



## **Company update, 2017 achievements and 2018 outlook** ***Managing Director's letter to shareholders***

**ASX RELEASE**

**29 December 2017**

Quantify Technology Holdings Limited (ASX: QFY) ("Quantify") market update.

Dear Shareholders,

I would like to take this opportunity to wish you and your family a Merry Christmas and Happy New Year.

The past 12 months have been momentous with Quantify achieving several major milestones, including a successful listing on the Australian Securities Exchange in March, and significant progress with the commercial delivery of our technology platform.

Our achievements in 2017 have provided a springboard for further growth and successes in 2018. These include new technology developments and an expected upswing in project specifications and sales. We are seeing continued interest in our technology platform, and we are working with several Australian and International commercial developers and strategic partners as we continue to focus on securing large commercial and enterprise projects across Australia and Overseas. We also continue to explore opportunities in new vertical applications to widen the market for adoption of our technology and products.

### **Significant milestones achieved**

In October, we secured an agreement with the largest franchisee of the Harvey Norman Group (ASX: HVN) - Harvey Norman Commercial Division (Harvey Norman Commercial) - which is estimated in years 3 - 5 to generate \$20 million to \$30 million in annual sales for Quantify.

Under the agreement, Harvey Norman Commercial will promote and sell our products into commercial and residential development projects throughout NSW and the ACT.

Harvey Norman Commercial provides an extensive selection of brand-name products to builders, developers, architects and designers and has offices, showrooms and warehouse facilities in Sydney, the Central Coast, Nowra and Canberra.

As part of the agreement, Quantify will establish a demonstration facility at Harvey Norman Commercial's showroom at Taren Point in NSW and will work with it to address and provide engineering, technical and training support requirements to service Quantify technology customers.

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During the year, we also progressed the agreement to supply Quantify's technology to the multimillion dollar Wallaroo Shores Development in South Australia, a move that represents potential revenues of more than \$2 million.

Under the agreement, we are supplying 2,000-2,500 devices for the 100 townhouses under construction for the Mantra Wallaroo Shores Resort, a \$40 million, four-star development that will be managed by Mantra Group (ASX: MTR), a leading Australian accommodation hotel and resort marketer and operator.

Our platform is also being exclusively promoted and installed throughout the entire development, which could see the installation of an estimated additional 13,500 devices.

This year also saw our product shipped and installed in, or delivered to, other projects in Western Australia and NSW. We successfully completed a project at the Medical and Dental Library of the University of Western Australia, and approximately 400 Q Devices were delivered to the Lindfield apartment project in Sydney's upper north shore.

The Company secured a demonstration suite in a Sydney apartment building to showcase our technology, which was installed and demonstrated to potential commercial and technology partners in the latter half of the year. The apartment has been continually updated in line with the development of Quantify's suite of products and additional functionality has been successfully demonstrated. The user experience feedback in the apartment has been overwhelmingly positive and is proving to be a very useful marketing and business development tool. We intend to release a series of high quality videos during 2018 showing the unique living experience Quantify offers to its customers.

### **Solid progress with product suite developments**

In November, we were pleased to announce the successful integration the Amazon Alexa voice service with our technology platform.

Our pairing of the technologies is the first of its kind in Australia. It validated the ability of our technology platform to integrate with others and opens a broad range of new vertical opportunities for retirement living, hospitality, healthcare and other industries that will benefit from a digital assistant that is a part of every room of every building.

Alexa is an intelligent personal assistant developed by Amazon. It was first used in the Amazon Echo and the Amazon Echo Dot devices. Our integration with Alexa leverages the power and scale of the Amazon cloud platform and provides us with the tools to create significantly more advanced features.

The integrated product is in beta testing and has been added to our Sydney demonstration suite where it has been viewed by prospective partners and clients. The response from visitors to the apartment has been outstanding as the unique living experience this pairing creates simplifies the user experience - providing full voice control of our products.

Quantify is targeting open beta release of the integrated product in Q3 2018 with the production version shipped to customers as a key feature of our technology offering.

2017 also saw the ongoing development of our product suite and the release of new features and products that fit into our modular architecture. This included new passive infra-red motion, proximity, light measurement, temperature, and humidity fascia features as well as a new iteration of our wireless communications card. We also received a recently released MEMs air quality sensor that the development team will seek to incorporate into our fascia in 2018. The unique patented modular design of the Company's hardware allows for easy user upgrades and add-ons as and when developed.

We also moved to the production development phase of our unique Fabric Extension fascia following favourable demonstrations with potential US commercial partners. The Fabric Extension fascia provides a server-less, gateway-less IoT solution, making it more reliable across disparate and isolated products and solutions which enhances the scalability and adoption of IoT solutions by consumers.

## **2018 Outlook**

The Company outlook for 2018 is one of further growth and expansion, with a focus on commercial delivery of the unique living experience our technology creates. We expect to deliver to a growing pipeline of sales and major project specifications for our Intelligent Building solution as the hard work of 2017 pays off in 2018.

The Company will continue to accelerate the development and sales of our technology into major commercial developments across Australia and around the globe. 2018 will also see the Company progress partner discussions to open new vertical markets or accelerate delivery of other IoT solutions that use key parts of our technology under license to enable their solutions.

At the same time, we will continue the development of enhancements and integrations of technologies such as Amazon Alexa to further extend the capabilities of our technology platform, to continue to work to redefine the IoT industry standard and to make our solution the platform of choice across multiple industry verticals.

## **Quantify Staff**

I would also like to take the time to personally acknowledge the amazing team of people we have at Quantify Technology. As founder and CEO, I started this journey and created the vision for the Company. However, without all our staff providing support when needed and our team of brilliant engineers, the delivery of our vision of a unique living experience, a Truly Intelligent Building, would not be possible. Our staff work tirelessly throughout the year to deliver on the Company vision and values, and to deliver real technology solutions that make a difference to people's lives.

I would like to take this opportunity to thank you, our shareholders, for your support over the year. Once again, I wish you and your family the very best for the holidays and I look forward to bringing you further updates in the New Year.

Mark Lapins  
Managing Director

-ENDS-

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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, performance achievements to differ materially from those expressed, implied or projected in any forward-looking statements.