



## March 2018 Quarter Update

ASX RELEASE

30 APRIL 2018

### Highlights:

- Quantify launches impressive new General Purpose Outlet (GPO or Power Outlet) and Glass Switch Fascias, featuring superior industrial design techniques with improvements to user experience.
- Qumulus Skill for Alexa passes Amazon certification requirements and is available in the Amazon Alexa Skill store.
- Commercial delivery of the Amazon Alexa voice-controlled home automation and energy management platform into the Lindfield Apartment Project.
- Quantify Technology signs multi-faceted MOU with Greatech Group to provide potential access to volume manufacturing capabilities and licensing opportunities.

**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 March 2018.

### Review of operations

#### Quantify launches impressive eye-catching power outlet

In February, Quantify Technology launched the updated General Purpose Outlet (GPO) and lighting controller (Dimmer).

The new GPO and Dimmer include many key improvements in design, producing a simplified manufacturing process, reduced cost of manufacture, and updated aesthetics - delivering superior looks, feel and function.

The devices are planned to be produced in volume later in the year and will meet all required Australian standards and conform to, and be tightly integrated with, the Company's Qumulus cloud platform and applications. A unique element of the Dimmer is the ability to operate using only a switched active wire without the need for a neutral, making them perfect for retrofitting onto existing buildings – the largest segment of the potential sales market. Both the Dimmer and GPO are designed for simple installation in new buildings as well. The first production units of the GPO to be released will be 10AMP devices for general use across all building environments in Australia.

The GPO and Dimmer offer a full range of energy management features, local touch control and integration with the Company's voice control service, and full integration with existing and future Quantify Technology devices and services through the Qumulus cloud platform.

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

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

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### Qumulus Skill for Alexa goes live in Alexa Skills Store

Following the integration the Company's products with the Amazon Alexa voice service in November 2017, the Company's Qumulus Skill for Alexa passed requirements for certification and was made available for customers in the Alexa Skill Store in February 2018.

Alexa is the cloud-based voice service from Amazon. Alexa is the brain behind Amazon Echo and other Alexa-enabled devices. Using Alexa is as simple as asking a question—just ask, and Alexa will respond instantly.

The integration of the Company's technology with Alexa leverages the power and scale of the Alexa voice service. The continuing investment by Amazon in the Alexa platform will allow the expansion of the Company's voice services and its investment in voice control features.

The Company will continue development on the Qumulus Skill for Alexa, with a focus on expanding the range of control features to deliver an extended, feature rich customer experience.

### Quantify Technology's Q Device installed in Lindfield Apartment Project

In March, Quantify Technology successfully installed its flagship product – the Q Device – into the Lindfield Apartment Project on Sydney's Upper North Shore. The Q Device was used throughout the apartments and will provide the residents with an adaptable, extensible technology solution that provides more than just lighting control and energy management.

The Q Device, combined with Amazon Echo Dot hardware and the Company's Qumulus Skill for Alexa, enables voice control of connected devices. This integrated solution allows users to interact with their home automation system and other compatible devices using natural language commands, creating a feature rich "home of the future" experience.

This combination of technologies in a commercial project provides a model for future projects and commercial developments as Quantify Technology continues to build a pipeline of large-scale opportunities.

### Agreement with Greaton Group

In March, Quantify Technology signed a multi-faceted memorandum of understanding (MOU) with the Greaton Group of Companies (Greaton Group) to provide significant sales opportunities for its technology solutions, the licensing of the Company's existing technology and development expertise, and the potential access to Greaton Group's manufacturing facilities.

Greaton Group includes leading property development company Greaton Developments, Haneco Lighting and Lucesco Lighting. Greaton Group's development portfolio includes Australia's largest hotel investment - the \$730 million high-profile Darling Harbour project known as "The Ribbon". It also includes the \$300 million West Franklin project in Adelaide's CBD which is one of the city's largest urban regeneration projects. Greaton is also developing a \$260 million residential site in Epping, one of Sydney's growing suburbs.

Greaton Group will potentially provide solutions for Quantify Technology's manufacturing requirements for commercialisation, through its manufacturing facilities in Australia and in China, providing Quantify Technology with the ability to scale manufacture and minimise its hardware production costs.

Through the MOU, Quantify Technology will have access in the future to Greateon Group's sales and distribution capabilities via a network of offices, warehouses, and over 600 active partners across Australia.

### **Corporate and Financials**

The Company finished the quarter with a cash level of \$2.191 million, which included the balance of the Company's Placement in November 2017, raising A\$5 million in total.

The significantly oversubscribed placement, supported by new and existing institutional, sophisticated and professional investors will be used to accelerate the development of Quantify's technology, and the development of further advancements and integrations of the Q Device with innovative technologies.

Last year the Company received a Research & Development Tax Incentive of \$926,150 based on the innovative and novel development undertaken by the Company in the financial year ending 30 June 2017. The Company estimates receiving a similar incentive for this year's research and development which will be used to supplement existing working capital.

### **Outlook**

Following the MOU with Greateon Group and through its growing pipeline of sales and major project specifications for its Intelligent Building solution, Quantify Technology expects to continue to ramp up development and sales of its technology into major commercial developments across Australia and around the globe.

The Company is actively seeking licensing opportunities for its technology platform with agreements similar in nature to that signed with Greateon Group. This will enable a broader uptake of the Company's technology platform.

A key focus will also be the development and support of the relationship with Harvey Norman Commercial Division (HNCD) looking to increase its market leader status with major developers in NSW and ACT. Quantify Technology is fitting out HNCD's demonstration suite in the Burcham apartments project in Roseberry NSW. This will be used to showcase the Company's solution to HNCD's expansive network of clients and customers.

Quantify Technology expects these activities to lead to further growth and expansion during the remainder of 2018 and further notes that it will continue to evaluate a number of complementary opportunities in new market verticals, based upon the utilisation of the existing hardware and Qumulus cloud platform, with a view to further driving Company growth and speed to market.

-ENDS-

Further Information:

Corporate Relations

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Media Enquiries:

Corporate Relations

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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.

## 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 MARCH 2018

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 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	(1,028)	(2,433)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(142)	(353)
(d) leased assets	(101)	(154)
(e) staff costs	(458)	(2,215)
(f) administration and corporate costs	(104)	(735)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	11
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	21	924
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,808)</b>	<b>(4,955)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(86)	(139)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(d) intellectual property	(56)	(204)
	(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>(142)</b>	<b>(343)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	1,200	5,000
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	(72)	(300)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(61)	(88)
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>1,067</b>	<b>4,612</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	3,074	2,888
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,808)	(4,955)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(142)	(343)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,067	4,612

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	(11)
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>2,191</b>	<b>2,191</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	2,122	3,005
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>2,191</b>	<b>3,074</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
90
-

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
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9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	791
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	57
9.4 Leased assets	71
9.5 Staff costs	418
9.6 Administration and corporate costs	87
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>1,424</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 April 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.