QUANTIFY

truly intelligent buildings

annual report 2018

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CORPORATE DIRECTORY

Directors

Executive Directors

Mark Lapins

Non-Executive Director

Alex Paior
Lee Christensen
Brett Savill

Key Management Personnel

Tim Leahy – Chief Financial Officer
David Porter – Chief Technology Officer

Auditor

HLB Mann Judd
Level 4, 130 Stirling Street
Perth WA 6000
Telephone: +61 8 9227 7500

Company Secretary

Neville Bassett

Principal Registered Office

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Level 2, 267 St George's Terrace
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ASX Ticker Code

QFY.ASX

ABN

23 113 326 524

CHAIRMAN'S REPORT

Dear Shareholders,

The Board of Quantify Technology Holdings Limited (Quantify) presents to our shareholders Quantify's Annual Report for the year ended 30 June 2018.

I write to you as the interim Chairman of Quantify. Having joined the Board in May 2018 I have had had the opportunity to consider Quantify's strategy, the challenges it has and will face and its achievements over the last year from a new viewpoint.

The financial year was a year focused primarily on product and platform development with a commitment to the commercialisation of our Internet of Things solution.

During the year Quantify added key members to its Leadership and Advisory Teams, made significant progress with the development of its products, software and cloud platform taking advantage of technology advances, received strong interest from developers for its solution, and entered into key partnership arrangements to drive the sales, distribution and delivery of Quantify's solution in 2019 financial year. Overall, the prospects for Quantify moving into the next financial year are positive.

The amount of work that has been completed on the research and development of Quantify's solution is significant. The product suite's design and architecture is elegant, refined, simple and intelligent. Management and staff have put in an enormous effort to take the product from its conceptual/ prototype phase to a commercial solution and I thank them for their efforts to date.

Having completed delivery, installation and commissioning of Quantify's dimmer products at Lindfield Apartments in Sydney and the University of Western Australia's Medical and Dental Library (UWA), and a luxury house in Sydney, we now have a valuable proof point - demonstrating our solution's real-world capability. We are now in the process of finalising the product offering and preparing for large-scale manufacture targeting commercial delivery during the next financial year.

While the financial year has seen significant progress and achievements it has not been without significant challenges. Quantify successfully undertook the deployment, support and maintenance of the Lindfield Apartments and UWA projects with limited resources. We also identified another major opportunity to further disrupt the market with a focus on removing further barriers to mass adoption of technology with the development of an end to end process that simplified the process of installation, configuration and ongoing management of technology. Thus, was born the our Qumulus platform, and associated toolchain, that simplifies the overall process and saves considerable time and cost across the entire process from specification to end user configuration changes. This will change the landscape of technology management in construction and provide a transformational solution that saves time and money for all involved.

While Quantify continues to evaluate opportunities internationally, the key focus has been refined to securing large Australian, commercial and enterprise projects. A key partner for executing on this strategy is the largest franchisee of the Harvey Norman Group (ASX: HVN) - Harvey Norman Commercial Division NSW and ACT (HNCD). HNCD have an enormous market share and considerable sales, distribution and deployment assets at their disposal. Their target segment is commercial and residential developments in NSW and ACT and they are looking to expand into additional markets.

The Company has recently installed its solution at HNCD's demonstration suite in the Burcham apartment in Rosebery NSW, with a launch date planned in the near future which will kick-start the sales and marketing effort by HNCD to their clients and stakeholders.

Further, during the year the Company received notification that construction had begun at the Wallaroo Shores development in South Australia which will lead to the supply of between 2,000-2,500 devices at the first stage of the larger project's development, the Mantra Wallaroo Shores Resort. The Company also entered an agreement with the Greaton Group which could see the inclusion of the Company's solution in additional multi-million-dollar construction projects.

During the year business strategist and resources expert Peter Long was appointed as an Advisor to facilitate commercial partnership discussions with oil and gas, power and the industry participants. The Company also welcomed Brett Savill to the Board of Directors as well as myself as interim Chairman.

Delivering shareholder value is the key objective moving forward. We believe that the Company has the roadmap and the skill sets in its leadership, management and staff to build a thriving organisation, executing on its vision and strategy. On behalf of the Board of Directors, I would like to thank our shareholders for their continuing support. We look forward to you continuing the journey with us over the coming year.

Lee Christensen
Chairman

CHIEF EXECUTIVE OFFICER'S REPORT

The 2018 Financial year has been an exciting time for Quantify Technology and has seen the accelerated development of our disruptive hardware and associated technology, as well as the release of our Qumulus cloud platform which is set to transform the mass deployment, configuration and management of technology solutions in multiple vertical markets.

During FY2018, Quantify Technology ('Quantify Technology' or 'the Company') has continued to focus on the disruptive nature of our technology and to closely examine all aspects of the use of our technology across multiple markets, and how we can simplify the customer experience to increase adoption rates. We have, throughout the year, completed installations and trials that have provided significant and valuable intellectual property on the total lifecycle of delivering a technology solution to a mass market.

This has allowed the Company to complete a comprehensive technology lifecycle solution that considers all of the 'customers' the Company has, especially when considering the multiple stages of purchase decision, installation, configuration, usage and ongoing management of a complete technology solution.

This strategy ensures that we remain at the forefront of the development of a platform that appeals not only to the end user by providing unique living experiences, but also considers the simplicity of selling our platform, installing and commissioning it, and the simplicity of the ongoing usage and management. The company mantra of "SIMPLE, INNOVATIVE, LIMITLESS" has been the driver in the transformational nature of Qumulus - which removes the barriers to mass adoption, enables endless partnering opportunities and focuses on customer outcomes, whether the end user or the electrician that installs and configures our technology.

Simplicity and a lower total cost of ownership will drive a transformational position for the Company in not only the Energy Management and Intelligent Building markets, but other markets such as Disability Services and Retirement Living where our technology will make a significant difference in the day to day lives of our customers.

Making lives better is at the heart of what we do. It's why we create solutions that make a difference in our homes, workplaces, and communities

COMMERCIALISATION PROGRESS

The most significant milestone that the Company reached during the financial year was the agreement made with Harvey Norman Commercial Division. Harvey Norman Commercial Division is the single largest Harvey Norman franchise, and provides an extensive selection of brand-name products to builders, developers, architects and designers.

Harvey Norman Commercial Division (HNCD) has a projected turnover for this financial year of $300 million, with an annual growth rate in excess of 10%, with offices, showrooms and warehouse facilities in Sydney, the Central Cost, Nowra and Canberra. They are the pre-eminent provider of product to the apartment and building construction market in NSW and ACT with over 50 Business Development personnel actively selling to this market. The projected apartment market for NSW in CY 2019 is expected to exceed 40,000 apartments

Subsequent to year-end, Quantify Technology, in conjunction with HNCD completed the fit-out of an apartment at the prestigious Burcham development in Rosebury, Sydney. This will showcase the residential application, scalability and flexibility of the Company's framework, as well as its enterprise applications to potential customers of HNCD.

During the current financial year, we successfully delivered and commissioned the Q Device into a pilot site at the Lindfield Apartment project in Sydney. This represented a significant milestone for the Company, as the field testing served as a proving ground for the real-world application of the Q Device in an active residential environment.

This also provided invaluable feedback for the team in the development of the Qumulus cloud platform and associated applications.
The Company also provided purchasers of the apartments with Amazon Echo Dot hardware and the Company's Qumulus Skill for Alexa, so as to enable voice control of the installed solution. The integrated solution allowed the purchasers to enjoy a feature rich experience that is controlled with natural language commands.

FINANCIAL RESULTS

- Quantify Technology reported a net loss after tax of $6,790,579 for the year ended FY2018 (FY2017: $11,661,543). FY2018 loss before interest, tax, depreciation and amortisation (EBITDA) was $6,565,181.

- As at 30 June 2018, the Group had $450,711 cash on hand (FY2017: $2,887,736). Subsequent to the year-end, the company was due to receive R&D rebates totalling $1,707,531.

EBITDA is a non-IFRS measure. The information is unaudited but is extracted from the audited financial statements. EBITDA is used by management to understand cash flows within the group.

RESTRUCTURE

Subsequent to year end, to ensure the continued success and growth of Quantify Technology, the Company has undergone a Board and Management restructure that sees myself transition to Technical Director and continue to focus on the development and innovation within the Company and Brett Savill step into the role as CEO / Managing Director. Brett joined the Board in May and will utilise his extensive business acumen and experience to now drive the Company forward as CEO.
Further changes at Board level sees the strengthening of the Board with Peter Rossdeutcher appointed as a Non-Executive Director and Chairman, and Gary Castledine appointed as a Non-Executive Director. Brett Savill will remain on the Board and Alex Paior and Lee Christensen will step down as Non-Executive Directors. The Board, and myself personally, wish to thank Alex for his tireless support during his Board tenure and Lee Christensen for assistance and guidance and his role as interim Chairman.

OUTLOOK AND MY FINAL WORDS AS CEO

I firstly want to thank Quantify Technology staff for their hard work, enthusiasm and belief in the Company, its culture, their co-workers and our vision of making a tangible difference with the technology we build. Without our team, there would be no Company and our technology would not be the world class solution we have built. Without exception, every member goes above and beyond to ensure the best outcomes are achieved for our customers and shareholders and I am proud of every one of them and the work they have done in bringing my vision to life.
The Company is entering the most exciting phase to date which will see our disruptive and transformational platform start to shake up the industry and its incumbent vendors and legacy technologies.
I want to welcome Brett as the new CEO and will support him through his transition into the role and the challenges we will still face through this phase of growth and expansion.
Thank you to all of the shareholders for their support, belief, feedback and advice during my tenure. I hand the role over to Brett at a time where Quantify technology is ready to put its dent in the world.

Mark Lapins
Chief Executive Officer

30 September 2018

REVIEW OF OPERATIONS

SUPPLY OF Q DEVICE TO WALLAROO SHORES DEVELOPMENT

In July 2017, Quantify Technology announced that it will supply its revolutionary Q Device to the multimillion dollar Wallaroo Shores Development in South Australia.

The Group will supply hardware 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.

This is the first stage of an estimated $220 million development by Copper Coast Investments at its Wallaroo Shores site, and Quantify Technology's platform will be exclusively promoted and installed throughout the entire development: approximately 656 residential dwellings—including 134 retirement apartments—and a mixed use precinct.

FOCUS ON COMMERCIALISATION WITH HARVEY NORMAN COMMERCIAL DIVISION

In October 2017, Quantify Technology secured an agreement with the largest franchise of the Harvey Norman Group (ASX: HVN) - Harvey Norman Commercial Division (HNCD) NSW and ACT for the promotion and sale of Quantify Technology's products.

HNCD NSW/ACT 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.

Under the agreement, HNCD will be promoting and selling Quantify Technology's products into commercial and residential development projects throughout NSW and the ACT.

As part of the agreement, during FY2018 Quantify Technology established a demonstration apartment at HNCD's showroom at the prestigious Burcham development in NSW, and are providing training and engineering support to HNCD's personnel. This showroom will demonstrate the Q Device's residential application, scalability, and flexibility of the Company's framework, as well as its enterprise applications.

CAPITAL RAISING TO ACCELERATE DEVELOPMENT

In November 2017, Quantify Technology successfully completed a $5 million placement. This placement was significantly oversubscribed with support from new and existing institutional, sophisticated and professional investors.

The proceeds from the capital raising are to be used to accelerate the development of Quantify's technology to deliver into leading commercial developments throughout Australia. The funds were also successfully used to fast-track the certification of the integration of the Company's hardware & Qumulus cloud platform with the Amazon Alexa voice service as well as the development of further advancements and integrations of the Q Device with innovative technologies.

INTEGRATION WITH AMAZON ALEXA VOICE SERVICE

During FY2018, Quantify Technology successfully integrated the Company's hardware with the Amazon Alexa voice service via its Qumulus skill for Alexa, Amazon's cloud-based voice service used in the Amazon Echo and other Alexa-enabled devices.

The pairing of the technologies opens up a wide range of new vertical applications for retirement living, hospitality, healthcare and other industries that will benefit from solution that allows natural language, conversational commands to control its living spaces. The solution is being developed to allow a seamless integration that is a part of every room of every building.

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 provides Quantify

Technology a continually expanding service to develop against – protecting the Company's investment in voice control features. The integrated solution is installed in Quantify Technology's demonstration apartment at the Burcham, Sydney where it can be viewed by prospective strategic partners and clients. It will also be available as part of the go-to-market strategy with Harvey Norman Commercial Division and will be available for demonstration in their display suite.

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.

RELEASE OF UPDATED POWER OUTLET

In February 2018, Quantify Technology launched the updated General Purpose Outlet (GPO) and lighting controller (Dimmer).

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

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.

DELIVERY OF Q DEVICE TO LINDFIELD APARTMENT PROJECT

In March 2018, Quantify Technology successfully installed its flagship product, the Q Device, into the Lindfield Apartment Project on Sydney's Upper North Shore as part of its field tests. 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.

AGREEMENT WITH UNITED STATES-BASED ELECTRONIC CARE-GIVER 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 reirement, 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 AND COMPANY RESTRUCTURE

In May 2018, 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.

As part of this transition, Aidan Montague resigned as an executive direction of the Company to pursue other interests.

The Company is undergoing further restructuring to reduce ongoing costs, and is continuing interviewing potential candidates for the position of Chairman.

QUANTIFY TECHNOLOGY COLLABORATION WITH ST JOHN OF GOD ACCORD

In June 2018, 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.

The project will provide 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 hearth care and supported living.

ABOUT QUANTIFY TECHNOLOGY

Quantify Technology is a first mover in the Internet of Things ("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.

The Company's 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 – for example, maximum energy efficiency – to create truly intelligent buildings.

Quantify'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.

DIRECTORS' REPORT

The Board of Directors of Quantify Technology Limited submit their report for the year ended 30 June 2018.

DIRECTORS

The names of the Company's Directors who held office during or since the end of the financial year and until the date of this report are detailed below. Directors were in office for the entire financial year unless otherwise stated.

Alex Paior – Non-Executive Director – appointed 1 March 2017

Alex is a highly respected Australian commercial lawyer with over 40 years' experience in the field. Additionally, he has extensive legal and practical expertise in property development. During his career in law, Alex has been a Senior Commercial Partner and Managing Partner of multiple major Australian law firms. Alex has also served on the board of numerous Australian Securities Exchange listed and private companies, illustrating his considerable experience in the areas of corporate governance and risk management. Alex has extensive experience in international transactions, acting for major Australian companies in mergers and acquisitions in Europe (United Kingdom, France, Germany and Greece) and Asia (Singapore, Hong Kong, Thailand and China). In the late 1990's, Alex was "seconded" to South Australia's Crown Law Department for nine months, to assist the South Australian Government's Asset Management Task Force as senior legal counsel to its Asset Disposal program. During that time, he managed the legal aspects of the Task Force's disposal of Government enterprises and assets in excess of $4 billion.

Lee Christensen – Non-Executive Director – appointed 25 May 2018

Lee Christensen, B.Juris., LLB, B. Comm is an experienced commercial lawyer, formerly a Senior Partner of Gadens. Lee has been a leading legal practitioner in Western Australia for over 20 years. Lee has significant experience in the areas of banking and finance, commercial and corporate law. His areas of expertise include guidance and advice to listed companies on issues of meeting procedure and corporate governance.

Brett Savill – Non-Executive Director – appointed 25 May 2018

Brett Savill has a track record in business development, growth and acquisition strategy. Brett has held senior operational roles in Australia as well as being a former PricewaterhouseCoopers Partner in the UK, focused on technology, media and telecoms. He brings twenty-five-years' experience across strategy, innovation, regulation, business development, start-up growth, and innovation to the Company. He has worked, or advised, on more than 30 M&A transactions and is an experienced Non-Executive Director.

Mark Lapins – Chief Executive Officer (CEO) – appointed 1 March 2017

Mark is a leading innovator in the field of IP Communications Technology and Solutions. He has extensive business acumen and experience in the sector, having spent almost twenty years providing solutions as well as successfully building up and selling two communications technology companies, one of which was acquired by global company Schneider Electric in 2008.

A rare blend of entrepreneurship, business and engineering skills has allowed him to create and deliver a company that will engineer change on a global scale.

Aidan Montague – Executive Chairman – resigned 25 May 2018

Aidan is a Professional Engineer by qualification and a former Chartered Member of the Institution of Engineers Australia.

He has more than 25 years in sales and marketing operations with a strong technology and internet background.

Aidan was instumental in the establishment and growth of the Australian arm of the internet/communications global giant, Cisco Systems.

He has held various senior roles with Cisco internationally.

COMPANY SECRETARY

Neville Bassett – Company Secretary

Mr Bassett is a Chartered Accountant, specialising in the area of corporate, financial and management advisory services. Mr Bassett has been involved with numerous public company listings, capital raisings and mergers and acquisitions. Mr Bassett has experience in matters pertaining to the Corporations Act, ASX listing requirements, corporate taxation and finance. He is a director or company secretary of a number of public and private companies.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the year were research and development within the Internet of Things ("IoT") market, and the assessment of new investment opportunities and product commercialisation.

OPERATING RESULTS FOR THE YEAR

The net loss after tax of the consolidated entity for the financial year was $6,790,579 after income tax (FY2017: net loss after tax of $11,661,543).

REVIEW OF OPERATIONS

A review of the operations of the consolidated entity is outlined in the Review of Operations on page 7.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Details of the significant changes to the structure and operations is outlined in the Review of Operations on page 7.

DIVIDENDS

No dividends have been paid or declared since the start of the financial year and the Directors do not recommend the payment of a dividend in respect of the financial year.

SIGNIFICANT EVENTS AFTER BALANCE DATE

On 27 September 2018, the Group announced that, effective 1 October 2018, the Board of Directors and senior executives will undergo a restructure, reflecting the Company's plans for domestic and international growth.
Mr Peter Rossdeutscher will be appointed as Chairman of the Board, and Mr Gary Castledine will be appointed as a Non-Executive Director. Mr Lee Christensen and Mr Alex Paior will resign as Non-Executive Directors.
With the Group entering its next phase with a focus on commercialisation, Mr Brett Savill will be appointed as CEO and Managing Director, and Mr Mark Lapins will transition to Technical Director to further drive technical innovation for the Company.

Aside from the above, there has not been any other matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

A general discussion of the Group's outlook is included in the Chairman's Report on page 3 and the Review of Operations on page 7.

DIRECTORS' INTERESTS IN THE SHARES, OPTIONS AND PERFORMANCE RIGHTS OF THE COMPANY AND RELATED BODIES CORPORATE

At the date of this report, share, options, convertible notes and performance rights granted to Directors of the Company and the entities it controlled are:

	Number				
Director	Ordinary Shares	Options	Performance Rights	Founder Performance Shares	Performance Shares
Alex Paior	-	21,023,661	-	-	-
Mark Lapins	142,079,001	5,119,000	6,250,000	-	53,801,001
Lee Christensen	636,813	319,938	-	-	305,688
Brett Savill	125,000	-	-	-	-

REMUNERATION REPORT

The Remuneration Report, which forms part of the Directors' report, outlines the remuneration arrangements in place for the Key Management Personnel of the Group for the financial year ended 30 June 2018 and is included on page 15.

SHARE OPTIONS, PERFORMANCE SHARES AND PERFORMANCE RIGHTS

There were 118,232,496 issued ordinary shares under options, 120,000,000 performance shares and 12,500,000 performance rights at the date of this report. Refer to Note 23 for further details of the options outstanding. 30 million founder performance shares were exercised during the year. There were no options exercised during the year.

DIRECTORS' MEETINGS

The number of meetings of Directors held during the year and the number of meetings attended by each Director was as follows:

	Meeting
	Board of Directors
Number of meetings held	10
Number of meetings attended:	
Mark Lapins [1]	10
Alex Paior [2]	10
Lee Christensen [3]	1
Brett Savill [4]	1
Aidan Montague [5]	9

1. Mr Mark Lapins was appointed as Director of Quantify Technology on 1 March 2017.
2. Mr Alex Paior was appointed as Director of Quantify Technology on 1 March 2017.
3. Lee Christensen was appointed as Director of Quantify Technology on 25 May 2018.
4. Mr Brett Savill was appointed as Director of Quantify Technology on 25 May 2018.
5. Mr Aidan Montague resigned as Director of Quantify Technology on 25 May 2018.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group is not subject to any significant environmental legislation.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has agreed to indemnify all the Directors of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as Directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

During the financial year the Company paid a premium in respect of a contract insuring the Directors and officers of the Company and its controlled entities against any liability incurred in the course of their duties to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

NON-AUDIT SERVICES

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 4 to the financial statements. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services do not compromise the auditor's independence as all non-audit services have been reviewed to ensure that they do not impact the impartiality and objectivity of the auditor and none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board.

During the year, the following fees were paid or payable for non-audit services provided by the auditor of the parent entity:

		2018
HLB MANN JUDD:		
Tax compliance services	$	1,905
Total remuneration for taxation services	$	1,905

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the Directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 32 and forms part of this Directors' report for the year ended 30 June 2018.

COMMITTEE MEMBERSHIP

The Company's Board of Directors performs all required functions of an Audit & Risk Committee and a Nomination & Remuneration Committee.

Members acting on the Board during the year were:

Board of Directors

Mark Lapins
Alex Paior
Lee Christensen [1]
Brett Savill

[1] Designates the interim Chairman of the Board

REMUNERATION REPORT (AUDITED)

The Remuneration Report details the remuneration arrangements for Key Management Personnel who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Group.

The Remuneration Report is presented under the following sections:

This report, which forms part of the Directors' report, outlines the remuneration arrangements in place for the Key Management Personnel of Quantify Technology for the year ended 30 June 2018.

The information provided in this Remuneration Report has been audited as required by Section 308(3C) of the Corporations Act 2001.

REMUNERATION REPORT (AUDITED)

1. PERSONS COVERED BY THIS REPORT

This report covers all Key Management Personnel (KMP) as defined in the Accounting Standards, including all Directors, as well as those Executives who have specific responsibility for planning, directing, and controlling material activities of the Group.

The KMP for the year ended 30 June 2018 were:

EXECUTIVE DIRECTORS

Mr Mark Lapins	Chief Executive Officer - appointed 1 March 2017

The following person ceased to be an Executive Director during FY2018:

Mr Aidan Montague	Chairman - resigned 25 May 2018

EXECUTIVES WITH NO DIRECTOR DUTIES

Mr Timothy Leahy	Chief Financial Officer - appointed 1 March 2017
Mr David Porter	Chief Technology Officer - appointed 1 March 2017

NON-EXECUTIVE DIRECTORS

Mr Alex Paior	Non-Executive Director - appointed 1 March 2017
Mr Lee Christensen	Non-Executive Director and interim Chairman - appointed 25 May 2018
Mr Brett Savill	Non-Executive Director - appointed 25 May 2018

2. REMUNERATION GOVERNANCE FRAMEWORK AND STRATEGY

I. Remuneration Philosophy

The performance of the Company depends upon the quality of the Key Management Personnel. The philosophy of the Company in determining remuneration levels is to:

- set competitive remuneration packages to attract and retain high caliber employees;
- link executive rewards to shareholder value creation; and
- establish appropriate, demanding performance hurdles for variable executive remuneration.

II. Securities Trading Policy

The Securities Trading Policy of Quantify Technology is available on the Quantify Technology website. The Policy contains the standard references to insider trading restrictions that are a legal requirement under the Corporations Act, as well as conditions associated with good corporate governance. The Policy specifies "Closed Periods" during which Directors and related parties, KMP, Senior Executives, and any employee in possession of inside information must not trade in the securities of the Company, unless written permission is provided by the Board following an assessment of the circumstances.

All equity based remuneration awards which have vested are subject to the Group's Share Trading Policy.

III. Remuneration Committee

The Board of Directors is responsible for determining and reviewing compensation arrangements for the Key Management Personnel.

The Board of Directors assesses the appropriateness of the nature and amount of remuneration of Key Management Personnel on a periodic basis by reference to relevant employment market conditions with an overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

3. EXECUTIVE KMP REMUNERATION POLICY

I. Structure

Remuneration consists of fixed remuneration and variable remuneration (comprising long-term incentive schemes).

II. Fixed remuneration

Fixed remuneration is reviewed annually by the Board of Directors. The process consists of a review of relevant comparative remuneration in both the market and internally and, where appropriate, external advice on policies and practices.
Executive Directors and other key management are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Group. The fixed remuneration component for the years ended 30 June 2018 and 30 June 2017 is detailed in the Remuneration of KMP tables on page 21.

III. Long Term Incentive (LTI)

The Group also makes long-term incentive payments to reward Executive Directors and Other Key Management in a manner that aligns this element of remuneration with the creation of shareholder wealth.

i. Purpose

The purpose of LTI is to incentivise Senior Executives to deliver Group performance that will lead to sustainable superior returns for shareholders and to modulate the cost of employing Senior Executives.

ii. Form of incentive

The LTI should be based on Employee Options that vest based on service period. No dividends are payable or accrued on Employee Options which are unvested and unexercised.

iii. Measurement period

LTI will typically have five measurement periods. 50% vests over the first 12 months, and the final 50% across the second year, pro-rata each quarter.

iv. Vesting of Employee Options

The Employee Options for each employee vest at the end of the measurement period, subject to meeting the service period hurdles, unless the Board exercises its discretion to extend the original measurement period.

Participants are not required to make any payments in respect of Employee Options at grant. Participants will require the payment on the option's strike price.

v. Holding period

Unless the Board exercises its discretion, Employee Options are forfeit if a participant ceases employment during the service period.

IV. Use of remuneration consultants

The Board is satisfied that any recommendations made were free from undue influence from any members of Key Management Personnel. No consultants were used in FY2018.

V. Details of contractual provisions for KMP

Name	Employing company	Contract Duration	Notice Period
Mark Lapins	Quantify Technology Holdings Ltd	3 Years	6 months[1]
Timothy Leahy	Quantify Technology Holdings Ltd	3 Years	6 months[1]
David Porter	Quantify Technology Ltd	Unlimited	1 month

1. Termination provisions for Executives on contracts – Quantify Technology may at its sole discretion dispose with the written notice period and choose to terminate the contract immediately by making:

- a payment to the Executive equal to the salary payable for the relevant period of notice; and
- a payment to the Executive of an amount equivalent to the salary they would have been paid from the end of the 6 month notice period until the end of the contract term, subject to the amount being reduced to the extent necessary to ensure that, when combined with any other payment made on termination of this Agreement, the Executive is not entitled to more than the maximum amount permitted by the Corporations Act and the Listing Rules.

4. NON-EXECUTIVE DIRECTOR REMUNERATION

I. Application

The Non-Executive Director Remuneration Policy applies to Non-Executive Directors (NED) of the Company in their capacity as directors and as members of committees.

II. Remuneration structure

Remuneration is composed of Board fees.

III. Fees

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain Non-Executive Directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

i. Fee cap

The ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting. The latest determination was at the Annual General Meeting held on 22 December 2016 when shareholders adopted the WHL Limited constitution (the former name of the legal parent), which limited the aggregate remuneration to $350,000 per year, excluding share-based payments.

ii. Non-Executive Director fees

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst the Non-Executive Directors is reviewed annually. As at 30 June 2018, the Group had three Non-Executive Directors.

The Board of Directors considers advice from external shareholders as well as the fees paid to Non-Executive Directors of comparable companies when undertaking the annual review process.

Each Non-Executive Director receives a fee for being a Director of the Company.

iii. Committee fees

The Group does not remunerate Directors for their additional audit & risk and nomination & remuneration responsibilities.

IV. No termination benefits

Termination benefits are not paid to NED by the Company.

5. REMUNERATION OF KMP

	Short-Term Benefits			Post Employment Benefits	Long Term Benefits		Share Based Payments Expense				
	Salary & Fees	FY2018 Cash Bonus	Other Monetary Benefits	Super-annuation /	Leave Accrued	Termination Benefits	Options	Performance Shares & Rights	Total	Share Based Payments Expense %	Performance Related %
YEAR ENDED 30 JUNE 2018											
EXECUTIVE DIRECTORS											
Aidan Montague[1]	$ 246,327	$ -	$ -	$ -	$ -	$ 130,000	$ -	$ 124,280	$ 500,607	24.8	24.8
Mark Lapins	343,769	-	347	32,263	25,407	-	-	124,280	526,066	23.6	23.6
NON-EXECUTIVE DIRECTORS											
Alex Paior	$ 48,000	$ -	$ -	$ -	$ -	$ -	$ 45,422	$ -	$ 93,422	48.6	-
Lee Christensen[2]	6,000		-	-	-	-	-	-	6,000	-	-
Brett Savill[3]	6,000		-	-	-	-	-	-	6,000	-	-
OTHER KEY MANAGEMENT PERSONNEL											
Timothy Leahy	$ 214,029	$ -	$ -	$ 20,096	$ 16,267	$ -	$ 44,667	$ 5,641	$ 300,700	16.7	1.9
David Porter	211,539	-	-	20,096	16,267	-	44,072	-	291,974	15.1	-
	$ 1,075,664	$ -	$ 347	$ 72,455	$ 57,941	$ 130,000	$ 134,161	$ 254,201	$ 1,724,769		

1. Mr Aidan Montague resigned as Chairman on 25 May 2018.
2. Mr Lee Christensen was appointed to the Board of Directors and interim Chairman on 25 May 2018.
3. Mr Brett Savill was appointed to the Board of Directors on 25 May 2018.

	Short-Term Benefits			Post Employment Benefits	Long Term Benefits		Share Based Payments Expense				
	Salary & Fees	FY2017 Cash Bonus	Other Monetary Benefits	Super-annuation /	Leave Accrued	Termination Benefits	Options	Performance Shares & Rights	Total	Share Based Payments Expense %	Performance Related %
YEAR ENDED 30 JUNE 2017											
EXECUTIVE DIRECTORS											
Aidan Montague	$ 214,668	$ -	$ -	$ 760	$ 585	$ -	$ 71,178	$ 289,960	$ 577,151	62.6	50.2
Mark Lapins	337,654	-	762	30,633	25,973	-	177,946	1,654,549	2,227,517	82.3	74.3
NON-EXECUTIVE DIRECTORS											
Alex Paior	$ 48,000	$ -	$ -	$ -	$ -	$ -	$ 675,418	$ -	$ 723,418	93.4	-
OTHER KEY MANAGEMENT PERSONNEL											
Timothy Leahy [1]	$ 200,192	$ -	$ -	$ 18,315	$ 15,399	$ -	$ 20,619	$ 29,117	$ 283,642	17.5	10.3
David Porter [2]	196,269	-	-	18,645	15,098	-	13,278	22,010	265,300	13.3	8.3
	$ 996,783	$ -	$ 762	$ 68,353	$ 57,055	$ -	$ 958,439	$ 1,995,636	$ 4,077,028		

1. Mr Tim Leahy was appointed as Chief Financial Officer on 3 March 2017.
2. Mr David Porter was appointed as Chief Technology Officer on 1 July 2016.

6. EQUITY INSTRUMENTS HELD BY KMP

I. Bid Options

i. Bid Options

Prior to the reverse takeover which occurred during FY2017, Quantify Technology had 25,978,228 ordinary options on issue to KMP, which were issued at $0.075 with an expiration date of 31 May 2017. As part of the merger, 26,596,510 WHL Bid options were issued in consideration for the Quantify ordinary options as held by the KMP.

The bid options were issued at a fair value of $0.035 each with an exercise price of $0.075 each on a post-consolidation basis.

ii. Measurement Periods

The bid options expire on 30 September 2019, and there is no vesting period.

iii. Vesting of Bid Options

No bid options were issued during FY2018.

The following bid options were held by KMP at 30 June 2018:

Name	Vesting date	No. vested during year	No. exercised during year
Mark Lapins	3 Mar 2017	5,119,000	-
Alex Paior	3 Mar 2017	19,429,911	-

II. Employee Options Grant – FY2017

i. Employee Options Grant

2,500,000 employee options were granted to KMP of Quantify in FY2016. As part of the reverse takeover which occurred during FY2017, the employee options were acquired and re-issued at a rate of 1.0238 WHL options for every Quantify option. As a result, the 2,500,000 initial tranche of employee options were acquired by the Company, and 2,559,493 employee options were re-issued to KMP.

These KMP were still employed by Quantify Technology at 30 June 2018, and all KMP options relating to this issuance had vested at 30 June 2018.

ii. Measurement Periods

There were four separate measurement periods for the employee options granted to KMP during the year, as follows:

- 3 March 2017 for 62.5% of the employee options
- 11 April 2017 for 12.5% of the employee options
- 11 July 2017 for 12.5% of the employee options
- 11 October 2017 for 12.5% of the employee options

Employee options issued to Mr David Porter vested in full at the grant date.

iii. Employee Option Performance Criteria

The employee options are subject to service-based criteria.

iv. Vesting of Options from the Employee Option Grant

The following options were provided at no cost and expire on the earlier of their expiration date of 30 September 2019, or the termination of the KMP employment for any unvested option.

Name	Options granted	Grant date	FV per option at award date	FV of options at grant date
Timothy Leahy	2,047,493	3 Mar 2017	$ 0.035	$ 71,372
David Porter	511,900	3 Mar 2017	$ 0.035	$ 17,795

Name	Vesting date	No. vested during year	No. vested in prior year	No. exercised during year
Timothy Leahy	3 Mar 2017	-	1,023,747	-
	3 Mar 2017	-	255,937	-
	11 Apr 2017	-	255,937	-
	11 Jul 2017	255,937	-	-
	11 Oct 2017	255,935	-	-
David Porter	11 Oct 2017	-	511,900	-

III. Employee Options Grant – FY2018

i. Employee Options Grant

2,689,600 employee options were granted to KMP of Quantify in FY2018, under the Employee Option Plan.

These KMP were still employed by Quantify Technology at 30 June 2018, and all KMP options had vested at 30 June 2018.

ii. Measurement Periods

As the vesting conditions under the Plan Rules had been met by each KMP, the options issued to Mr Tim Leahy and Mr David Porter vested in full at the grant date.

iii. Employee Option Performance Criteria

The employee options are subject to service-based criteria.

iv. Vesting of Options from the Employee Option Grant

The following options were provided at no cost and expire on the earlier of their expiration date of 31 July 2020, or the termination of the KMP employment for any unvested option.

Name	Options granted	Grant date	FV per option at award date	FV of options at grant date
Timothy Leahy	1,344,800	12 Jan 2018	$ 0.033	$ 44,000
David Porter	1,344,800	12 Jan 2018	$ 0.033	$ 44,000

Name	Vesting date	No. vested during year	No. vested in prior year	No. exercised during year
Timothy Leahy	12 Jan 2018	1,344,800	-	-
David Porter	12 Jan 2018	1,344,800	-	-

IV. Share Rights Grant

i. Share Rights Grant

2,000,000 share rights were granted to KMP of Quantify in FY2016. As part of the reverse takeover, which occurred in the prior financial year, the employee share rights were acquired and re-issued at a rate of 1.0189 WHL share for every Quantify ordinary share share right. As a result, the 2,000,000 initial tranche of share rights were acquired by the Quantify, and 2,037,800 share rights were re-issued to KMP.

These KMP were still employed by Quantify Technology at 30 June 2018, and all KMP share rights had vested at 30 June 2018.

ii. Measurement Periods

There are four separate measurement periods for the share rights granted during the year, as follows:

- 3 March 2017 for 62.5% of the share rights
- 11 April 2017 for 12.5% of the share rights
- 11 July 2017 for 12.5% of the share rights
- 11 October 2017 for 12.5% of the share rights

iii. Share Rights Performance Criteria

The share rights are subject to service-based criteria.

iv. Vesting of Share Rights from the Share Rights Grant

The following share rights were held by KMP at 30 June 2018:

Name	Share rights granted	Grant date	FV per option at award date	FV of rights at grant date
Timothy Leahy	2,036,229	12 Oct 2016	$ 0.040	$ 81,449

Name	Vesting date	No. vested during year	No. vested in prior year	No. exercised during year
Timothy Leahy	3 Mar 2017	-	1,018,115	-
	3 Mar 2017	-	254,529	-
	11 Apr 2017	-	254,529	-
	11 Jul 2017	254,529	-	-
	11 Oct 2017	254,529	-	-

V. Performance Rights Grant

The Group issued 12,500,000 performance rights in total in two tranches to the Chairman and the CEO, under the Merger Implementation Agreement, as part of the prospectus for the reverse takeover during the prior financial year.

The performance rights held by KMP at 30 June 2018 were as follows:

		Performance Rights		
		Tranche A	Tranche B	Total
Mark Lapins	CEO	4,166,667	2,083,333	6,250,000
Total		4,166,667	2,083,333	6,250,000

i. Performance Rights Valuation Assumptions

The performance rights are subject to the terms and conditions of the WHL performance rights plan, as outlined in Section 11 of the prospectus.

The first tranche of the performance rights, Tranche A, will vest immediately upon the 20 day volume weighted average price (VWAP) increasing to $0.12 per share within 24 months of the 3 March 2017 (the Quotation Date).

The second tranche of the performance rights, Tranche B, will vest immediately upon the 20 day VWAP increasing to $0.24 per share within 36 months of the Quotation Date.

The performance valuation assumptions relating to the grant of performance rights to KMP are detailed below.

	Assumptions	
	Tranche A	Tranche B
HOADLEY BARRIER1 METHOD ASSUMPTIONS:		
Discount rate	1.81% p.a.	1.98% p.a.
Share price volatility	100% p.a.	100% p.a.
Grant date	3 March 2017	3 March 2017
Performance period (years)	2	3
FV OF RIGHTS AT GRANT DATE:		
Fair value per performance right	$0.046	$0.041
Share price at grant date	$0.060	$0.060

ii. Measurement Period

Tranche A has a 2 year measurement period, and Tranche B has a 3 year measurement period.

VI. Performance Shares Grant

During the prior financial year, as part of the consideration for the acquisition of Quantify Technology Limited, WHL Limited issued four (4) tranches totalling 120,000,000 performance shares. Of these performance shares, 55,810,903 were issued to KMP of Quantify Technology that held office as at 30 June 2018.

i. Performance Shares criteria

The vesting conditions of the performance shares are as follows:

Tranche	No. granted	Grant date	Probability of vesting	Vesting conditions
A	30,000,000	3 Mar 2017	> 50%	Accredited Australian testing of the AC Controller, and receiving $3 million in committed orders within 18 months of the grant date.
B	30,000,000	3 Mar 2017	> 50%	Accredited Australian testing of the wireless feature card, and receiving $5 million in committed orders within 30 months of the grant date.
C	30,000,000	3 Mar 2017	< 50%	$10 million in committed orders within 42 months of the grant date.
D	30,000,000	3 Mar 2017	< 50%	$15 million in committed orders within 54 months of the grant date.

ii. Performance Shares held by KMP

Performance shares (PS) held by KMP were as follows:

Name	No. granted	Probable to vest	FV per PS at award date	FV of PS at grant date
Lee Christensen	305,688	152,844	$ 0.060	$ 18,341
Mark Lapins	53,801,001	26,900,501	0.060	3,228,060
Timothy Leahy	970,564	485,282	0.060	58,234
David Porter	733,650	366,825	0.060	44,019

VII. Founder Performance Shares Grant

As part of the consideration for the acquisition of Quantify Technology Limited, WHL Limited issued 30,000,000 Founder Performance Shares, in replacement of 1,000 Class A and 1,000 Class B performance shares which were on issue in Quantify.

During the year ended 30 June 2018, the Founder Performance Shares were exercised and converted to ordinary shares. No Founder Performance Shares remain at year-end.

i. Founder Performance Shares criteria

The vesting conditions of the Founder Performance Shares are as follows:

Tranche	No. granted	Grant date	Probability of vesting	Vesting conditions
A	15,000,000	3 Mar 2017	100%	Accredited Australian testing of the AC Controller
B	15,000,000	3 Mar 2017	100%	Accredited Australian testing of the wireless feature card

ii. Founder Performance Shares Granted to KMP

Founder Performance Shares (FPS) held by KMP were as follows:

Name	No. granted	Vested	FV per FPS at award date	FV of FPS at grant date
Mark Lapins	30,000,000	30,000,000	$ 0.060	$ 1,800,000

VIII. Rights holdings

	Rights holdings						
	Balance at 30 June 2017	Granted as Remuneration	Exercised	Other movements [1]	Balance at 30 June 2018	Vested and Exercisable	Unvested
Directors							
Lee Christensen							
Options	-	-	-	319,938	319,938	319,938	-
Performance Shares	-	-	-	305,688	305,688	-	305,688
Aidan Montague							
Options	2,047,600	-	-	(2,047,600)	-	-	-
Performance Rights	6,250,000	-	-	(6,250,000)	-	-	-
Performance Shares	8,314,700	-	-	(8,314,700)	-	-	-
Alex Paior							
Options	19,429,911	1,593,750	-	-	21,023,661	21,023,661	-
Mark Lapins							
Options	5,119,000	-	-	-	5,119,000	5,119,000	-
Performance Rights	6,250,000	-	-	-	6,250,000	-	6,250,000
Performance Shares	53,801,001	-	-	-	53,801,001	-	53,801,001
Founder Performance Shares	30,000,000	-	(30,000,000)	-	-	-	-
Executives							
Timothy Leahy							
Options	2,047,493	1,344,800	-	-	3,392,293	3,392,293	-
Performance Shares	970,564	-	-	-	970,564	-	970,564
David Porter							
Options	511,900	1,344,800	-	-	1,856,700	1,856,700	-
Performance Shares	733,650	-	-	-	733,650	-	733,650

1. Denotes the rights held by Mr Aidan Montague at the time of his resignation on 25 May 2018, and the rights held by Mr Lee Christensen at the time of his appointment as Director, on 25 May 2018.

IX. Shareholdings

	Share holdings			
	Balance at 30 June 2017	Acquired / (disposed)	Other movements [1]	Balance at 30 June 2018
Directors				
Aidan Montague	17,321,300	-	(17,321,300)	-
Lee Christensen	-	-	636,813	636,813
Mark Lapins	112,079,001	30,000,000	-	142,079,001
Brett Savill	-	125,000	-	125,000
Executives				
Timothy Leahy	2,036,229	-	-	2,036,229
David Porter	1,528,350	-	-	1,528,350

1. Denotes the rights held by Mr Aidan Montague at the time of his resignation on 25 May 2018, and the rights held by Mr Lee Christensen at the time of his appointment as Director, on 25 May 2018.

7. OTHER RELATED MATTERS

I. Board composition

Following a review of the size, structure and composition of the Board, and with inputs from investors and other independent advisors, the Board of Directors has undertaken a restructure. Mr Aidan Montague resigned as Chairman on 28 May 2018, and Mr Lee Christensen and Mr Brett Savill were appointed to the Board of Directors on 28 May 2018.

Mr Lee Christensen was appointed interim Chairman until the Company sources a suitable replacement for Mr Aidan Montague.

II. Aggregate amounts in respect of loans made to KMP

There were no loans to Directors or other key management personnel at any time during the year ended 30 June 2018.
As part of the acquistion of WHL Energy Ltd, the Group is required to reimburse Cuda Developments, a related party of Mark Lapins, for $500,000 of past expenditure incurred in developing Quantify's intellectual property. $333,333, including an additional $17,269 interest, was due at 30 June 2018.
Other than compensation and transactions concerning shares and performance rights as discussed in other sections of the Remuneration Report, and as noted above, there were no other transaction involving key management personnel.

End of Remuneration Report

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Quantify Technology Holdings Ltd for the year ended 30 June 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
30 September 2018

M R Ohm
Partner

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

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FINANCIAL REPORT

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2018

	Notes		2018		2017
Income					
Grant income	3	$	1,403,341	$	1,263,824
Other	3		44,804		102,670
Expenses					
Operating expenses	4	$	(8,192,108)	$	(6,897,648)
Listing expense	4		-		(6,123,447)
Financing costs	4		(46,616)		(6,942)
(Loss) before income tax		$	(6,790,579)	$	(11,661,543)
Income tax expense	6	$	-	$	-
(Loss) after tax		$	(6,790,579)	$	(11,661,543)
Other comprehensive income (OCI)					
Other comprehensive income		$	-	$	-
Other comprehensive income net of tax for the period		$	-	$	-
Total comprehensive loss for the year		$	(6,790,579)	$	(11,661,543)
Loss per share ($ per share)					
- basic loss per share	5	$	(0.01)	$	(0.03)
- diluted loss per share	5		(0.01)		(0.03)

The Consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018

	Notes	2018	2017
Assets			
Current Assets			
Cash and cash equivalents	7	$ 450,711	$ 2,887,736
Trade and other receivables	11	1,729,432	1,048,722
Prepayments		2,400	8,490
Total		$ 2,182,543	$ 3,944,948
Non - Current Assets			
Trade and other receivables	11	$ 50,738	$ 28,409
Property, plant and equipment	16	238,744	156,950
Intangible assets	17	7,549,312	6,833,591
Total		$ 7,838,794	$ 7,018,950
Total Assets		$ 10,021,337	$ 10,963,898
Liabilities			
Current Liabilities			
Trade payables	12	$ (746,719)	$ (1,076,899)
Interest-bearing loans and borrowings	8	(350,603)	(340,476)
Provisions	13	(208,754)	(131,705)
Total		$ (1,306,076)	$ (1,549,080)
Non - Current Liabilities			
Interest-bearing loans and borrowings	8	$ (17,905)	$ (17,905)
Total		$ (17,905)	$ (17,905)
Total Liabilities		$ (1,323,981)	$ (1,566,985)
Net Assets		$ 8,697,356	$ 9,396,913
Equity			
Contributed equity	9	$ 27,889,850	$ 22,970,330
Reserves	10	2,429,291	1,257,789
Accumulated losses		(21,621,785)	(14,831,206)
Equity attributable to owners of the parent		$ 8,697,356	$ 9,396,913

The Consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2018

	Issued Capital	Share-Based Payment Reserve	Retained Earnings	Total
Balance at 1 July 2016	$ 9,592,781	$ 190,587	$ (3,169,663)	$ 6,613,705
Comprehensive Income				
(Loss) after income tax expense for the year	$ -	$ -	$ (11,661,543)	$ (11,661,543)
Other Comprehensive Income, net of tax	-	-	-	-
Total Comprehensive (loss) for the year	$ -	$ -	$ (11,661,543)	$ (11,661,543)
Other equity transactions				
Shares issued to acquire subsidiary	$ 7,161,451	$ -	$ -	$ 7,161,451
Shares issued to Class C shareholders	709,607	-	-	709,607
Shares issued to convertible note holders	650,000	-	-	650,000
Shares issued as part of capital raising	5,000,000	-	-	5,000,000
Transaction costs relating to issue of shares	(307,500)	-	-	(307,500)
Options issued to advisors	-	283,233	-	283,233
Options issued to brokers	(173,809)	173,809	-	-
Share-based payment - Employee Option Plan	-	63,331	-	63,331
Share-based payment - employee share rights	-	465,792	-	465,792
Share-based payment - performance rights	-	81,037	-	81,037
Settlement of advisor costs	148,800	-	-	148,800
Issue of shares - employees	60,000	-	-	60,000
Issue of shares - working capital	129,000	-	-	129,000
Total	$ 13,377,549	$ 1,067,202	$ -	$ 14,444,751
Balance at 1 July 2017	$ 22,970,330	$ 1,257,789	$ (14,831,206)	$ 9,396,913
Comprehensive Income				
Loss for the year	$ -	$ -	$ (6,790,579)	$ (6,790,579)
Other Comprehensive Income	-	-	-	-
Total	$ -	$ -	$ (6,790,579)	$ (6,790,579)
Other equity transactions				
Issue of shares - working capital	$ 5,000,000	$ -	$ -	$ 5,000,000
Transaction costs relating to issue of shares	(300,000)	-	-	(300,000)
Settlement of advisor costs	79,520	-	-	79,520
Issue of shares - employees	140,000	-	-	140,000
Share-based payment - Employee Option Plan	-	525,998	-	525,998
Share-based payment - employee share[1]	-	40,695	-	40,695
Share-based payment - performance rights	-	248,559	-	248,559
Share based payment - contract options	-	356,250	-	356,250
Total	$ 4,919,520	$ 1,171,502	$ -	$ 6,091,022
Equity at 30 June 2018	$ 27,889,850	$ 2,429,291	$ (21,621,785)	$ 8,697,356

The Consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018	2017
Cash flows from operation activities			
Payments to suppliers and employees		$ (6,716,564)	$ (3,765,436)
Interest received		45,960	2,885
Interest paid	4	(46,616)	(6,942)
Other tax receipts / (payments)		975,083	574,491
Net cash used in operating activities		$ (5,742,137)	$ (3,195,002)
Cash flows from operation activities			
Purchase of property, plant and equipment	16	$ (197,325)	$ (128,000)
Purchase of intangible assets	17	(1,155,321)	(772,401)
Cash acquired on acquisition of WHL Energy	4	-	924,523
WHL Energy signing fee		-	102,670
Net cash from / (used in) investing activities		$ (1,352,646)	$ 126,792
Cash flows from operation activities			
Proceeds from issue of shares		$ 5,000,000	$ 4,829,000
Exercise of convertible notes		-	650,000
Repayment of borrowings		(36,427)	(167,600)
Transaction costs related to issues of securities		(300,000)	(307,500)
Net cash from financing activities		$ 4,663,573	$ 5,003,900
Net increase in cash and cash equivalents		$ (2,431,210)	$ 1,935,690
Cash and cash equivalents			
Cash and cash equivalents at beginning of year	7	2,887,736	950,977
Net foreign exchange differences		(5,815)	1,069
Net increase in cash and cash equivalents		(2,431,210)	1,935,690
Cash and cash equivalents at the end of year	7	$ 450,711	$ 2,887,736

The Consolidated statement of financial position should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. BASIS OF PREPARATION

The financial report of the Quantify Technology Limited group of companies (the "Group") for the year ended 30 June 2018 was authorised for issue in accordance with a resolution of the Directors on 30 September 2018.

These financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the *Corporations Act 2001*, Accounting Standards and Interpretations and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements for the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

The financial statements have been prepared on a historical cost basis. Historical cost is based on the fair values of the consideration given in exchange for goods and services.

The Company is a listed public Company, incorporated in Australia and operating in Australia. The principal activities of the Group during the year were research and development into the Internet of Things ("IoT") market, and the assessment of new investment opportunities.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

I. Statement of compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

II. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement in with the investee; and
- has the ability to its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above.

- When the Company has less than a majority of the voting rights of an investee, it has the power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights are sufficient to give it power, including:
- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholder meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Changes in the Group's ownership interest in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in subsidiaries. Any difference between the amount paid by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between:

- The aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- The previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by the applicable AASBs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

III. Standards and Interpretations application to 30 June 2018

In the year ended 30 June 2018, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period.

These new and revised standards include:

- AASB 2015-8 Amendments to Australian Accounting Standards – Effective Date of AASB 15
- AASB 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses
- AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107
- AASB 2017-3 Amendments to Australian Accounting Standards – Clarifications to AASB 4
- AASB Interpretation 22 Foreign Currency Transactions and Advance Consideration
- AASB 9 Financial Instruments (2014)
- AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Group accounting policies.

IV. Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all Standards and Interpretations in issue not yet adopted for the year ended 30 June 2018.

These Standards and Interpretations issued bit not yet effective for the current financial year include:

- AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15
- AASB 2015-8 Amendments to Australian Accounting Standards – Effective Date of AASB 15
- AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15
- AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions
- AASB 2016-6 Amendments to Australian Accounting Standards – Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts
- AASB 2017-3 Amendments to Australian Accounting Standards – Clarifications to AASB 4
- AASB Interpretation 22 Foreign Currency Transactions and Advance Consideration
- Interpretation 23 Uncertainty over Income Tax Treatments, and relevant amending standards
- AASB 17 Insurance Contracts
- AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements to IFRS Standards 2015- 2017 Cycle
- AASB 16 Leases

  The Group has conducted a preliminary assessment of the forecast impact of AASB 16 on the Group's profit or loss and statement of financial position. There will be an increase in both right-of-use assets and lease liabilities and a reclassification of lease costs to interest and depreciation on adoption of AASB 16. The impact on the Group's net assets and profit or loss is not expected to be material, however the impact will be dependent on the leasing arrangements in place when the standard becomes effective. The mandatory application date for the Group is for the financial year ending 30 June 2020. The Group does not intend to adopt the standard before its mandatory application date.

As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Company and, therefore, no change is necessary to Group accounting policies.

V. Going concern

Notwithstanding the fact that the Group incurred an operating loss of $6,790,579 for the year ended 30 June 2018, and a net cash outflow from operating activities amount to $5,742,137, the Directors are of the opinion that the Company is a going concern for the following reasons:

- An R&D refund of $1,707,531 was due to be received subsequent to year-end; and
- the Group received favourable responses in undertaking additional sources of funds, which are expected to be completed in H1 FY2019.

Should these fund raisings not be completed, there is a material uncertainty that may cast significant doubt as to whether the Company will be available to realise its assets and extinguish its liabilities in the normal course of business.

EARNINGS FOR THE YEAR

This section addresses both the financial performance and the taxation position of the Group for the year ended 30 June 2018.

CONTENTS

NOTE 3. OTHER INCOME

	2018	2017
OTHER INCOME		
Research & Development grant income	$ 1,331,182	$ 1,174,120
Export Market Development grant	72,159	89,704
Other income	44,804	102,670
Total	$ 1,448,145	$ 1,366,494

I. Recognition & measurement

Government grant income

Government grant income includes the following grants:

- Research & Development grant; and
- Export Market Development grant.

Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

II. Significant accounting judgements and estimates

Government grants

The Group engages in research and development and overseas marketing activities with regards to its IoT designs. Certain judgements are required in assessing whether the grant has been recognised in accordance with the Group's accounting policies.

Management has made judgements regarding which expenditure is classified as eligible for the grant, including assessing activities to determine whether they are conducted for the purposes of generating new knowledge, and whose outcome cannot be known or determined in advance or, in the case of the Export Market Development grant, that the expenditure is incurred in appropriate international marketing activities.

NOTE 4. EXPENSES

	2018	2017
OPERATING EXPENSES		
Administration and corporate	$ (1,885,510)	$ (1,344,986)
Marketing expenses	(153,027)	(455,622)
Occupancy costs	(315,441)	(185,796)
Travel	(137,305)	(281,804)
Total	$ (2,491,283)	$ (2,268,208)
Depreciation and amortisation		
Depreciation	$ (115,531)	$ (43,813)
Amortisation	(63,251)	-
Total	$ (178,782)	$ (43,813)
Employee benefits		
Wages and salaries	$ (3,749,555)	$ (2,684,874)
Superannuation	(339,064)	(227,563)
Share-based payments expense	(1,311,502)	(1,603,000)
Workers' compensation costs	(7,257)	(6,026)
Annual leave expenses	(112,756)	(57,287)
Other employee benefits expenses	(1,909)	(6,877)
Total	$ (5,522,043)	$ (4,585,627)
Total Operating expenses	$ (8,192,108)	$ (6,897,648)
LISTING EXPENSE		
Listing premium on reverse acquisition	$ -	$ (6,123,447)
Total	$ -	$ (6,123,447)
FINANCE COSTS		
Interest expense to unrelated parties	$ (46,616)	$ (6,942)
Total	$ (46,616)	$ (6,942)
AUDITOR'S REMUNERATION		
Amounts received or due and receivable by HLB Mann Judd for:		
An audit or review of the financial report of the entity and any other entity in the Group	$ 45,500	$ 37,000
Other services in relation to the entity and any other entity in the Group	1,905	37,950
Total	$ 47,405	$ 74,950

I. Measurement

Depreciation and amortisation

Refer to accounting policies for depreciation disclosed in Note 16, and to accounting policies related to amortisation of intangible assets in Note 17.

Employee benefits

Refer to accounting policies for employee benefits in Note 13.

Finance costs

Finance costs include interest payments on other costs that the Group incurs in connection with the borrowing of funds.
All finance costs are expensed in the period they occur.

NOTE 5. EARNINGS PER SHARE

	2018	2017
Net loss for the year	$ (6,790,579)	$ (11,661,543)
Weighted average number of share on issue	470,979,518	392,299,382
Basic and diluted loss per share	$ (0.01)	$ (0.03)

Losses per share is calculated as net loss attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

As the Group is loss making, there is no dilutive effect of the issued securities.

There have been no transactions involving ordinary shares subsequent to the reporting date and prior to the date of completion of these financial statements.

NOTE 6. INCOME TAX

	2018	2017
INCOME TAX EXPENSE		
Income tax expense		
Current tax	$ -	$ -
Deferred tax	-	-
	$ -	$ -
Deferred income tax (revenue) / expense included in income tax expense comprises:		
Decrease / (increase) in deferred tax assets	$ (376,349)	$ (223,918)
(Decrease) / increase in deferred tax liabilities	376,349	223,918
Total	$ -	$ -
Statement of Changes in Equity (not recognised)		
Deferred income tax:	$ (82,500)	$ (84,563)
Total	$ (82,500)	$ (84,563)
NUMERICAL RECONCILIATION OF INCOME TAX BENEFIT TO PRIMA FACIE TAX PAYABLE		
Loss from continuing operations before income tax expense	$ (6,790,579)	$ (11,661,543)
Tax at the Australian tax rate of 27.5%	$ (1,867,409)	$ (3,206,924)
Share-based payments	$ 360,663	$ 440,825
Non-deductible items	20,943	592,641
R&D non-deductible expenditure	841,552	-
Non-deductible loss on acquisition of subsidiary	-	1,683,948
Non-assessable amounts	(373,556)	(412,676)
Recognition of DTL on capitalised R&D	-	139,331
DTA recognised	-	-
DTA and DTL not recognised	1,017,807	70,940
Deferred tax - change in tax rate	-	723,151
Other	-	(31,233)
Total Adjustments	$ 1,867,409	$ 3,206,924
Income tax (expense) / benefit	$ -	$ -
Under/(over) provision in prior years		
Losses for which DTA not recognised	$ 2,585,291	$ 778,833
Other deferred tax assets and liabilities not recognised	576,466	345,461
Less: DTL recognised	(600,267)	-
Potential tax benefit at 27.5%	$ 2,561,490	$ 1,124,294

	2018	2018
UNRECOGNISED TAX LOSSES - TEMPORARY DIFFERENCES		
Unused tax losses for which no deferred tax assets have been recognised:		
Australian losses	$ 9,401,058	$ 2,832,119
Potential tax benefit at 27.5%	$ 2,585,291	$ 778,833

Carry forward tax losses were incurred by Australian and foreign entities. Deferred tax assets have not been recognised in respect these losses as the likelihood of their use in the future is low, and tax losses deductible temporary differences do not expire under the current tax legislation.

	2018	2017
OTHER UNRECOGNISED DEFERRED TAX ASSETS AND LIABILITIES		
Deferred tax asets		
Provisions	$ 57,407	$ 69,463
Prepayments	-	699
Accruals	43,465	28,389
Loans	-	-
Borrowing costs	11,527	17,669
Undeducted s.40-880 costs	449,747	229,240
PPE	506	-
Intangibles	13,814	-
Other	-	-
Tax losses	2,585,291	778,833
DTA not recognised	(2,561,490)	(1,124,294)
Total	$ 600,267	$ -
Deferred tax liabilities		
Other temporary differences	$ -	$ -
Recognition of DTA's for offset	600,267	-
Property Plant & Equipment & IP	-	-
Total	$ 600,267	$ -
Net deferred tax asset / (liability)	$ -	$ -

CORPORATE TAX RATE

In accordance with the new tax legislation, Quantify Technology Holdings Ltd and its Australian subsidiaries are subject to a Corporate Tax Rate of 27.5% for the year ended 2018 (FY2017:27.5%) .

I. Recognition and measurement

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

II. Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.
Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

DEBT AND CAPITAL

This section addresses the cash, debt and capital positions of the Group for the year ended 30 June 2018.

CONTENTS

KEY RISKS

i. Capital management

The Group's policy is to maintain a strong and flexible capital base to provide investor, creditor and market confidence to sustain future development of the business. The Group monitors the return on capital, which the Group defines as total shareholders' equity attributable to members of Quantify Technology Limited. The Board determines the level of dividends to shareholders.
The Group monitors statement of financial position strength and flexibility using cash flow forecast analysis and detailed budgeting processes.
There were no changes in the Group's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting.
Neither the Group nor any of its subsidiaries are subject to externally imposed capital requirements.

II. Interest rate risk exposure

The Company and the Group are exposed to interest rate risk as entities in the Group invest funds at both fixed and floating interest rates.
Interest rate risk management is undertaken by the Group in order to reduce the potential volatility towards its financial position due to these fluctuations in prevailing market interest rates.
The Group's exposure to market interest rates relates primarily to the Group's investment in cash funds.
The Group constantly analyses its interest rate exposure. Consideration is given to potential renewals of existing term deposit positions, and alternative financing structures.

The Group had the following variable rate cash and borrowings outstanding at the end of the reporting period.

	2018	2017
Cash and cash equivalents		
Australian variable rate interest	$ 450,711	$ 2,809,789
US variable rate interest	-	77,947
Interest-bearing loans and borrowings		
Australian variable rate interest	$ (350,603)	$ (340,476)
NET EXPOSURE	$ 100,108	$ 2,547,260

Profit or loss is sensitive to higher / lower interest income from Australian dollar designated cash and cash equivalents as a result of changes in interest rates. There would be no material impact on other components of equity as a result of changes in interest rates, nor on USD denominated cash and cash equivalent balances.
The sensitivity analysis below shows the impact on post tax profit had a 25 basis point movement in interest rates occurred. 25 basis points was deemed to be a reasonable level of volatility based on FY2018 observations.

	2018		2017	
POST TAX GAIN / (LOSS)				
AUD				
+0.25% (25 basis points)	$	250	$	7,024
-0.25% (25 basis points)		(250)		(7,024)

III. Interest rate risk strategies, policies and procedures

Cash and potential debt are forecasted and monitored on a monthly basis in order to forecast and monitor the interest rate risk.

IV. Liquidity risk

The liquidity position of the Group is managed to ensure sufficient liquid funds are available to meet financial commitments in a timely and cost-effective manner.
The Group's policy is to continually review the Group's liquidity position including cash flow forecasts to determine the forecast liquidity position and maintain appropriate liquidity levels.

The contractual maturities of financial liabilities (see Note 12), including interest payments are as follows:

	Carrying Amount		Years to maturity 0 - 1		> 1	Contractual Cash Flows	
BALANCE 30 JUNE 2018							
Trade & other payables	$	(746,719)	$	(746,719) $	-	$	(746,719)
Interest-bearing loans and borrowings		(368,509)		(368,509)	-		(368,509)
Total	$	(1,115,228)	$	(1,115,228) $	-	$	(1,115,228)
BALANCE 30 JUNE 2017							
Trade & other payables	$	(1,076,899)	$	(1,076,899) $	-	$	(1,076,899)
Interest-bearing loans and borrowings		(358,381)		(358,381)	-		(358,381)
Total	$	(1,435,280)	$	(1,435,280) $	-	$	(1,435,280)

The Group had $350,603 in external debt due to Cuda Developments as at 30 June 2018 (FY2017: $340,476). The Group also had $450,711 (FY2017: $2,887,736) in cash and cash equivalents, which can be used to meet its liquidity needs.

NOTE 7. CASH AND CASH EQUIVALENTS

	2018	2017
CURRENT		
Cash at bank and in hand	$ 450,711	$ 2,818,316
Term deposits	-	69,420
TOTAL CASH PER CASH FLOW STATEMENT	$ 450,711	$ 2,887,736

I. Recognition and measurement

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.
Cash and cash equivalents for the purposes of the Consolidated statement of cash flows consists of cash and cash equivalents as defined above, net of cash held as a guarantee.

II. Foreign currency risk

As a result of cash predominantly denominated in Australian Dollars, the Group is not materially exposed to currency risk.

III. Reconciliation of net profit after tax to net cash flows from operations

	2018	2017
NET PROFIT	$ (6,790,579)	$ (11,661,543)
ADJUSTMENTS FOR:		
Depreciation	$ 178,782	$ 43,813
Share based payments	1,311,502	1,603,000
Non-cash settlements	79,520	508,800
Listing expense	-	6,123,447
Capitalised R&D offset	376,349	236,817
Other income	-	(102,670)
Foreign exchange	5,815	(1,069)
CHANGES IN ASSETS AND LIABILITIES		
(Increase) / decrease in debtors	$ (703,100)	$ 381,232
(Increase) / decrease in prepayments	6,090	(8,490)
(Decrease) / increase in trade creditors	(330,180)	(375,626)
(Decrease) / increase in interest-bearing loans and borrowings	46,616	-
(Decrease) / increase in provisions	77,049	57,287
TOTAL ADJUSTMENTS	$ 1,048,442	$ 8,466,541
NET CASH OUTFLOW FROM OPERATION ACTIVITIES	$ (5,742,137)	$ (3,195,002)

NOTE 8. INTEREST-BEARING LOANS AND BORROWINGS

	2018	2017
CURRENT		
Borrowings - related party (Note 21)	$ (350,603)	$ (340,476)
Total	$ (350,603)	$ (340,476)
NON-CURRENT		
Advanced from a related party (Note 21)	$ (17,905)	$ (17,905)
Borrowings - related party (Note 21)	-	-
Total	$ (17,905)	$ (17,905)

I. Recognition and measurement

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost.

Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised.

II. Fair value of borrowings

The fair values of all classes of borrowings are not materially different to their carrying amounts since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

NOTE 9. CONTRIBUTED EQUITY

	Shares		$	
	2018	2017	2018	2017
ORDINARY SHARES ON ISSUE				
Ordinary shares issued and fully paid	549,127,233	423,043,526	$ 27,889,850	$ 22,970,330

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

I. Movements in ordinary share capital

	Shares		$	
	2018	2017	2018	2017
ORDINARY SHARES ON ISSUE				
1 July	423,043,526	224,119,501	$ 22,970,330	$ 9,592,781
Shares issued during the year	89,337,333	-	$ 5,000,000	$ -
Exercise of Founder Performance Shares	30,000,000	-	-	-
Settlement of advisor costs	2,466,384	2,596,669	79,520	148,800
Issue of shares - employees	4,279,990	1,000,000	140,000	60,000
Issue of shares - working capital raising	-	2,149,999	-	129,000
Transaction costs relating to issue of shares	-	-	(300,000)	(307,500)
Elimination of shares	-	(229,866,169)	$ -	$ -
Shares issued to acquire subsidiary	-	5,564,983,246	-	-
83 to 1 consolidation of shares	-	(5,497,933,173)	-	-
Shares issued to Quantify shareholders	-	250,000,000	-	7,161,451
Shares issued to convertible note holders	-	10,833,333	-	650,000
Shares issued to Class C shareholders	-	11,826,787	-	709,607
Shares issued as part of capital raising	-	83,333,333	-	5,000,000
Options issued to brokers related to the acquisitio	-	-	-	(173,809)
30 June	549,127,233	423,043,526	$ 27,889,850	$ 22,970,330

The movement in ordinary shares during year ended 30 June 2018 is comprised of the following transactions.

- 83,337,333 shares were issued in a $5 million capital raising at $0.06, which occurred in two separate tranches - $3.8 million on 30 November 2017, and the remaining $1.2 million on 24 January 2018.
- Issue of 6,000,000 in capital raising fees, relating to the $5 million capital raising which occurred during the year.
- 30,000,000 shares were issued on exercise of the Founder Performance Shares on 6 June 2018.
- Issue of 2,466,384 shares on 5 June 2018, as part of settlement of advisor expenses during the year.
- Issue of 4,279,990 shares to employees as a result of the completion of contractual milestones.

II. Recognition and measurement

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds of the new shares or options.
Ordinary shares have no par value and the company does not have a limited amount of authorised capital.
Fully paid ordinary shares carry one vote per share and carry the right to dividends.

NOTE 10. RESERVES

	2018	2017
RESERVES		
Options reserve	$ 1,593,208	$ 710,960
Share rights reserve	506,487	465,792
Performance rights reserve	329,596	81,037
	$ 2,429,291	$ 1,257,789
MOVEMENT IN RESERVES		
Opening balance	$ 1,257,789	$ 190,587
Movement for year	1,171,502	1,067,202
Total	$ 2,429,291	$ 1,257,789

I. Nature & purpose of reserves

Options / Share rights / Performance rights reserves

These reserves are used to record the value of equity benefits provided to employees and Directors as part of their remuneration. Refer to Note 23 for further details of share-based payment plans for the Group.

Dividends

No dividends were paid or proposed during the year ended 30 June 2018 (2017: nil).

OTHER ASSETS AND LIABILITIES

This section addresses all other assets and liabilities for the year.

CONTENTS

KEY RISKS

i. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

As at 30 June 2018, the Group's receivables are significantly held with either the Australian Government, or with tier one Australian banks. These are both considered to be low concentrations of credit risk.

NOTE 11. TRADE AND OTHER RECEIVABLES

	2018	2017
CURRENT		
Trade amounts owing by unrelated entities	$ 1,729,432	$ 1,048,722
Total	$ 1,729,432	$ 1,048,722
NON-CURRENT		
Trade amounts owing by unrelated entities	$ 50,738	$ 28,409
Total	$ 50,738	$ 28,409
TOTAL	$ 1,780,170	$ 1,077,131

I. Recognition and measurement

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within periods up to 30 days.

II. Impaired trade receivables

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly.
An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms.
Factors considered by the Group in making this determination include:

- known significant financial difficulties of the debtor,
- review of financial information; and
- significant delinquency in making contractual payments to the Group.

The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.
The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

III. Allowance for doubtful debts

No trade receivables were impaired nor provided for at 30 June 2018 (FY2017: nil).

IV. Ageing analysis of current trade and other receivables at 30 June

	Days					
	0-30	31-60	61-90	90+	Impaired	Total
2018	$ 1,729,432	$ -	$ -	$ -	$ -	$ 1,729,432
2017	$ 1,048,722	$ -	$ -	$ -	$ -	$ 1,048,722

Receivable balances are monitored on an ongoing basis.
The full trade and other receivables balance is deemed to be recoverable within the next 12 months.
Any trade and other receivable which is aged greater than 30 days is considered to be overdue.

V. Fair values of current trade and other receivables

The carrying amount of the receivables is assumed to be the same as their fair value due to their short term nature.

NOTE 12. TRADE AND OTHER PAYABLES

	2018	2017
CURRENT		
Trade payables	$ (447,333)	$ (657,375)
PAYG withheld	(116,842)	(214,773)
Superannuation payable	(95,733)	(8,766)
Accrued expenses	(64,274)	(145,985)
Share buyback amount payable	-	(50,000)
Other	(22,537)	-
Total	$ (746,719)	$ (1,076,899)
TOTAL	$ (746,719)	$ (1,076,899)

I. Recognition and measurement

Trade and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

II. Fair value of trade and other payables

The carrying amounts of trade and other payables are assumed to be the same as their fair values, due to their short-term nature.

NOTE 13. PROVISIONS

	Employee Benefits	Total
BALANCE 1 JULY 2017	**$ (131,705)**	**$ (131,705)**
Arising during the year	$ (290,153)	$ (290,153)
Utilised	213,104	213,104
Total	$ (77,049)	$ (77,049)
BALANCE 30 JUNE 2018	**$ (208,754)**	**$ (208,754)**

	Employee Benefits	Total
BALANCE 30 JUNE 2017		
Current	$ (131,705)	$ (131,705)
Non-Current	-	-
Total	$ (131,705)	$ (131,705)
BALANCE 30 JUNE 2018		
Current	$ (208,754)	$ (208,754)
Non-Current	-	-
Total	$ (208,754)	$ (208,754)

I. Recognition and measurement

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value or management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

II. Wages, salaries and annual leave

Liabilities accruing to employees in respect of wages and salaries, annual leave and long service leave expected to be settled within 12 months of the balance date are recognised in other payables in respect of employees' services up to the balance date. They are measured at the amounts expected to be paid when the liabilities are settled.

Liabilities accruing to employees in respect of wages and salaries, annual leave and long service leave not expected to be settled within 12 months of the balance date are recognised in non-current other payables in respect of employees' services up to the balance date. They are measured as the present value of the estimated future outflows to be made by the Group.

NOTE 14. SEGMENT ASSETS AND LIABILITIES

I. Identification of reportable segments

AASB 8 "Operating Segments" requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker in order to allocate resources to the segment and to assess its performance.
The Group's operating segments have been determined with reference to the monthly management accounts used by the Chief Operating Decision maker to make decisions regarding the Group's operations and allocation of working capital. Due to the size and nature of the Group, the Board as a whole has been determined as the Chief Operating Decision Maker.

II. Reportable segments

Based on the quantitative thresholds included in AASB 8, there is only one reportable segment, being manufacturing and one geographical segment, namely Australia.

III. Presentation of segment

The revenues and results of this segment are those of the Group as a whole and are set out in the consolidated statement of comprehensive income and the assets and liabilities of the Group as a whole are set out in the consolidated statement of financial position.

NOTE 15. FAIR VALUE MEASUREMENTS

I. Financial assets and financial liabilities

The Group holds the following financial instruments:

	Notes	2018	2017
FINANCIAL ASSETS			
Cash and cash equivalents	7	$ 450,711	$ 2,887,736
Trade and other receivables	11	1,780,170	1,077,131
		$ 2,230,881	$ 3,964,867
FINANCIAL LIABILITIES			
Trade and other payables	12	$ (746,719)	$ (1,076,899)
Interest-bearing loans and borrowings	8	(368,508)	(358,381)
		$ (1,115,227)	$ (1,435,280)

The Group's exposure to various risks associated with the financial instruments is discussed against each financial instrument note. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial asset mentioned above.
The assets and liabilities are held at amortised cost, and their fair values are described in the associated note referenced in the table above.

II. Impairment – financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.
An impairment loss in respect of a financial asset which is measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows, discounted at the original effective interest rate.
Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in Groups that share similar credit risk characteristics.
All impairment losses are recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. The reversal is recognised in profit or loss for financial assets measured at amortised cost.
Impairment testing of trade receivables is described in Note 11.

DEVELOPMENT AND GROWTH ASSETS

This section addresses the primary research and development activities undertaken by the Group, and the associated hardware and software equipment assisting in the Company's growth.

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NOTE 16. PROPERTY, PLANT AND EQUIPMENT

I. Net carrying amount

	Computers & Software		Furniture & Fittings		Leasehold Improvements		Total
BALANCE 1 JULY 2016	$	60,748	$	12,015	$	-	$ 72,763
Additions	$	105,968	$	22,032	$	-	$ 128,000
Depreciation charge for the year		(39,893)		(3,920)		-	(43,813)
Total	$	66,075	$	18,112	$	-	$ 84,187
BALANCE 1 JULY 2017	$	126,823	$	30,127	$	-	$ 156,950
Additions	$	151,495	$	16,963	$	28,867	$ 197,325
Depreciation charge for the year		(101,088)		(6,874)		(7,569)	(115,531)
Total	$	50,407	$	10,089	$	21,298	$ 81,794
BALANCE 30 JUNE 2018	$	177,230	$	40,216	$	21,298	$ 238,744

II. Reconciliation of movement for the year

	Computers & Software		Furniture & Fittings		Leasehold Improvements		Total
BALANCE 30 JUNE 2017							
Gross carrying amount at cost	$	176,724	$	35,137	$	-	$ 211,861
Accumulated Depreciation & Impairment		(49,901)		(5,010)		-	(54,911)
Net Carrying Amount	$	126,823	$	30,127	$	-	$ 156,950
BALANCE 30 JUNE 2018							
Gross carrying amount at cost	$	328,219	$	52,100	$	28,867	$ 409,186
Accumulated Depreciation & Impairment		(150,989)		(11,884)		(7,569)	(170,442)
Net Carrying Amount	$	177,230	$	40,216	$	21,298	$ 238,744

III. Recognition and measurement

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

IV. De-recognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.
Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

V. Key judgements and accounting estimates

Impairment of non-financial assets

The carrying values of plant and equipment are reviewed for impairment at each balance date, with the recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to approximate fair value.

An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience and the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful life are made when considered necessary.
Depreciation is calculated on a diminishing value basis over the estimated useful life of the assets as follows:

- Computers and equipment 2 – 5 years
- Furniture and fittings 5 – 10 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

NOTE 17. INTANGIBLE ASSETS

I. Net carrying amount

	Development	Patents & Trademarks	Total
BALANCE 1 JULY 2016	$ 5,666,945	$ 631,062	$ 6,298,007
Additions	$ 635,222	$ 137,179	$ 772,401
R&D grant offset	(236,817)	-	(236,817)
Total	$ 398,405	$ 137,179	$ 535,584
BALANCE 1 JULY 2017	$ 6,065,350	$ 768,241	$ 6,833,591
Additions	$ 902,829	$ 252,492	$ 1,155,321
R&D grant offset	(376,349)	-	(376,349)
Amortisation	-	(63,251)	(63,251)
Total	$ 526,480	$ 189,241	$ 715,721
BALANCE 30 JUNE 2018	$ 6,591,830	$ 957,482	$ 7,549,312

II. Reconciliation of movement for the year

	Development	Patents & Trademarks	Total
BALANCE 30 JUNE 2017			
Gross carrying amount at cost	$ 6,065,350	$ 768,241	$ 6,833,591
Accumulated Amortisation & Impairment	-	-	-
Net Carrying Amount	$ 6,065,350	$ 768,241	$ 6,833,591
BALANCE 30 JUNE 2018			
Gross carrying amount at cost	$ 6,591,830	$ 1,020,733	$ 7,612,563
Accumulated Amortisation & Impairment	-	(63,251)	(63,251)
Net Carrying Amount	$ 6,591,830	$ 957,482	$ 7,549,312

III. Recognition and measurement

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

IV. De-recognition and disposal

An item of capitalised research and development expenditure is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

V. Key judgements and accounting estimates

Impairment of non-financial assets

The Group assesses at each balance date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience and the expected lives of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful life are made when considered necessary.

Recoverable amount of the intangible assets

The recoverable amount of the intangible research and development assets is determined based on value in use calculations, using five year cash projections from financial budgets that are approved by senior management. As the Company is still largely within its research and development phase, the assumptions are management's most reasonable expectations of future sales and recovery of the capitalised balance.

The Company's discount rate applied to the value in use calculation is derived from the Group's weighted average cost of capital. The discount rate presents the current market assessment of the risks specific to the Company's operations, taking into consideration the time value of money and individual risks of the underlying assets that have not beein incorporated in the cash flow estimates. The discount rate assumption for its value in use model was 10%.

Based on these assumptions, and sensitivities to changes in assumptions, the estimated recoverable amount of the intangible asset is significantly greater than the carrying value of the assets. No reasonably foreseeable changes in any of the key assumptions are likely to result in an impairment loss.

OTHER ITEMS

This section addresses all items required under Australian Accounting Standards and per the Corporations Act 2001, not previously disclosed in any other section within the financial statements.

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NOTE 18. COMMITMENTS AND CONTINGENCIES

I. Commitments and contingencies

The Group entities may have potential financial liabilities that could arise from historical commercial contracts. No material losses are anticipated in respect of any of those contingencies. The fair value disclosed (if any) is the Directors' best estimate of amounts that would be payable by the Group to settle those financial liabilities.
Future minimum rentals payable under non-cancellable leases as at 30 June 2018 are as follows.

	2018	2017
OPERATING LEASE AGREEMENTS		
Within one year	$ 202,950	$ 42,731
After one year but not more than five years	271,155	-
Total	$ 474,105	$ 42,731

II. Other contingent liabilities excluded from the above include:

The Company has no contingent liabilities as at 30 June 2018.

NOTE 19. SUBSEQUENT EVENTS

On 27 September 2018, the Group announced that, effective 1 October 2018, the Board of Directors and senior executives will undergo a restructure, reflecting the Company's plans for domestic and international growth.
Mr Peter Rossdeutscher will be appointed as Chairman of the Board, and Mr Gary Castledine will be appointed as a Non-Executive Director. Mr Lee Christensen and Mr Alex Paior will resign as Non-Executive Directors.
With the Group entering its next phase with a focus on commercialisation, Mr Brett Savill will be appointed as CEO and Managing Director, and Mr Mark Lapins will transition to Technical Director to further drive technical innovation for the Company.

Aside from the above, there has not been any other matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

NOTE 20. PARENT INTERESTS IN SUBSIDIARIES

The consolidated financial statements include the financial statements of Quantify Technology Holdings Limited and the subsidiaries listed in the following table.

Company	Country of Incorporation	Equity Interest 2018	Equity Interest 2017
Quantify Technology Limited	Australia	100%	100%
Quantify Technology Aus Pty Ltd	Australia	100%	-
PetroQuest International Seychelles Limited	Seychelles	100%	100%
PetroQuest International Incorporated	USA	100%	100%
Indian Ocean Petroleum Holdings Pty Limited	Australia	100%	100%

NOTE 21. RELATED PARTY DISCLOSURE

As part of the acquistion of WHL Energy Ltd, the Group is required to reimburse Cuda Developments for all past expenditure incurred in developing Quantify's intellectual property. Cuda Developments is a related party to CEO and Director Mark Lapins. The facility is currently being renegotiated.

Interest is incurred at a rate of the Reserve Bank Cash Rate + 7.00%, and is payable quarterly in arrears. As at 30 June 2018, the Company had repaid the first instalment with applicable interest.

No other related party transactions occurred with the consolidated entity, other than the remuneration of Directors and Key Management Personnel and the matters disclosed in this report.

NOTE 22. KEY MANAGEMENT PERSONNEL COMPENSATION

	2018	2017
Short-term employee benefits	$ 1,076,011	$ 997,545
Post-employment benefits	72,455	68,353
Long term benefits	57,941	57,055
Termination payments	130,000	-
Share-based payment	388,362	2,954,075
Total	$ 1,724,769	$ 4,077,029

Detailed remuneration disclosures are provided in the Remuneration Report commencing on page 15.

NOTE 23. SHARE-BASED PAYMENTS

OPTIONS

Grant	Balance at start of the year	83 to 1 Consolidation	Rights issued during the year	Exercised	Forfeited / Lapsed	Balance at end of year	Tranche 1 Expiry date
FY2017							
WHL listed options	3,638,715	-	-	-	(3,638,715)	-	30 Nov 2016
WHL listed options	608,361,121	(601,031,156)	-	-	-	7,329,965	30 Jun 2018
WHL unlisted options	19,300,000	(19,067,461)	-	-	-	232,539	3 Dec 2017
WHL unlisted options	350,000,000	(345,783,095)	-	-	-	4,216,905	31 Jul 2018
Advisor options	-	-	8,747,626	-	-	8,747,626	30 Sep 2019
Bid options	-	-	61,325,622	-	-	61,325,622	30 Sep 2019
Broker options	-	-	5,000,000	-	-	5,000,000	30 Sep 2019
EOP - FY2017	-	-	6,910,543	-	-	6,910,543	30 Sep 2019
Consultant options	-	-	2,000,000	-	-	2,000,000	4 Apr 2020
Total	**981,299,836**	**(965,881,712)**	**83,983,791**	-	**(3,638,715)**	**95,763,200**	
FY2018							
WHL listed options	7,329,965	-	-	-	(7,329,965)	-	30 Jun 2018
WHL unlisted options	232,539	-	-	-	(232,539)	-	3 Dec 2017
WHL unlisted options	4,216,905	-	-	-	-	4,216,905	31 Jul 2018
Advisor options	8,747,626	-	-	-	-	8,747,626	30 Sep 2019
Bid options	61,325,622	-	-	-	-	61,325,622	30 Sep 2019
Broker options	5,000,000	-	-	-	-	5,000,000	30 Sep 2019
EOP - FY2017	6,910,543	-	-	-	-	6,910,543	30 Sep 2019
EOP - FY2018	-	-	13,531,800	-	-	13,531,800	31 Jul 2020
Consultant options	2,000,000	-	4,000,000	-	-	6,000,000	4 Apr 2020
Contract options	-	-	12,500,000	-	-	12,500,000	30 Sep 2019
Total	**95,763,200**	-	**30,031,800**	-	**(7,562,504)**	**118,232,496**	

I. WHL OPTIONS

As part of the reverse takeover of WHL Energy Ltd, Quantify Technology assumed all outstanding securities which were part of the listed entity. These included the following:

- WHL listed options – expiring 30 June 2018
- WHL unlisted options 1 – expiring 3 December 2017
- WHL unlisted options 2 – expiring 31 July 2018

Two tranches of WHL options expired during the year (WHL listed options and WHL unlisted options 1).

As at 30 June 2018, 4,216,905 options remained outstanding.

MOVEMENTS

Option movements as held by Quantify Technology Holdings Ltd., are as follows:

	2018			2017		
	Number	WAEP		Number	WAEP	
Outstanding - start of year	11,779,409	$	0.333	981,299,836	$	0.166
Issued during year	-	$	-	-	$	-
Forfeited during year	(7,562,504)		(0.52)	(3,638,715)		(14.94)
83 to 1 consolidation	-		-	(965,881,712)		-
Outstanding - end of year	4,216,905	$	-	11,779,409	$	0.333
Exercisable - end of the year	4,216,905					

EXERCISED

No WHL options were exercised during the year.

SHARE-BASED PAYMENT EXPENSE

These options were fully vested in prior years, and have been fully expensed in those prior years.

II. ADVISOR OPTIONS

As part of the reverse takeover of WHL Ltd, 8,747,626 options were issued to Quantify corporate advisors. The purpose of the advisor options was to remunerate the Quantify Technology advisors for the provision of corporate advisory services as part of the merger.

The options were issued at a fair value of $0.032 each with an exercise price of $0.09 each on a post-consolidation basis. These advisor options expire on 30 September 2019, and there is no vesting period.

VALUATION OF ADVISOR OPTIONS

Exercise price	$0.090
Expiry date	03-Mar-20
Risk-free rate	1.63%
Volatility	100%
Value per option	$0.032
Number of options	8,747,626
Total value of options	$283,233
Amount expensed in prior years	$283,233
Amount expensed in current year	$ -
Amount to be expensed in future years	$ -

MOVEMENTS IN ADVISOR OPTIONS

Option movements as held by Quantify Technology Holdings Ltd., are as follows:

	2018		2017	
	Number	WAEP	Number	WAEP
Outstanding - start of year	8,747,626	$ 0.090	-	$ -
Issued during year	-	$ -	8,747,626	$ 0.090
Outstanding - end of year	8,747,626	$ -	8,747,626	$ 0.090
Exercisable - end of the year	8,747,626		8,747,626	

ADVISOR OPTIONS EXERCISED DURING THE YEAR

No advisor options were exercised during the year.

III. BID OPTIONS

Prior to the reverse takeover, Quantify Technology had 59,900,002 ordinary options on issue, which were issued at $0.075 with an expiration date of 31 May 2017. As part of the merger, 61,325,622 WHL Bid options were issued in consideration for the Quantify ordinary options.
The options were issued at a fair value of $0.035 each with an exercise price of $0.075 each on a post-consolidation basis. These bid options expire on 30 September 2019, and there is no vesting period.

VALUATION OF BID OPTIONS

Exercise price	$0.075
Expiry date	30-Sep-19
Risk-free rate	1.63%
Volatility	100%
Value per option	$0.035
Number of options	61,325,622
Total value of options	$2,131,788
Amount expensed in prior years	$2,131,788
Amount expensed in current year	$ -
Amount to be expensed in future years	$ -

As the bid options were used for recompliance capital, and were issued to the vendor, they have been considered as part of the consideration for the reverse acquisition. Refer to Note 4 for further information on the listing expense.

MOVEMENTS IN BID OPTIONS

Option movements as held by Quantify Technology Holdings Ltd., are as follows:

	2018		2017	
	Number	WAEP	Number	WAEP
Outstanding - start of year	61,325,622	$ 0.075	-	$ -
Issued during year	-	$ -	61,325,622	$ 0.075
Outstanding - end of year	61,325,622	$ -	61,325,622	$ 0.075
Exercisable - end of the year	61,325,622		61,325,622	

BID OPTIONS EXERCISED DURING THE YEAR

No bid options were exercised during the year.

IV. BROKER OPTIONS

As part of the reverse takeover, the Company entered into an agreement with its lead manager on the equity raising. Under the terms of the mandate, the Company agreed to issue options equal to the size of the raising. As a result of the Company raising $5 million, it issued 5,000,000 Broker options to the lead manager.

The options were issued at a fair value of $0.035 each with an exercise price of $0.075 each on a post-consolidation basis. These broker options expire on 30 September 2019, and there is no vesting period.

VALUATION OF BROKER OPTIONS

Exercise price	$0.075
Expiry date	30-Sep-19
Risk-free rate	1.63%
Volatility	100%
Value per option	$0.035
Number of options	5,000,000
Total value of options	$173,809
Capital raising cost (2017 FY)	$173,809

As the broker options were issued to satisfy capital raising costs, the expense has been offset against share capital.

MOVEMENTS IN BROKER OPTIONS

Option movements as held by Quantify Technology Holdings Ltd., are as follows:

	2018		2017	
	Number	WAEP	Number	WAEP
Outstanding - start of year	5,000,000	$ 0.075	-	$ -
Issued during year	-	$ -	5,000,000	$ 0.075
Outstanding - end of year	5,000,000	$ -	5,000,000	$ 0.075
Exercisable - end of the year	5,000,000		5,000,000	

BROKER OPTIONS EXERCISED DURING THE YEAR

No broker options were exercised during the year.

V. EMPLOYEE OPTIONS

On 25 April 2016, Quantify Technology issued 6,750,000 employee options under its Employee Option Plan (EOP). These options were issued with a fair value of $0.044 each, and expire on 31 May 2017. The original vesting conditions were as follows:

- 50% will vest 12 months from the date of commencement of employment
- The balance will vest, on a quarterly basis over the following 12 month period.

As part of the reverse takeover which completed on 3 March 2017, 6,910,543 employee options were issued in replacement of the 6,750,000 Quantify EOP options.
The options were re-issued at a fair value of $0.035 each with an exercise price of $0.075 each on a post-consolidation basis. These employee options expire on 30 September 2019.
The re-issued options carried the same vesting conditions as the original options issued under Quantify Technology's EOP.

VALUATION OF EMPLOYEE OPTIONS

Exercise price	$0.075
Expiry date	30-Sep-19
Risk-free rate	1.63%
Volatility	100%
Value per option	$0.035
Number of options	6,910,543
Total value of options	$179,252
Amount expensed in prior years	$177,659
Amount expensed in current year	$1,593
Amount to be expensed in future years	$ -

MOVEMENTS IN EMPLOYEE OPTIONS

Option movements as held by Quantify Technology Holdings Ltd., are as follows:

	2018		2017	
	Number	WAEP	Number	WAEP
Outstanding - start of year	6,910,543	$ 0.075	-	$ -
Issued during year	-	$ -	6,910,543	$ 0.075
Outstanding - end of year	6,910,543	$ -	6,910,543	$ 0.075
Exercisable - end of the year	6,910,543		5,758,795	

EMPLOYEE OPTIONS EXERCISED DURING THE YEAR

No employee options were exercised during the year.

VI. EMPLOYEE OPTIONS – FY2018

On 12 January 2018, Quantify Technology issued 13,531,800 employee options under its Employee Option Plan (EOP). These options were issued with a fair value of $0.033 each, and expire on 31 July 2020.

The original vesting conditions were as follows:

- 50% will vest 12 months from the date of commencement of employment
- The balance will vest, on a quarterly basis over the following 12 month period.

VALUATION OF EMPLOYEE OPTIONS

Exercise price	$0.075
Expiry date	31-Jul-20
Risk-free rate	2.07%
Volatility	100%
Value per option	$0.033
Number of options	13,531,800
Total value of options	$466,271
Amount expensed in prior years	-
Amount expensed in current year	$371,366
Amount to be expensed in future years	$94,905

MOVEMENTS IN EMPLOYEE OPTIONS

Option movements as held by Quantify Technology Holdings Ltd., are as follows:

	2018	
	Number	WAEP
Outstanding - start of year	-	$ -
Issued during year	13,531,800	$ 0.075
Outstanding - end of year	**13,531,800**	**$ 0.075**
Exercisable - end of the year	7,478,550	

EMPLOYEE OPTIONS EXERCISED DURING THE YEAR

No employee options were exercised during the year.

VII. CONSULTANT OPTIONS

During FY2018, Quantify Technology issued 2,000,000 options each to Peter Osmond and Peter Long, advisors who were appointed to the Company during FY2017.

The options were issued at a fair value of $0.046 each with an exercise price of $0.100 each on a post-consolidation basis. These consultant options expire on 4 April 2020.
The options carry the following vesting conditions:

# of options	Vesting conditions
400,000	No vesting conditions
400,000	Provision of 1 year of continuous service
1,200,000	Performance conditions involving procuring specific external agreements

VALUATION OF CONSULTANT OPTIONS

Exercise price	$0.100
Expiry date	04-Apr-20
Risk-free rate	1.63%
Volatility	100%
Value per option	$0.046
Number of options	6,000,000
Total value of options issued	$185,835
Total value of consultant options	$278,752
Amount expensed in prior years	$27,439
Amount expensed in current year	$153,038
Amount to be expensed in future years	$98,275

MOVEMENT IN CONSULTANT OPTIONS

Option movements as held by Quantify Technology Holdings Ltd., are as follows:

	2018			2017		
	Number	WAEP		Number	WAEP	
Outstanding - start of year	**2,000,000**	**$**	**0.100**	-	$	-
Issued during year	4,000,000	$	0.100	2,000,000	$	0.100
Outstanding - end of year	**6,000,000**	**$**	**0.100**	**2,000,000**	**$**	**0.100**
Exercisable - end of the year	2,400,000			400,000		

CONSULTANT OPTIONS EXERCISED DURING THE YEAR

No consultant options were exercised during the year.

VIII. COPPER COAST OPTIONS

During FY2018, Quantify Technology issued 12,500,000 options to Copper Coast Investment Pty Ltd. The options were issued in exchange for Copper Coast exclusively promoting and procuring the purchase and installation of Quantify Technology's products in buildings erected at Wallaroo Shores.

The options were issued at a fair value of $0.0285 each with an exercise price of $0.075 each on a post-consolidation basis. These consultant options expire on 30 September 2019.
The options had not vesting conditions attached.

VALUATION OF COPPER COAST OPTIONS

Exercise price	$0.075
Expiry date	30-Sep-19
Risk-free rate	1.75%
Volatility	100%
Value per option	$0.0285
Number of options	12,500,000
Total value of options	$356,250
Amount expensed in prior years	$ -
Amount expensed in current year	$356,250
Amount to be expensed in future years	$ -

MOVEMENT IN COPPER COAST OPTIONS

Option movements as held by Quantify Technology Holdings Ltd., are as follows:

	2018	
	Number	WAEP
Outstanding - start of year	-	$ -
Issued during year	12,500,000	$ 0.075
Outstanding - end of year	**12,500,000**	**$ 0.075**
Exercisable - end of the year	12,500,000	

CONSULTANT OPTIONS EXERCISED DURING THE YEAR

No consultant options were exercised during the year.

SHARES & RIGHTS AWARDS

Grant	Balance at start of the year	Rights issued during the year [1]	Exercised	Forfeited / Lapsed	Balance at end of year	Vesting date
FY2017						
Performance rights	-	12,500,000	-	-	12,500,000	30 Nov 2016
Performance shares	-	120,000,000	-	-	120,000,000	30 Jun 2018
Founder Performance shares	-	30,000,000	-	-	30,000,000	3 Dec 2017
Share rights	-	13,755,150	-	-	13,755,150	31 Jul 2018
Total	-	176,255,150	-	-	176,255,150	
FY2018						
Performance rights	12,500,000	-	-	-	12,500,000	30 Nov 2016
Performance shares	120,000,000	-	-	-	120,000,000	30 Jun 2018
Founder Performance shares	30,000,000	-	(30,000,000)	-	-	3 Dec 2017
Share rights	13,755,150	-	-	-	13,755,150	31 Jul 2018
Total	176,255,150	-	(30,000,000)	-	146,255,150	

1. All awards are issued at a zero exercise price.

Refer below for further information on each award.

I. PERFORMANCE RIGHTS

The Group issued 12,500,000 performance rights in two tranches to each of the Chairman and the CEO, under the Merger Implementation Agreement, as part of the prospectus for the reverse takeover.

Performance Rights valuation assumptions

The performance rights are subject to the terms and conditions of the WHL performance rights plan, as outlined in Section 11 of the reverse takeover prospectus.
The first tranche of the performance rights, Tranche A, will vest immediately upon the 20 day volume weighted average price (VWAP) increasing to $0.12 per share within 24 months of the 3 March 2017 (the Quotation Date).
The second tranche of the performance rights, Tranche B, will vest immediately upon the 20 day VWAP increasing to $0.24 per share within 36 months of the Quotation Date.
The performance valuation assumptions relating to the grant of performance rights are detailed below:

	Assumptions	
	Tranche A	Tranche B
HOADLEY BARRIER1 METHOD ASSUMPTIONS:		
Discount Rate	1.81% p.a.	1.98% p.a.
Share Price Volatility	100% p.a.	100% p.a.
Grant Date	3 March 2017	3 March 2017
Performance Period (years)	2	3
Number of Rights awarded	6,250,000	6,250,000
FV OF RIGHTS AT GRANT DATE:		
Fair value per performance right	$0.046	$0.041
Share price at grant date	$0.060	$0.060

Measurement Period

Tranche A has a 2 year measurement period, and Tranche B has a 3 year measurement period.

Share-based Expense

Share-based payments expense relating to performance rights were $248,559, for the year ended 30 June 2018 (FY2017: $81,037).

II. PERFORMANCE SHARES

As part of the acquisition consideration for the acquisition of Quantify Technology Limited, WHL Limited issued four (4) tranches totalling 120,000,000 Performance Shares in recompliance capital.

Performance Shares criteria

Performance Shares were provided to KMP as part of the merger implementation, as follows.
The vesting conditions of the Performance Shares are as follows:

No. granted	Grant date	Probability of vesting	Vesting conditions
30,000,000	3 Mar 2017	> 50%	Accredited Australian testing of the AC Controller, and receiving $3 million in committed orders within 18 months of the grant date.
30,000,000	3 Mar 2017	> 50%	Accredited Australian testing of the wireless feature card, and receiving $5 million in committed orders within 30 months of the grant date.
30,000,000	3 Mar 2017	< 50%	$10 million in committed orders within 42 months of the grant date.
30,000,000	3 Mar 2017	< 50%	$15 million in committed orders within 54 months of the grant date.

Where the probability of vesting is greater than 50%, it is considered likely to occur. Where the probability is not likely, the value of the performance shares is deemed to be nil.
As the performance shares were used for recompliance capital, and were issued to the vendor, they have been considered as part of the consideration for the reverse acquisition.

III. FOUNDER PERFORMANCE SHARES

As part of the acquisition consideration for the acquisition of Quantify Technology Limited, WHL Limited issued 30,000,000 Founder Performance Shares, in replacement of 1,000 Class A and 1,000 Class B performance shares which were on issue in Quantify.

Founder Performance Shares criteria

The vesting conditions of the Performance Shares are as follows:

No. granted	Grant date	Probability of vesting	Vesting conditions
15,000,000	3 Mar 2017	> 50%	Accredited Australian testing of the AC Controller.
15,000,000	3 Mar 2017	> 50%	Accredited Australian testing of the wireless feature card.

Founder Performance Shares Granted to KMP

Performance Shares were provided as part of the merger implementation, as follows.

Name	No. granted	Probable to vest	FV per option	FV of options at grant date
Mark Lapins	30,000,000	30,000,000	0.060	$1,800,000

As the founder performance shares were used for recompliance capital, and were issued to the vendor, they have been considered as part of the consideration for the reverse acquisition.

All Founder Performance Shares were exercised during the year ended 30 June 2018.

IV. SHARE RIGHTS

As part of the reverse takeover, the employee share rights were acquired and re-issued at a rate of 1.0189 WHL share for every Quantify ordinary share share right. As a result, the 13,500,000 initial tranche of employee options were acquired by the Quantify, and 13,755,150 share rights were re-issued to employees.

All share rights had vested as at 30 June 2018.

Measurement Periods

There are four separate measurement periods for the employee options granted during the year, as follows:

- 50.0% on either the later of the 3 March 2017 or 12 months after the employee's commencement date;
- 12.5% on either the later of the 3 March 2017 or 15 months after the employee's commencement date;
- 12.5% on either the later of the 3 March 2017 or 18 months after the employee's commencement date;
- 12.5% on either the later of the 3 March 2017 or 21 months after the employee's commencement date;
- 12.5% on either the later of the 3 March 2017 or 24 months after the employee's commencement date;

Share Rights Performance Criteria

The share rights are subject to service-based criteria.

Vesting of Share Rights from the Share Rights Grant

The following share rights were provided at no cost and expire upon the termination of the KMP employment.

Value per share right	$0.040
Number of options	13,755,150
Total value of rights	$555,309
Amount expensed in prior years	$514,614
Amount expensed in current year	$40,695
Amount to be expensed in future years	$ -

Share-based Expense

Share-based payments expense relating to share rights were $40,695, for the year ended 30 June 2018 (FY2017: $465,792).

V. QUANTIFY CLASS C SHARE PURCHASE

Quantify had originally issued 11,607,480 Class C Shares to its shareholders.
As part of the reverse takeover, which successfully concluded on 3 March 2017, the Quantify Class C shareholders holdings were acquired and re-issued at a rate of 1.0189 WHL share for every Quantify ordinary share. As a result, the 11,607,480 Class C shares were acquired, and 11,826,787 shares were re-issued to the shareholders.

Movement is reflected in contributed equity – refer to Note 9 for movement schedule.

VALUATION

Value per share	$0.060
Number of re-issued shares	11,826,787
Total value of shares	$709,607
Share-based payment expense	$709,607

Share-based Expense

The re-issue of shares has been fully expensed in prior years.

SHARE-BASED PAYMENT EXPENSES

The expense recognised for share-based payments during the year is shown in the table below:

	2018	2017
Employee options	$ (525,998)	$ (35,893)
Contract options	(356,250)	-
Performance rights	(248,559)	(81,037)
Share rights	(40,695)	(465,792)
Employee shares issued	(140,000)	-
Advisor options	-	(283,233)
Class C Share issue	-	(709,607)
Consultant options	-	(27,438)
Total	$ (1,311,502)	$ (1,603,000)

NOTE 24. PARENT ENTITY

Information relating to Quantify Technology Limited, the Parent entity, is detailed below:

	2018	2017
BALANCE SHEET		
Assets		
Current	$ 557,378	$ 2,816,200
Non - Current	50,738	-
Total assets	$ 608,116	$ 2,816,200
Liabilities		
Current	$ (285,587)	$ (185,790)
Total liabilities	$ (285,587)	$ (185,790)
Net Assets	$ 322,529	$ 2,630,410
Equity		
Contributed equity	$ (78,705,528)	$ (73,786,008)
Employee benefits reserve	(5,571,443)	(4,323,754)
Retained earnings	83,954,442	75,479,352
Total	$ (322,529)	$ (2,630,410)
INCOME		
Net Profit / (Loss) after tax	$ (8,475,090)	$ (6,322,628)
Total Comprehensive Income	(8,475,090)	(6,322,628)

The financial information for the parent entity, Quantify Technology Holdings Ltd, has been prepared on the same basis as the consolidated financial statements.

DIRECTORS' DECLARATION

In the opinion of the Directors of Quantify Technology Limited (the "Group"):

- The accompanying financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
  - Giving a true and fair view of the Group's financial position at 30 June 2018 and of its performance for the year ended on that date; and
  - Complying with Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001.
- There are reasonable grounds to believe the Group will be able to pay its debts as and when they become due and payable.
- The financial statements and notes thereto are in accordance with International Financial Reporting Standards as disclosed in Note 2.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with sections 295A of the Corporations Act 2001 for the financial period ending 30 June 2018.

This declaration is signed in accordance with a resolution of the board of Directors.

Mark Lapins
On behalf of the Board.
30 September 2018

HLB Mann Judd

Accountants | Business and Financial Advisers

Independent Auditor's Report to the Members of Quantify Technology Holdings Limited

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Quantify Technology Holdings Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2(v) in the financial report, which indicates the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period.

These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described below to be the key audit matters to be communicated in our report**.**

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

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Key Audit Matter	How our audit addressed the key audit matter
Impairment of intellectual property (Refer to Note 17(v))	
Description An impairment assessment was conducted by management as at balance date in relation to the carrying value of intellectual property due to losses being incurred by the Group which gave rise to an indicator of impairment. Intellectual property assets primarily relate to the ongoing development of the Q Device and the hardware and software associated with this. The total carrying value of these intangible assets is $7,549,312 which represents a significant account balance in the consolidated statement of financial position. The impairment assessment was conducted under AASB 136 *Impairment of Assets*. The carrying value of the Group's intellectual property is recognised within a cash-generating unit. The Group performed an impairment assessment over this cash-generating unit using a value-in-use model to determine recoverable amount. We considered this area to be a key audit matter due to the materiality of the intellectual property balance, its importance for the users' understanding of the financial report as a whole and because management's assessment of the value-in-use of the cash generating unit involves judgement about the future results of the business.	*Audit Approach* Our procedures included but were not limited to: - Obtaining an understanding of the key controls associated with the preparation of the value-in-use model used to assess the recoverable amount; - Critically evaluating management's methodology in the value-in-use model and the basis for key assumptions; - Comparing value-in-use to the carrying amount of assets comprising the cash-generating unit; - Considering whether the assets comprising the cash generating unit have been correctly allocated; and - Assessing the appropriateness of the disclosures included in the relevant notes to the financial report.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2018.

In our opinion, the remuneration report of Quantify Technology Holdings Limited for the year ended 30 June 2018 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

M R Ohm
Partner

Perth, Western Australia
30 September 2018

SHAREHOLDER INFORMATION

The following information was extracted from the Company's register at 26 September 2018.

TOP 20 SHAREHOLDERS

Position	Holder Name	Holding	% IC
1	LAPINS HOLDINGS PTY LTD <LAPINS FAMILY A/C>	142,079,001	25.87%
2	J P MORGAN NOMINEES AUSTRALIA LIMITED	39,945,631	7.27%
3	DM CAPITAL MANAGEMENT PTY LTD <MCEVOY FAMILY A/C>	24,527,602	4.47%
4	CARPE DIEM ASSET MANAGEMENT PTY LTD <LOWE FAMILY A/C>	20,833,333	3.79%
5	MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LIMITED <NO 1 ACCOUNT>	19,027,697	3.47%
6	GLOBEVISTA PTY LTD	17,321,300	3.15%
7	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	12,008,010	2.19%
8	STEPHEN MARK DIXON	8,915,375	1.62%
9	SIMON NAYLOR	7,641,750	1.39%
10	BOBSTAN INVESTMENTS PTY LTD <BOBSTAN INVESTMENTS A/C>	6,200,000	1.13%
11	MINTAKA NOMINEES PTY LTD	5,900,000	1.07%
12	VIX INVESTMENTS LIMITED	4,536,900	0.83%
13	BIG AL INVESTMENTS PTY LIMITED	4,301,953	0.78%
14	J STIMPSON PTY LTD <HOEK A/C>	3,965,888	0.72%
15	MINTAKA NOMINEES PTY LTD	3,942,262	0.72%
16	FERNSHA PTY LIMITED <SIMON'S BROOKLYN A/C>	3,600,000	0.66%
17	ROY NEWBURY	3,396,333	0.62%
18	PAUL O'CONNOR	3,135,555	0.57%
19	DR ROGER PATERSON <THE HINDLEY A/C>	3,105,000	0.57%
20	MR ADAM PAUL MCNAMEE	3,090,000	0.56%
	Total	**337,473,590**	**61.46%**
	Total issued capital - selected security class(es)	**549,127,233**	**100.00%**

VOTING RIGHTS

All ordinary shares issued by Quantify Technology Ltd carry one vote per share without restriction.

DISTRIBUTION OF SHARES

Holding Ranges	Holders	Total Units	% Issued Share Capital
1 - 1,000	2,684	506,449	0.09%
1,001 - 5,000	222	429,859	0.08%
5,001 - 10,000	159	1,150,054	0.21%
10,001 - 100,000	660	27,719,249	5.05%
100,001 - 9,999,999,999	381	519,321,622	94.57%
Totals	4,106	549,127,233	100.00%

CORPORATE GOVERNANCE STATEMENT

The Company has elected to post its Corporate Governance Statement on its website in accordance with ASX Listing Rule 4.10.3. The Corporate Governance Statement can be found at the following URL: http://info.quantifytechnology.com/corporate