



## December 2017 Quarter Update

ASX RELEASE

30 JANUARY 2018

---

### Highlights:

- **Amazon Alexa integration first of its kind in Australia and opens up a wide range of new vertical applications for Quantify's technology.**
- **Agreement with Harvey Norman Commercial Division to promote and sell Quantify Technology's products into development projects in NSW and the ACT.**
- **Oversubscribed Placement raises \$5mn; funds to be used to accelerate the development of Quantify's technology and deliver into leading commercial developments nationally.**
- **Further growth expected in 2018 with the acceleration of sales into major commercial developments and growing pipeline of sales and major project specifications for the Company's Intelligent Building solution.**

**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 three months ended 31 December 2017.

### Review of operations

#### Release of voice-controlled user experience

In November, Quantify Technology integrated the Amazon Alexa voice service with its technology platform with the pairing being the first of its kind in Australia.

Alexa is an intelligent personal assistant developed by Amazon and was first used in the Amazon Echo and the Amazon Echo Dot devices.

Quantify's technology integration with Alexa leverages the power and scale of the Amazon cloud and provides the Company with the tools to create significantly more advanced features when paired with its core technology platform.

The pairing also opens up a wide range of new vertical applications 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.

The integrated product is in beta testing and has been added to Quantify Technology's demonstration apartment on York Street, Sydney where it can be viewed by prospective partners and clients.

---

**Quantify Technology Holdings Ltd** ABN: 25 113 326 524

Registered Office: Level 4, 216 St Georges Terrace, Perth WA 6000

Postal Address: P.O. Box 7315, Perth WA 6850

T: +61 8 6268 2622 F: +61 8 6268 2699

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 its technology offering.

#### Agreement with Harvey Norman Commercial Division

In October, Quantify Technology 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 the Company.

Under the agreement, Harvey Norman Commercial is promoting and selling Quantify Technology's 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 install its solution at a demonstration facility at Harvey Norman Commercial's showroom at Taren Point in NSW, due for completion in April 2018, and HNCD will work with the company to address and provide technical and training support requirements to service Quantify Technology customers.

The Quantify/Amazon Alexa integrated product will be available in the future under this distribution deal.

#### **Corporate and Financials**

The Company finished the quarter with a cash level of \$3.074 million, with the balance helped by the Company's Placement in November, which raised A\$3.8 million at an issue price of 6 cents per share of a committed \$5 million. Shareholders approved the balance of the \$5 million at an issue price of 6 cents per share at the Company's General Meeting on 24<sup>th</sup> January 2018 which will be received subsequent to the quarter's financials.

The placement was significantly oversubscribed with support from new and existing institutional, sophisticated and professional investors and proceeds will be used to accelerate the development of Quantify's technology, to fast-track testing of the integrated Amazon Alexa/Q Device product and the development of further advancements and integrations of the Q Device with innovative technologies.

#### **Outlook**

Quantify expects further growth and expansion in 2018 with the Company continuing to accelerate the development and sales of its technology into major commercial developments across Australia and around the globe.

The Company also expects a growing pipeline of sales and major project specifications for its Intelligent Building solution.

At the same time, Quantify is also progressing partnering discussions in new vertical applications to widen the market for adoption of its technology and products or accelerate delivery of other IoT solutions that use key parts of the Company's technology under license to enable their solutions.

Further enhancements and integrations of technologies such as Amazon Alexa are also being pursued to further extend the capabilities of Quantify's platform, to continue to work to redefine the IoT industry standard and to make its solution the platform of choice across multiple industry verticals.

-ENDS-

**Further Information:**

Corporate Relations

E: [info@quantifytechnology.com](mailto:info@quantifytechnology.com)

P: +61 (8) 6254 0200

**Media Enquiries:**

Caroline Zielinski

Media & Capital Partners

E: [caroline.zielinski@mcpartners.com.au](mailto:caroline.zielinski@mcpartners.com.au)

P: +61 400 172 145

## **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")**

31 DECEMBER 2017

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(918)	(1,405)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(74)	(211)
(d) leased assets	(53)	(53)
(e) staff costs	(720)	(1,757)
(f) administration and corporate costs	(56)	(631)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	5	7
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	903
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,816)</b>	<b>(3,147)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(5)	(53)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(d) intellectual property	(51)	(148)
	(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	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(56)</b>	<b>(201)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	3,800	3,800
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	(228)	(228)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(27)	(27)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>3,545</b>	<b>3,545</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	1,412	2,888
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,816)	(3,147)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(56)	(201)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,545	3,545

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(11)	(11)
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>3,074</b>	<b>3,074</b>

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	3,005	1,343
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	69	69
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,074</b>	<b>1,412</b>

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
62
-

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. <b>Financing facilities available</b> <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. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	892
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	63
9.4 Leased assets	69
9.5 Staff costs	431
9.6 Administration and corporate costs	97
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>1,552</b>

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	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: 30 January 2018

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.