

## June 2018 Quarter Update

ASX RELEASE

31 July 2018

### Highlights:

- Quantify Technology enters agreement with Electronic Caregiver LLC for the development, sales, marketing and distribution of a joint solution targeting USA and Australian retirement living and aged care market.
- Quantify Technology welcomed Brett Savill and Lee Christensen to the Board in a restructure focusing on global growth
- Quantify Technology collaborates on state-of-the-art disability group home for St John of God Accord
- Integration of Quantify Technology's solution in proof-of-concept home with complementary software and hardware providers to deliver blueprint for the future of group home developments with St John of God Accord

**Quantify Technology Holdings Limited (ASX: QFY)** ('Quantify Technology' 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 30 June 2018.

### Review of operations

#### Quantify Technology signs agreement with United States-based Electronic Caregiver LLC

In May 2018, Quantify Technology entered an agreement with Electronic Caregiver LLC (ECL), a United States-based company, for the development, sales, marketing and distribution of an integrated, collaborative solution targeting the United States and Australian Markets.

The collaborative integration aims to enhance and expand ECL's product offering to their established client portfolio. Quantify Technology's data collection and control capability adds significant value by providing additional tools for living assistance and risk assessment to the aging and chronically ill empowering them to safely maintain their independence for longer.

The collaboration has the potential to significantly impact the retirement, assisted living and home care markets in the US and Australia.

Successful cooperation with ECL offers a beachhead from which Quantify Technology can launch its Intelligent Building Solution to the United States consumer market, one of the largest markets in the world.

### Quantify Technology Board Restructure

In May, Quantify Technology announced the appointment of two independent directors, Brett Savill and Lee Christensen, to its Board as the Company enters a new phase of opportunity and growth.

Brett Savill, has a track record in business development, growth and development and implementation of acquisition strategies. Brett is a former PriceWaterhouseCoopers Partner in the UK, focused on technology, media and telecoms with 25 years' experience across strategy, business development, start-up growth and innovation.

Lee Christensen, is an experienced commercial lawyer, formerly a Senior Partner of Gadens, and will be serving as interim Chairman of the Company. Lee has significant experience in the areas of banking and finance, commercial and corporate law and his areas of expertise include guidance and advice to listed companies on issues of meeting procedure and corporate governance.

Aidan Montague resigned as an executive director of the Company to pursue other interests.

The Company is well advanced in interviewing potential candidates for the position of Chairman, all with significant business experience aligned with the growth opportunities available to the Company in its current phase, with announcement of that appointment expected in the short term.

### Quantify Technology collaboration with St John of God Accord

In June, Quantify Technology announced its collaboration with St John of God Accord for the development of a proof-of-concept home for people with intellectual disabilities.

The partnership with St John of God Accord, a division of St John of God Health Care, will see Quantify Technology demonstrating the capabilities of the Company's technology in healthcare and supported accommodation, alongside Samsung and other technology leaders.

Quantify Technology will continue to provide its expertise in healthcare and retirement living technology to the project which provides a valuable case study for the application of the Company's platform in assisted living, a sector focused progressively on truly intelligent solutions for improved health care and supported living.

### **Corporate and Financials**

The Company finished the quarter with a cash level of \$0.451 million

Subsequent to the quarter end, the Company entered into a Research & Development Finance Facility from which it has drawn down \$0.850 million.

Further, it is anticipated that the Company will receive a total of \$1.6 million less associated costs, from the AusIndustry R&D Tax Incentive program in mid-September which will be used to supplement existing working capital and repay the Research & Development Finance facility.

### **Outlook**

Quantify Technology has fitted out and commissioned Harvey Norman Commercial Division's (HNCD) demonstration suite at the prestigious Burcham development in Rosebery, NSW. The apartment will be used to showcase the residential application, scalability and flexibility of the Company's technology as well as its enterprise applications.

The Burcham demonstration suite is an important sales and marketing tool for HNCD and Quantify Technology. HNCD's sales force will be actively selling Quantify Technology's product line to residential and commercial construction projects as a major piece of their expansion initiative around building smart homes of the future.

A key focus of the Company remains to be the development and support of the relationship with Harvey Norman Commercial Division (HNCD). With the tools, sales collateral and demonstration suite ready, the Companies will be working together looking to increase HNCD's market leader status with major developers in NSW and ACT and build orders for Quantify Technology's state-of-the-art technology.

The Company continues to advance discussions and plans with business opportunities previously announced to the market, including seeking licensing opportunities for its technology platform with Greateon Group.

Quantify Technology's technical teams, which comprise hardware, firmware, software (cloud and application) and design, are making enormous headway and continue to improve and refine the company's product suite. The Company, having already undertaken small production runs of its products to date, is in discussions with manufacturers gearing up for large scale production runs at the end of this year to be delivered to the Australian market.

Quantify Technology expects these activities will lead to further growth and expansion during the remainder of CY2018 and will continue to evaluate complementary opportunities in new market verticals.

-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.

## 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 JUNE 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(743)	(3,176)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(324)	(677)
(d) leased assets	(80)	(234)
(e) staff costs	(459)	(2,674)
(f) administration and corporate costs	(71)	(806)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	14
1.5 Interest and other costs of finance paid	(36)	(36)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	72	996
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,638)</b>	<b>(6,593)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(1)	(140)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(d) intellectual property	(50)	(254)
	(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>(51)</b>	<b>(394)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	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	-	(300)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(51)	(139)
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>(51)</b>	<b>4,561</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	2,191	2,888
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,638)	(6,593)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(51)	(394)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(51)	4,561

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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>451</b>	<b>451</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	382	2,122
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>451</b>	<b>2,191</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
60
-

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	689
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	41
9.4 Leased assets	66
9.5 Staff costs	503
9.6 Administration and corporate costs	130
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>1,429</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: 31 July 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.