money and individual risks of the underlying assets that have not beein incorporated in the cash flow estimates. The discount rate assumption for its value in use model was 8%.

Based on these assumptions, and sensitivities to changes in assumptions, the estimated recoverable amount of the intangible asset is significantly greater than the carrying value of the assets. No reasonably foreseeable changes in any of the key assumptions are likely to result in an impairment loss.

OTHER ITEMS

This section addresses all items required under Australian Accounting Standards and per the Corporations Act 2001, not previously disclosed in any other section within the financial statements.

CONTENTS

NOTE 18. COMMITMENTS AND CONTINGENCIES

I. Commitments and contingencies

The Group entities may have potential financial liabilities that could arise from historical commercial contracts. No material losses are anticipated in respect of any of those contingencies. The fair value disclosed (if any) is the Directors' best estimate of amounts that would be payable by the Group to settle those financial liabilities.

Future minimum rentals payable under non-cancellable leases as at 30 June are as follows.

	2017	2016
OPERATING LEASE AGREEMENTS		
Within one year	$ 42,731	$ -
After one year but not more than five years	-	-
Total	$ 42,731	$ -

II. Other contingent liabilities excluded from the above include:

The Company has no contingent liabilities as at 30 June 2017.

NOTE 19. SUBSEQUENT EVENTS

On 31 July, the Group announced it had entered into a new contract to supply 2,000-2,500 devices for the first stage of townhouse construction for the Mantra Wallaroo Shores Resort. Early estimates suggest an additional 13,500 devices will be required, generating revenue in excess of $2 million, over the life of the Wallaroo Shores development.

On 4 September, a corporate restructure was undertaken, with the aim of reducing overheads in a number of areas to ensure it is focusing resources on its sales and marketing efforts. As part of the corporate restructure and to bolster commercialisation efforts, the Group appointed David Barker to the new position of General Manager, a role intended to oversee the Group's day-to-day operations, including its sales, marketing, engineering and operations divisions.

Aside from the above, there has not been any other matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

NOTE 20. PARENT INTERESTS IN SUBSIDIARIES

The consolidated financial statements include the financial statements of Quantify Technology Holdings Limited and the subsidiaries listed in the following table.

Company	Country of Incorporation	Equity Interest 2017	Equity Interest 2016
Quantify Technology Limited	Australia	100%	100%
PetroQuest International Seychelles Limited	Seychelles	100%	100%
PetroQuest International Incorporated	USA	100%	100%
Indian Ocean Petroleum Holdings Pty Limited	Australia	100%	100%

NOTE 21. RELATED PARTY DISCLOSURE

As part of the acquistion of WHL Energy Ltd, the Group is required to reimburse Cuda Developments for all past expenditure incurred in developing Quantify's intellectual property. Cuda Developments is a related party to CEO and Director Mark Lapins.
The repayments were agreed to be repaid in 3 instalments, being:

- $166,666 on the Company being reinstated to official quotation on ASX;
- $166,667 on the date that is 6 months after the date that the Company is reinstated to official quotation on ASX; and
- $166,667 on the date that is 12 months after the date that the Company is reinstated to official quotation on ASX.

Interest is incurred at a rate of the Reserve Bank Cash Rate + 7.00%, and is payable quarterly in arrears. As at 30 June 2017, the Company had repaid the first instalment with applicable interest.

No other related party transactions occurred with the consolidated entity, other than the remuneration of Directors and Key Management Personnel and the matters disclosed in this report.

NOTE 22. KEY MANAGEMENT PERSONNEL COMPENSATION

	2017	2016
Short-term employee benefits	$ 997,545	$ 490,642
Post-employment benefits	68,353	29,534
Long term benefits	57,055	24,726
Share-based payment	2,954,075	31,896
Total	$ 4,077,028	$ 576,798

Detailed remuneration disclosures are provided in the Remuneration Report commencing on page 15.

NOTE 23. SHARE-BASED PAYMENTS

OPTIONS

Grant	Balance at start of the year	83 to 1 Consolidation	Rights issued during the year	Exercised	Forfeited / Lapsed	Balance at end of year	Tranche 1 Expiry date
FY2016							
WHL listed options	3,638,715	-	-	-	-	3,638,715	30 Nov 2016
WHL listed options	-	-	608,361,121	-	-	608,361,121	30 Jun 2018
WHL unlisted options	19,300,000	-	-	-	-	19,300,000	3 Dec 2017
WHL unlisted options	-	-	350,000,000	-	-	350,000,000	31 Jul 2018
Total	**22,938,715**	-	**958,361,121**	-	-	**981,299,836**	
FY2017							
WHL listed options	3,638,715	-	-	-	(3,638,715)	-	30 Nov 2016
WHL listed options	608,361,121	(601,031,156)	-	-	-	7,329,965	30 Jun 2018
WHL unlisted options	19,300,000	(19,067,461)	-	-	-	232,539	3 Dec 2017
WHL unlisted options	350,000,000	(345,783,095)	-	-	-	4,216,905	31 Jul 2018
Advisor options	-	-	8,747,626	-	-	8,747,626	30 Sep 2019
Bid options	-	-	61,325,622	-	-	61,325,622	30 Sep 2019
Broker options	-	-	5,000,000	-	-	5,000,000	30 Sep 2019
EOP	-	-	6,910,543	-	-	6,910,543	30 Sep 2019
Consultant options	-	-	2,000,000	-	-	2,000,000	4 Apr 2020
Total	**981,299,836**	**(965,881,712)**	**83,983,791**	-	**(3,638,715)**	**95,763,200**	

I. WHL OPTIONS

As part of the reverse takeover of WHL Energy Ltd, Quantify Technology assumed all outstanding securities which were part of the listed entity. These included the following:

- WHL listed options – expiring 30 June 2018
- WHL unlisted options 1 – expiring 3 December 2017
- WHL unlisted options 2 – expiring 31 July 2018

As at 30 June 2017, 11,779,409 options remained outstanding.

MOVEMENTS

Option movements as held by WHL Energy Ltd. / Quantify Technology Holdings Ltd., are as follows:

	2017		2016	
	Number	WAEP	Number	WAEP
Outstanding - start of year	981,299,836	$ 0.387	22,938,715	$ 0.166
Issued during year	-	$ -	958,361,121	$ 0.227
Forfeited during year	(3,638,715)	(14.94)	-	-
83 to 1 consolidation	(965,881,712)	-	-	-
Outstanding - end of year	11,779,409	$ 0.333	981,299,836	$ 0.387
Exercisable - end of the year	11,779,409			

EXERCISED

No WHL options were exercised during the year.

SHARE-BASED PAYMENT EXPENSE

These options were fully vested in prior years, and have been fully expensed in those prior years.

II. ADVISOR OPTIONS

As part of the reverse takeover of WHL Ltd, 8,747,626 options were issued to Quantify corporate advisors. The purpose of the advisor options was to remunerate the Quantify Technology advisors for the provision of corporate advisory services as part of the merger.

The options were issued at a fair value of $0.032 each with an exercise price of $0.09 each on a post-consolidation basis. These advisor options expire on 30 September 2019, and there is no vesting period.

VALUATION OF ADVISOR OPTIONS

Exercise price	$0.090
Expiry date	03-Mar-20
Risk-free rate	1.63%
Volatility	100%
Value per option	$0.032
Number of options	8,747,626
Total value of options	$283,233
Amount expensed in prior years	$ -
Amount expensed in current year	$283,233
Amount to be expensed in future years	$ -

MOVEMENTS IN ADVISOR OPTIONS

Option movements as held by WHL Ltd. / Quantify Technology Holdings Ltd., are as follows:

	2017	
	Number	WAEP
Outstanding - start of year	-	$ -
Issued during year	8,747,626	$ 0.090
Outstanding - end of year	**8,747,626**	**$ 0.090**
Exercisable - end of the year	8,747,626	

ADVISOR OPTIONS EXERCISED DURING THE YEAR

No advisor options were exercised during the year.

III. BID OPTIONS

Prior to the reverse takeover, Quantify Technology had 59,900,002 ordinary options on issue, which were issued at $0.075 with an expiration date of 31 May 2017. As part of the merger, 61,325,622 WHL Bid options were issued in consideration for the Quantify ordinary options.
The options were issued at a fair value of $0.035 each with an exercise price of $0.075 each on a post-consolidation basis. These bid options expire on 30 September 2019, and there is no vesting period.

VALUATION OF BID OPTIONS

Exercise price	$0.075
Expiry date	30-Sep-19
Risk-free rate	1.63%
Volatility	100%
Value per option	$0.035
Number of options	61,325,622
Total value of options	$2,131,788
Amount expensed in prior years	$ -
Amount expensed in current year	$2,131,788
Amount to be expensed in future years	$ -

As the bid options were used for recompliance capital, and were issued to the vendor, they have been considered as part of the consideration for the reverse acquisition. Refer to Note 4 for further information on the listing expense.

MOVEMENTS IN BID OPTIONS

Option movements as held by WHL Energy Ltd. / Quantify Technology Holdings Ltd., are as follows:

	2017	
	Number	WAEP
Outstanding - start of year	-	$ -
Issued during year	61,325,622	$ 0.075
Outstanding - end of year	**61,325,622**	**$ 0.075**
Exercisable - end of the year	61,325,622	

BID OPTIONS EXERCISED DURING THE YEAR

No bid options were exercised during the year.

IV. BROKER OPTIONS

As part of the reverse takeover, the Company entered into an agreement with its lead manager on the equity raising. Under the terms of the mandate, the Company agreed to issue options equal to the size of the raising. As a result of the Company raising $5 million, it issued 5,000,000 Broker options to the lead manager.

The options were issued at a fair value of $0.035 each with an exercise price of $0.075 each on a post-consolidation basis. These broker options expire on 30 September 2019, and there is no vesting period.

VALUATION OF BROKER OPTIONS

Exercise price	$0.075
Expiry date	30-Sep-19
Risk-free rate	1.63%
Volatility	100%
Value per option	$0.035
Number of options	5,000,000
Total value of options	$173,809
Capital raising cost	$173,809

As the broker options were issued to satisfy capital raising costs, the expense has been offset against share capital.

MOVEMENTS IN BROKER OPTIONS

Option movements as held by WHL Energy Ltd. / Quantify Technology Holdings Ltd., are as follows:

	2017	
	Number	WAEP
Outstanding - start of year	-	$ -
Issued during year	5,000,000	$ 0.075
Outstanding - end of year	**5,000,000**	**$ 0.075**
Exercisable - end of the year	5,000,000	

BROKER OPTIONS EXERCISED DURING THE YEAR

No broker options were exercised during the year.

V. EMPLOYEE OPTIONS

On 25 April 2016, Quantify Technology issued 6,750,000 employee options under its Employee Option Plan (EOP). These options were issued with a fair value of $0.044 each, and expire on 31 May 2017. The original vesting conditions were as follows:

- 50% will vest 12 months from the date of commencement of employment
- The balance will vest, on a quarterly basis over the following 12 month period.

As part of the reverse takeover which completed on 3 March 2017, 6,910,543 employee options were issued in replacement of the 6,750,000 Quantify EOP options.
The options were re-issued at a fair value of $0.035 each with an exercise price of $0.075 each on a post-consolidation basis. These employee options expire on 30 September 2019.
The re-issued options carried the same vesting conditions as the original options issued under Quantify Technology's EOP.

VALUATION OF EMPLOYEE OPTIONS

Exercise price	$0.075
Expiry date	30-Sep-19
Risk-free rate	1.63%
Volatility	100%
Value per option	$0.035
Number of options	6,910,543
Total value of options	$179,252
Amount expensed in prior years	$141,766
Amount expensed in current year	$35,893
Amount to be expensed in future years	$1,593

MOVEMENTS IN EMPLOYEE OPTIONS

Option movements as held by WHL Energy Ltd. / Quantify Technology Holdings Ltd., are as follows:

	2017	
	Number	WAEP
Outstanding - start of year	-	$ -
Issued during year	6,910,543	$ 0.075
Outstanding - end of year	**6,910,543**	**$ 0.075**
Exercisable - end of the year	5,758,795	

EMPLOYEE OPTIONS EXERCISED DURING THE YEAR

No employee options were exercised during the year.

VI. CONSULTANT OPTIONS

On 3 April 2017, Quantify Technology appointed Alan Boyd as advisor to the Company.
As remuneration for services, the Company issued 2,000,000 options.
The options were issued at a fair value of $0.046 each with an exercise price of $0.100 each on a post-consolidation basis. These consultant options expire on 4 April 2020.
The options carry the following vesting conditions:

# of options	Vesting conditions
400,000	No vesting conditions
400,000	Provision of 1 year of continuous service
1,200,000	the services result in the Company's technology being included in at least 1 smart City in China

VALUATION OF CONSULTANT OPTIONS

Exercise price	$0.100
Expiry date	04-Apr-20
Risk-free rate	1.63%
Volatility	100%
Value per option	$0.046
Number of options	2,000,000
Total value of options	$92,917
Amount expensed in prior years	$ -
Amount expensed in current year	$27,439
Amount to be expensed in future years	$65,478

MOVEMENT IN CONSULTANT OPTIONS

Option movements as held by WHL Energy Ltd. / Quantify Technology Holdings Ltd., are as follows:

	2017	
	Number	WAEP
Outstanding - start of year	-	$ -
Issued during year	2,000,000	$ 0.100
Outstanding - end of year	**2,000,000**	**$ 0.100**
Exercisable - end of the year	400,000	

CONSULTANT OPTIONS EXERCISED DURING THE YEAR

No consultant options were exercised during the year.

SHARES & RIGHTS AWARDS

Grant	Balance at start of the year	Rights issued during the year[1]	Exercised	Forfeited / Lapsed	Balance at end of year	Vesting date
FY2017						
Performance rights	-	12,500,000	-	-	12,500,000	30 Nov 2016
Performance shares	-	120,000,000	-	-	120,000,000	30 Jun 2018
Founder Performance shares	-	30,000,000	-	-	30,000,000	3 Dec 2017
Share rights	-	13,755,150	-	-	13,755,150	31 Jul 2018
Total	-	**176,255,150**	-	-	**176,255,150**	

1. All awards are issued at a zero exercise price.

Refer below for further information on each award.

I. PERFORMANCE RIGHTS

The Group issued 12,500,000 performance rights in two tranches to each of the Chairman and the CEO, under the Merger Implementation Agreement, as part of the prospectus for the reverse takeover.

Performance Rights valuation assumptions

The performance rights are subject to the terms and conditions of the WHL performance rights plan, as outlined in Section 11 of the reverse takeover prospectus.
The first tranche of the performance rights, Tranche A, will vest immediately upon the 20 day volume weighted average price (VWAP) increasing to $0.12 per share within 24 months of the 3 March 2017 (the Quotation Date).
The second tranche of the performance rights, Tranche B, will vest immediately upon the 20 day VWAP increasing to $0.24 per share within 36 months of the Quotation Date.
The performance valuation assumptions relating to the grant of performance rights are detailed below.

	Assumptions	
	Tranche A	Tranche B
HOADLEY BARRIER1 METHOD ASSUMPTIONS:		
Discount Rate	1.81% p.a.	1.98% p.a.
Share Price Volatility	100% p.a.	100% p.a.
Grant Date	3 March 2017	3 March 2017
Performance Period (years)	2	3
Number of Rights awarded	6,250,000	6,250,000
FV OF RIGHTS AT GRANT DATE:		
Fair value per performance right	$0.046	$0.041
Share price at grant date	$0.060	$0.060

Measurement Period

Tranche A has a 2 year measurement period, and Tranche B has a 3 year measurement period.

Share-based Expense

Share-based payments expense relating to performance rights were $81,037, for the year ended 30 June 2017 (FY2016: nil).

II. PERFORMANCE SHARES

As part of the acquisition consideration for the acquisition of Quantify Technology Limited, WHL Limited issued four (4) tranches totalling 120,000,000 Performance Shares in recompliance capital.

Performance Shares criteria

Performance Shares were provided to KMP as part of the merger implementation, as follows.
The vesting conditions of the Performance Shares are as follows:

No. granted	Grant date	Probability of vesting	Vesting conditions
30,000,000	3 Mar 2017	> 50%	Accredited Australian testing of the AC Controller, and receiving $3 million in committed orders within 18 months of the grant date.
30,000,000	3 Mar 2017	> 50%	Accredited Australian testing of the wireless feature card, and receiving $5 million in committed orders within 30 months of the grant date.
30,000,000	3 Mar 2017	< 50%	$10 million in committed orders within 42 months of the grant date.
30,000,000	3 Mar 2017	< 50%	$15 million in committed orders within 54 months of the grant date.

Where the probability of vesting is greater than 50%, it is considered likely to occur. Where the probability is not likely, the value of the performance shares is deemed to be nil.
As the performance shares were used for recompliance capital, and were issued to the vendor, they have been considered as part of the consideration for the reverse acquisition. Refer to Note 4 for further information on the listing expense.

III. FOUNDER PERFORMANCE SHARES

As part of the acquisition consideration for the acquisition of Quantify Technology Limited, WHL Limited issued 30,000,000 Founder Performance Shares, in replacement of 1,000 Class A and 1,000 Class B performance shares which were on issue in Quantify.

Founder Performance Shares criteria

The vesting conditions of the Performance Shares are as follows:

No. granted	Grant date	Probability of vesting	Vesting conditions
15,000,000	3 Mar 2017	> 50%	Accredited Australian testing of the AC Controller.
15,000,000	3 Mar 2017	> 50%	Accredited Australian testing of the wireless feature card.

Founder Performance Shares Granted to KMP

Performance Shares were provided as part of the merger implementation, as follows.

Name	No. granted	Probable to vest	FV per option	FV of options at grant date
Mark Lapins	30,000,000	30,000,000	0.060	$1,800,000

As the founder performance shares were used for recompliance capital, and were issued to the vendor, they have been considered as part of the consideration for the reverse acquisition. Refer to Note 4 for further information on the listing expense.

IV. SHARE RIGHTS

As part of the reverse takeover, which successfully concluded on 3 March 2017, the employee share rights were acquired and re-issued at a rate of 1.0189 WHL share for every Quantify ordinary share share right. As a result, the 13,500,000 initial tranche of employee options were acquired by the Quantify, and 13,755,150 share rights were re-issued to employees.
2,419,888 share rights remained unvested at 30 June 2017.

Measurement Periods

There are four separate measurement periods for the employee options granted during the year, as follows:

- 50.0% on either the later of the 3 March 2017 or 12 months after the employee's commencement date;
- 12.5% on either the later of the 3 March 2017 or 15 months after the employee's commencement date;
- 12.5% on either the later of the 3 March 2017 or 18 months after the employee's commencement date;
- 12.5% on either the later of the 3 March 2017 or 21 months after the employee's commencement date;
- 12.5% on either the later of the 3 March 2017 or 24 months after the employee's commencement date;

Share Rights Performance Criteria

The share rights are subject to service-based criteria.

Vesting of Share Rights from the Share Rights Grant

The following share rights were provided at no cost and expire upon the termination of the KMP employment.

Value per share right	$0.040
Number of options	13,755,150
Total value of rights	$555,309
Amount expensed in prior years	$48,822
Amount expensed in current year	$465,792
Amount to be expensed in future years	$40,695

Share-based Expense

Share-based payments expense relating to share rights were $465,792, for the year ended 30 June 2017 (FY2016: nil).

V. QUANTIFY CLASS C SHARE PURCHASE

Quantify had originally issued 11,607,480 Class C Shares to its shareholders.
As part of the reverse takeover, which successfully concluded on 3 March 2017, the Quantify Class C shareholders holdings were acquired and re-issued at a rate of 1.0189 WHL share for every Quantify ordinary share. As a result, the 11,607,480 Class C shares were acquired, and 11,826,787 shares were re-issued to the shareholders.

Movement is reflected in contributed equity – refer to Note 9 for movement schedule.

VALUATION

Value per share	$0.060
Number of re-issued shares	11,826,787
Total value of shares	$709,607
Share-based payment expese	$709,607

Share-based Expense

Share-based payments expense relating to the re-issue of shares was $709,607, for the year ended 30 June 2017.

SHARE-BASED PAYMENT EXPENSES

The expense recognised for share-based payments during the year is shown in the table below:

	2017	2016
Advisor options	$ (283,233)	$ -
Employee options	(35,893)	(141,766)
Consultant options	(27,438)	-
Performance rights	(81,037)	-
Share rights	(465,792)	(48,821)
Class C Share issue	(709,607)	-
Total	$ (1,603,000)	$ (190,587)

NOTE 24. PARENT ENTITY

Information relating to Quantify Technology Limited, the Parent entity, is detailed below:

	2017	2016
BALANCE SHEET		
Assets		
Current	$ 2,816,200	$ 2,155,692
Total assets	$ 2,816,200	$ 2,155,692
Liabilities		
Current	$ (185,790)	$ (148,155)
Total liabilities	$ (185,790)	$ (148,155)
Net Assets	$ 2,630,410	$ 2,007,537
Equity		
Contributed equity	$ (73,786,008)	$ (67,888,210)
Employee benefits reserve	(4,323,754)	(3,353,754)
Retained earnings	75,479,352	69,234,427
Total	$ (2,630,410)	$ (2,007,537)
INCOME		
Net Profit / (Loss) after tax	$ (6,322,628)	$ (28,989,700)
Total Comprehensive Income	(6,322,628)	(28,989,700)

The financial information for the parent entity, Quantify Technology Holdings Ltd, has been prepared on the same basis as the consolidated financial statements.

DIRECTORS' DECLARATION

In the opinion of the Directors of Quantify Technology Limited (the "Group"):

- The accompanying financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
  - Giving a true and fair view of the Group's financial position at 30 June 2017 and of its performance for the year ended on that date; and
  - Complying with Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001.
- There are reasonable grounds to believe the the Group will be able to pay its debts as and when they become due and payable.
- The financial statements and notes thereto are in accordance with International Financial Reporting Standards as disclosed in Note 2.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with sections 295A of the Corporations Act 2001 for the financial period ending 30 June 2017.

This declaration is signed in accordance with a resolution of the board of Directors.

Aidan Montague
Chairman
On behalf of the Board.
29 September 2017

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REPORT
To the members of Quantify Technology Holdings Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Quantify Technology Holdings Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Impairment of intellectual property (Refer to note 17)	
Description	*Audit Approach*
An impairment assessment was conducted by	For the CGU evaluated using a value in use

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4 130 Stirling Street Perth WA 6000 | PO Box 8124 Perth BC WA 6849 | Telephone +61 (08) 9227 7500 | Fax +61 (08) 9227 7533

Email: mailbox@hlbwa.com.au | Website: www.hlb.com.au

HLB Mann Judd

management as at balance date in relation to the carrying value of intellectual property due to losses being incurred by the Group which gave rise to an indicator of impairment.

Intellectual property assets primarily relate to the ongoing development of the Q Device and the hardware and software associated with this. The total carrying value of these intangibles assets is $6,833,591 which is a significant account balance in the consolidated statement of financial position.

The impairment assessment was conducted under AASB 136 Impairment of Assets. The carrying value of the Group's intellectual property is recognised in a single cash generating unit.

The Group performed an impairment assessment over this CGU using a value-in-use model to justify the carrying value of the asset.

We focused on this area due to the size of the intellectual property balance and because the Group's assessment of the value-in-use of the cash generating unit involves judgement about the future results of the business.

approach, our procedures included but were not limited to:

- Obtaining an understanding of the key controls associated with the preparation of the value-in-use model used to assess the recoverable amount;
- Critically evaluating management's methodology in the value-in-use model and the basis for key assumptions;
- Comparing value-in-use to the carrying amount of asset comprising the cash-generating unit;
- Considering whether the assets comprising the cash generating unit have been correctly allocated; and
- Assessing the appropriateness of the disclosures included in the relevant notes to the financial report.

Accounting for the reverse acquisition of Quantify Technology Limited
(Refer to note 4)

Description

On 5 March 2017, Quantify Technology Limited ("Quantify Technology") completed the reverse acquisition of WHL Energy Limited (subsequently renamed to Quantify Technology Holdings Limited) ("WHL Energy") through a merger implementation agreement. Quantify Technology shareholders exchanged their shares in Quantify Technology for shares in WHL Energy, which resulted in Quantify Technology becoming the accounting acquirer in the business combination although WHL Energy is the legal parent.

We focused on this transaction because of judgement involved in the purchase price allocation, the materiality of the transaction and the complexity of the associated accounting and disclosures.

Audit Approach

Our procedures included but were not limited to:

- We evaluated management's assessment that it is the former shareholders of Quantify Technology – the legal subsidiary – that effectively control the combined business following the transaction, even though WHL Energy is the legal parent, resulting in the transaction being treated as a reverse acquisition.
- We evaluated the methodology and tested the mathematical accuracy of the calculations of the Group for the deemed accounting consideration;
- We corroborated the underlying information inputs, including the share prices and inputs used in the valuation of the performance shares and options with independent data sources.
- We obtained the signed contractual agreements relating to the reverse acquisition and read significant contract terms relevant to

HLB Mann Judd

	the accounting and disclosures in the financial statements. - We substantively tested journal entries and supporting workings and evidence relating to the accounting for the exchange of shares, agreeing them to the contracts and to the terms of the merger implementation agreement. - We evaluated the capital and equity movements of both WHL Energy, the legal acquirer, and Quantify Technology, the accounting acquirer, for accuracy by comparison to the terms of the merger implementation agreement and whether the Group's disclosures in respect of the reverse acquisition were reasonable and reflected the transaction terms. - We performed specific procedures on the opening balance sheet of WHL Energy prepared at 28 February 2017 directed at cut-off. We have specifically considered the recoverability of assets and the completeness of liabilities (including provisions for contractual commitments and for legal and other contingencies) to ensure that the opening balance sheet is appropriately stated.
Share based payments (Refer to Note 10)	
Description	*Audit Approach*
The valuation of share based payments has been deemed a key audit matter as a result of the judgement involved in determining the inputs to the valuation model and the fact that it is material to the financial statements. An assessment was also required to determine which share based payments at the time of the reverse acquisition formed part of the consideration paid.	Our procedures included but were not limited to: - Obtaining a reconciliation of the share based payments in existence and issued during the period; - Analysing management's determination of the equity issues which formed the consideration paid in the reverse acquisition and those which did not; - Obtaining either expert or management's calculation of the fair value of options issued and assessing the inputs; - Assessing the amount recognised during the period against the vesting conditions of the options; - Reviewing the accounting treatment of the replacement equity instruments granted; and - Ensuring disclosure is complete and accurate.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

HLB Mann Judd

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2017.

In our opinion, the remuneration report of Quantify Technology Holdings Limited for the year ended 30 June 2017 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

M R Ohm
Partner

Perth, Western Australia
29 September 2017

SHAREHOLDER INFORMATION

The following information was extracted from the Company's register at 29 September 2017.

TOP 20 SHAREHOLDERS

Position	Holder Name	Holding	% IC
1	LAPINS HOLDINGS PTY LTD <LAPINS FAMILY A/C>	112,079,001	26.49%
2	MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LIMITED <NO 1 ACCOUNT>	17,777,697	4.20%
3	GLOBEVISTA PTY LTD	17,321,300	4.09%
4	PAUL WILSON	12,256,519	2.90%
5	STEPHEN MARK DIXON	8,915,375	2.11%
6	VIX INVESTMENTS LIMITED	8,333,333	1.97%
7	SIMON NAYLOR	7,641,750	1.81%
8	PAUL KNIGHT	5,094,500	1.20%
9	DM CAPITAL MANAGEMENT PTY LTD <MCEVOY FAMILY A/C>	5,000,000	1.18%
10	J P MORGAN NOMINEES AUSTRALIA LIMITED	4,662,804	1.10%
11	MR SCOTT KINGSLEY FREW	4,245,418	1.00%
11	BARKER DONOVAN PTY LIMITED <BARKER DONOVAN S/FUND A/C>	4,245,418	1.00%
12	BIG AL INVESTMENTS PTY LIMITED	3,996,428	0.94%
13	J STIMPSON PTY LTD <HOEK A/C>	3,942,262	0.93%
13	MINTAKA NOMINEES PTY LTD	3,942,262	0.93%
13	ACCELERATED INVESTMENT GROUP PTY LTD <ACCELERATED INVESTMENT A/C>	3,942,262	0.93%
14	ROY NEWBURY	3,396,333	0.80%
14	GWJ INVESTMENTS PTY LTD	3,396,333	0.80%
15	ABBEY WEST CAPITAL PTY LTD	2,633,857	0.62%
16	PURE GOLF PTY LTD	2,547,250	0.60%
16	WARMAR SUPER FUND PTY LTD <WARMAR SUPERANNUATION A/C>	2,547,250	0.60%
16	BRUSH INVESTMENTS PTY LTD <THE SMALLRIDGE FAMILY A/C>	2,547,250	0.60%
17	ADJCOR PTY LTD <CORBETT FAMILY A/C>	2,536,831	0.60%
18	LSAF HOLDINGS PTY LTD <OWEN FAMILY A/C>	2,279,121	0.54%
19	MICHAEL ESTER	2,207,618	0.52%
20	TIMOTHY LEAHY	2,036,229	0.48%
	Total	249,524,401	58.98%
	Total issued capital - selected security class(es)	423,043,525	100.00%

VOTING RIGHTS

All ordinary shares issued by Quantify Technology Ltd carry one vote per share without restriction.

DISTRIBUTION OF SHARES

Holding Ranges	Holders	Total Units	% Issued Share Capital
1 - 1,000	2,827	541,038	0.13%
1,001 - 5,000	247	483,762	0.11%
5,001 - 10,000	181	1,274,349	0.30%
10,001 - 100,000	484	18,518,082	4.38%
100,001 - 9,999,999,999	365	402,226,294	95.08%
Totals	4,104	423,043,525	100.00%

CORPORATE GOVERNANCE STATEMENT

The Company has elected to post its Corporate Governance Statement on its website in accordance with ASX Listing Rule 4.10.3. The Corporate Governance Statement can be found at the following URL: http://info.quantifytechnology.com/corporate