

September Quarter Update

ASX RELEASE

31 OCTOBER 2017

Highlights:

- **Q Device to be supplied to the multimillion Wallaroo Shores development in South Australia**
- **Appointment of ex-Cisco executive David Barker as General Manager to help further accelerate the Company's commercialisation efforts for its technology**
- **Cost program delivered to drive reduction of corporate overheads**
- **Appoints business strategist and resources expert Peter Long as advisor to facilitate relationships between Quantify and the oil and gas, power and mining industries**
- **Post the reporting period Quantify signed an agreement with Harvey Norman's largest franchisee, Harvey Norman Commercial Division – NSW and the Company is focussed on delivery to this opportunity**

Quantify Technology Holdings Limited (ASX: QFY) ('Quantify' or the 'Company'), a unique and disruptive player in the multi-billion dollar IoT market, is pleased to provide its quarterly update for the period ending 30 September 2017.

Review of operations

Quantify Technology's Q Device continues to generate strong commercial interest and during the quarter, the Company announced that the technology would be supplied to the multimillion dollar Wallaroo Shores Development in South Australia.

Through the deal, Quantify Technology is supplying 2,000 – 2,500 devices for 100 townhouses which are being constructed for the Mantra Wallaroo Shores Resort, a \$40 million, four-star development that will be managed by Mantra Group (ASX:MTR), a leader in the Australian accommodation hotel and resort market.

The apartments are part of the first stage of what will ultimately be an estimated \$220 million development that will include approximately 656 residential dwellings and Quantify Technology's platform will be exclusively promoted and installed throughout the development. This provides a significant revenue opportunity for the Company with an estimated 13,500 potential devices required which would equate to in excess of \$2 million in revenue over the life of the development.

During the quarter, Quantify Technology also announced the appointment of ex-Cisco executive David Barker to the position of General Manager. Mr Barker has added his significant in-house commercialisation expertise to Quantify Technology with almost 30 years leadership experience in sales and strategic planning for large multinational companies including Oracle and Cisco.

Mr Barker's immediate focus since joining the company has been to drive the acceleration of Quantify's commercialisation efforts, including its flagship product, the Q Device.

The appointment also coincided with the Company undertaking a corporate restructure focused on lowering its cost base, while ensuring that it is focusing sufficient resources on its sales and marketing efforts.

Quantify has also increased its focus on the lucrative oil and gas, power and mining industries with the appointment of business strategist and resources expert Peter Long to its Advisory Board in July.

Mr Long brings decades of resources industry experience and will be utilising this to facilitate commercial partnerships between Quantify Technology and potential partners in the oil and gas, power and mining industries.

Post quarter developments

Post the reporting period, Quantify signed an agreement with Harvey Norman Commercial Division (HNCD) to promote and sell Quantify's products into commercial and residential development projects throughout NSW and the ACT.

The agreement provides further validation of Quantify's technology from Australia's largest retailer of furniture and household appliances.

HNCD NSW/ACT is Harvey Norman's single largest franchise, with a projected turnover of \$300 million for this financial year and has offices, showrooms and warehouse facilities in Sydney, Central Coast, Nowra and Canberra.

The agreement includes the establishment of a demonstration facility at HNCD's showroom at Taren Point in NSW and the two parties are also in the process of finalising reseller/distribution agreements and supply contracts with individual developers for specific projects.

It is estimated that potential sales of between \$20 – \$30 million per annum in years 3 – 5 could result from supply of Quantify's technology under this agreement.

Corporate and Financials

The Company finished the quarter with a cash balance of \$1.412 million.

Outlook

Quantify Technology has commenced FY18 in a strong position with a pipeline of opportunities that will see the Company achieve further milestones during the year. In the current quarter, the Company is focused on delivering the Q Device to leading Australian and global projects.

The addition of key personnel during the last quarter puts the Company in a strong position to identify and secure further partnerships and collaboration agreements in FY18.

"We have continued to build on the momentum that we generated across the last year in the first quarter of FY18 with installation into some new and exciting projects, agreements with new partners and the addition of key personnel who will really increase the potential of our Company to deliver on our commercial milestones this financial year," said Quantify Technology Managing Director, Mark Lapins.

“We have an exciting platform from which we can now take our Company to the next level as we position Quantify as the platform of choice for IoT solutions.”

-ENDS-

Further Information:

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About Quantify Technology

Quantify Technology Holdings Limited (ASX: QFY) (‘Quantify Technology’ or the ‘Company’), a unique and disruptive player in the multi-billion Internet of Things (IoT) market. Quantify Technology is a first mover in the 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. Its 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 to create Quantify Technology Truly Intelligent Buildings™. The Company’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.

Forward Looking Statements

This announcement contains certain statements, which may constitute “forward looking statements”. Such statements are only predictions and are subject to inherent risks and uncertainties, which could cause actual values, results or performance achievements to differ materially from those expressed, implied or projected in any forward-looking statements.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

QUANTIFY TECHNOLOGY HOLDINGS LIMITED

ABN

25 113 326 524

Quarter ended ("current quarter")

30 SEPTEMBER 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(487)	(487)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(137)	(137)
(d) leased assets	-	-
(e) staff costs	(1,037)	(1,037)
(f) administration and corporate costs	(575)	(575)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	903	903
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,331)	(1,331)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(48)	(48)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(d) intellectual property	(97)	(97)
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
2.6	Net cash from / (used in) investing activities	(145)	(145)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	2,888	2,888
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,331)	(1,331)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(145)	(145)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	1,412	1,412

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,343	2,825
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	69	63
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,412	2,888

Other includes long-term Term Deposits held with Tier One banking institutions.

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
94
-

Salaries, director's fees and consulting fees at normal commercial rates. Excludes GST where applicable

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-

N/A

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

N/A

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	218
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	71
9.4 Leased assets	50
9.5 Staff costs	875
9.6 Administration and corporate costs	43
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	1,257

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: N J Bassett
(Company secretary)

Date: 31 October 2017

Print name: Neville John Bassett

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.