

9 October 2018

Dear Shareholder,

**RIGHTS ISSUE - NOTIFICATION TO INELIGIBLE SHAREHOLDERS**

We are writing to you as a registered holder of shares in Quantify Technology Holdings Limited (**Company**).

As announced to ASX on 8 October 2018, the Company is undertaking a fully underwritten pro rata non-renounceable offer of ordinary fully paid shares to eligible shareholders. The offer is on the basis of eight (8) new shares (**New Shares**) for every eleven (11) Shares held by eligible shareholders of the Company as at 5.00pm WST on 11 October 2018 (**Record Date**) at an issue price of \$0.01 per Share, to raise up to \$3,993,652 (**Offer**).

This letter is to inform you about the Offer and to explain why you will not be able to subscribe for New Shares under the Offer. This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares.

You are not required to do anything in response to this letter.

The Offer is being made without a prospectus in accordance with section 708AA of the Corporations Act 2001 (Cth) (as amended by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84).

An Offer Document in relation to the Offer has been lodged with ASX and will be mailed to eligible shareholders.

**Underwriting and Use of Proceeds**

The Offer is fully underwritten by Pinnacle Corporate Finance Pty Limited. Proceeds of the capital raisings will contribute towards the continued commercialisation of Quantify Technology's IoT solution including development and refinement of Quantify's solution, marketing and sales of Quantify's solution and for general working capital. The cash costs of the Offer will be approximately \$265,000.

**Information about the Offer**

1. The Offer is being made to eligible shareholders, being persons who are registered as shareholders of the Company on the Record Date and have a registered address in Australia or New Zealand. In calculating entitlements under the Offer, fractions will be rounded down to the nearest whole number. Shareholders who, at the Record Date, do not have an address registered in either Australia or New Zealand will not be eligible to participate in the Offer.
2. Eligible Shareholder who take up all of their entitlement under the Offer may apply for Shares in addition to their Entitlement (Additional Shares).
3. The Offer opens on 16 October 2018 and is expected to close at 5.00pm (WST) on 6 November 2018.
4. The Offer is non-renounceable which means that entitlements to participate in the Offer are not tradeable on the ASX or otherwise transferable.
5. Up to 399,365,259 New Shares may be issued under the Offer (based on the current capital structure of the Company), and an additional 25,000,000 New Shares to the Underwriter, resulting in total ordinary fully paid shares in the Company of up to 973,492,491 shares. New Shares issued under the Offer will rank equally with the Company's existing fully paid ordinary shares.

6. There is no minimum subscription under the Offer. The Offer is fully underwritten.
7. The Underwriter may at its discretion make a placement to professional and sophisticated investors of any entitlements under the Offer which are not taken up by shareholders ("**Shortfall**"). The Underwriter has given an undertaking to ensure that no party will receive Shortfall Shares that would result in that party having a relevant interest in more than 19.9% of the total Shares on issue on completion of the Offer, or increase their holding from a starting point that is above 20% to a greater percentage on completion of the Offer than was held prior to the Offer.

#### **Ineligible shareholders**

Shareholders who are not eligible to participate in the Offer are "Ineligible Shareholders".

The restrictions upon eligibility to participate in the Offer arise because of the legal and regulatory requirements in countries other than Australia and New Zealand and the potential costs to the Company of complying with these legal and regulatory requirements compared with the relatively small number of shareholders in those countries, the relatively small number of existing Shares they hold and the relatively low value of New Shares to which they would otherwise be entitled.

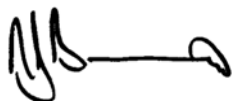
The Company has determined, pursuant to ASX Listing Rule 7.7.1(a) and section 9A(3)(a) of the Corporations Act, that it would be unreasonable to make or extend offers to shareholders in certain countries under the Offer.

Unfortunately, according to our records, you do not satisfy the eligibility criteria for the Offer stated above. Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3)(b) of the Corporations Act, the Company wishes to advise you that it will not be extending the Offer to you and you will not be able to subscribe for New Shares under the Offer. You will not be sent the documents relating to the Offer.

#### **Further information**

For further information, please see the Company's announcements on ASX ([www.asx.com.au](http://www.asx.com.au)) (ASX code: QFY) and on the Company's website ([www.quantifytechnology.com](http://www.quantifytechnology.com)) or contact the Company on (08) 6268 2622 during normal business hours.

Yours sincerely



Neville Bassett  
**Company Secretary**