



September 2018 Quarterly Update

ASX RELEASE

31 October 2018

HIGHLIGHTS

- The Company successfully installed the Quantify Technology Q Device product and Alexa integration in the Harvey Norman Commercial Display Suite, at the Burcham Apartments in Rosebery, Sydney.
- With the display suite set up, the Harvey Norman commercial sales team commenced sales to developers of residential and commercial projects.
- During the Quarter, Quantify Technology received a major purchase order from Copper Coast Developments for \$736,000 of its revolutionary Q Device product
- The devices are to be installed in 100 townhouses and function centre under construction for the resort component of the development.
- This is the first stage of an estimated \$200 million development by Copper Coast Investments, which consists of 650 residential, retirement and commercial lots
- The Quantify Technology Board of Directors was restructured, which saw the appointment of Peter Rossdeutscher as Chairman of the Board, Brett Savill as Chief Executive Officer (CEO) and Gary Castledine as Non-Executive Director.
- As part of the board restructure, Mark Lapins transitioned to the role of Technical Director for the Company. Lee Christensen and Alex Paor also resigned from their roles as Non-Executive Directors.

Quantify Technology Holdings Limited (ASX: QFY) (“Quantify Technology” or the “Company”), a unique and disruptive player in the multi-billion-dollar IoT market, is pleased to provide its quarterly update for the three months ended 30 September 2018.

Operations Update

Harvey Norman Commercial Display Suite

On the 18 July 2018, Quantify Technology’s engineers successfully installed the Company’s Q Device product and Alexa integration in the Harvey Norman Commercial Display suite in the prestigious Burcham apartments. Located in the much sought-after suburb of Rosebery in Sydney, the apartment will showcase the residential application, scalability and flexibility of the Company’s framework.



The Harvey Norman commercial sales team will commence sales immediately to developers of residential and commercial development projects.

Major Purchase Order Received and Accepted

In late September 2018, the Company received and accepted a major purchase order from Copper Coast Developments Pty Ltd ("Copper Coast") for \$736,000 worth its revolutionary Q Device product, which will be installed in the multi-million-dollar Wallaroo Shores development in South Australia.

As previously announced on 31 July 2017, Quantify Technology agreed to provide its products to Copper Coast, with the installations expected to commence H2 FY2019 for the first 100 townhouses currently under construction in the resort component of its Wallaroo Shores development.

These 100 townhouses and Function Centre are part of the estimated \$220 million development by Copper Coast Investments at its Wallaroo Shores site. With a total of 650 residential, retirement and commercial lots, this sale represents a highly promising opportunity, with early estimates indicating that an additional 13,500 units will be required, which would result in over \$2 million of revenue over the life of the development.



Figure 1 - Site Plan Wallaroo Shores Development



Partnership with Cambridge Electric Services

As announced on 28 September 2018, Quantify Technology entered into a partnership agreement with Cambridge Electrical Services (CES) in New South Wales. As an electrical contractor known for their work in major residential and commercial buildings in and around Sydney, CES specialises in building automation products and services.

Over October and November 2018, CES is expected to send Quantify Technology purchase orders for commercial and residential projects in Kyle Bay, Katoomba, Caringbah, Revesby and Enmore, with more expected in the future. The Company and CES will also be collaborating to marketing and promote their respective interests through social media, communications and industry news.

Corporate Update

Board Restructure

As announced on 27th September 2018, Quantify Technology restructured its Board of Directors to contribute significant value to the Company, as it moves from technology development to commercialisation and sales.

As part of the board restructure, the Company appointed Peter Rossdeutscher as Chairman of Quantify Technology. Mr Rossdeutscher has more than twenty years' experience leading global technology companies in the resources industry. He has held previous roles as Managing Director of Gateway Asia and was responsible for building the business in the Asia region from inception, to a \$320 million division of this US\$8 billion, Fortune 500 company. He also held the role as Managing Director of Targus's Asia Pacific branch and led an international team of 200+ staff across all functions, which transformed the business and realised revenue growth from SGD\$75 million to SGD\$160 million over a 5-year period.

Brett Savill was appointed as CEO of Quantify Technology. Mr Savill has a 25-year track record in technology, media and telecoms and is a leader focussed on growth and transformation. He has also worked on or advised more than 30 M&A transactions. A former partner of Price Waterhouse Coopers (UK) for 8 years, Mr Savill has also served as CEO of Free TV; the industry body representing Australia's commercial free-to-air television broadcasters. Prior to this, he held the position of Director of Strategy and Corporate Development & Head of Government Relations for Bai Communications, before being appointed as CFO of the organisation.

Under the board restructure, Mark Lapins has transitioned from CEO of Quantify Technology to that of Technical Director for the Company. As the Founder of Quantify Technology, Mark led the Company as CEO since 2013. With strong technical experience and having served as Managing Director of both Sierra Systems and Vieo Systems, the latter of which was acquired by Schneider Electric, Mark will continue to drive technical innovation for the Company.



Gary Castledine was appointed as a Non-Executive Director of Quantify Technology. Mr Castledine has a highly successful career in capital markets, which spans more than 25 years. With strong expertise in stockbroking, corporate advisory and investment banking, he is a Founding Director of Perth based Westar Capital, a corporate finance specialist with strong high net worth and institutional contacts. Under this role, Mr Castledine has participated in a range of capital raisings and Initial Public Offerings (IPO's) across a broad spectrum of industries.

As part of the board restructure, Lee Christensen and Alex Paor resigned from the Quantify Technology board of directors. Appointed on the 28th of May 2018, Lee Christensen help the role of Interim Chairman, prior to the appointment of Peter Rossdeutscher as announced during the quarter. Whilst Alex Paor served the Company as a Non-Executive Director since 2016.

Quantify Technology CEO Brett Savill Commented: "The September Quarter has been an important period for Quantify Technology. With the restructure of the Board of Directors, the Company transitioning from technology development to commercialisation and sales, coupled with the receipt and acceptance of the major purchase order from Copper Coast for its Wallaroo Shores development, this is an exciting time for Company shareholders and directors alike. The newly appointed board greatly looks forward to commercialising the Company's technology in the short term and actively driving sales through the Harvey Norman Commercial display suite in the Burcham Apartments and through the recently signed partnership with Quantify Technology".

-ENDS-

Further Information:

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About Quantify Technology

Quantify Technology is an Australian-based pioneer of Truly Intelligent Buildings technology. The Company has created simple to install, affordable Internet of Things devices that encourage wide-scale adoption of Internet of Things solutions.

Quantify Technology's commercial product known as the Q Device replaces standard power outlets and light switches in commercial and residential structures. Due to using standard wired Alternating Current (AC) wiring, it can be easily retrofitted without re-cabling in existing buildings.

The Q Device replaces AC light switches/dimmers and power outlets with and intelligent, network-connected framework to provide energy management and reporting, voice-enabled control and interaction, and real-time evaluation of environmental and risk factors for building occupants.

This enables the delivery of the Company's vision of Truly Intelligent Buildings, with a goal to deploying the offering globally.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

QUANTIFY TECHNOLOGY HOLDINGS LIMITED

ABN

25 113 326 524

Quarter ended ("current quarter")

30 SEPTEMBER 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(606)	(606)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(21)	(21)
(d) leased assets	(62)	(62)
(e) staff costs	(370)	(370)
(f) administration and corporate costs	(196)	(196)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,255)	(1,255)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(d) intellectual property	(35)	(35)
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
2.6	Net cash from / (used in) investing activities	(37)	(37)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	1,100	1,100
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(81)	(81)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	1,019	1,019

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	451	451
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,255)	(1,255)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(37)	(37)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,019	1,019

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	178	178

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	109	382
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	69	69
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	178	451

Other includes long-term Term Deposits held with Tier One banking institutions.

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
56
-

Salaries, director's fees and consulting fees at normal commercial rates. Excludes GST where applicable

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-

N/A

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

N/A

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	698
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	48
9.4 Leased assets	65
9.5 Staff costs	622
9.6 Administration and corporate costs	161
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	1,594

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: N J Bassett
(Company secretary)

Date: 31 October 2018

Print name: Neville John Bassett

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.