



March 2019 Quarterly Update

ASX RELEASE

30/04/19

HIGHLIGHTS

- **Memorandum of Understanding ("MOU") entered into with leading Taiwanese manufacturer CASwell Inc., to develop volume manufacturing processes, before Quantify Technology seeks to appoint CASwell to manufacture the Company's products for the domestic and international markets.**
- **Quantify Technology's hardware received CB Scheme Certification, following its success in passing global certification testing in December 2018.**
- **Steady progress has been made towards the Application of Patents for the Company's modular hardware, which are being progressed for local regional acceptance, after being granted Global Approval under the Patent Co-Operation Treaty.**
- **Since January 2019, Final Patent Approval has been granted in Mexico. Final Patent Approval has already been received in Australia, China, Indonesia, Morocco, the Republic of Korea, Singapore, South Africa, Japan and Israel, with patents pending in 54 other countries / regions including the EU and USA.**
- **Quantify Technology entered into a Heads of Agreement ("HOA") with Curtin University of Technology to install the Quantify products in a living lab in Perth, Western Australia.**

Quantify Technology Holdings Limited (ASX: QFY) ("**Quantify Technology**", the "**Company**"), a unique and disruptive player in the multi-billion-dollar IoT market, is pleased to provide its quarterly update for the quarter ending 31 March 2019.

Quantify Technology CEO Brett Savill Commented: "The March Quarter has been a key period for the Company as it approaches the final stages of preparation for commercialisation of the Quantify Technology product suite. During the reporting period, the Company entered into an MOU with leading Taiwanese manufacturer CASwell Inc., to allow for the investigation and development of processes for the mass manufacture of the Company's suite of products into both the domestic and international markets. Of course, the appointment of a suitable manufacturer is a critical step in fulfilling the purchase order for Wallaroo Shores and in moving the Company into the next stage of revenue generation.



Further to this, during the quarter, the Company also achieved CB Certification for its hardware, which is an important step in moving towards global sales and distribution. Quantify has also continued to progress its patent applications in key countries / regions and as at 8 January 2019, the Company had a further 54 patents pending.

We look forward to completing the commercialisation of the Quantify Technology product suite over the June quarter and thank shareholders for their support to date".

Operations Update

MOU Signed with Leading Manufacturer CASwell Inc.

In January 2019, the Company announced that it had signed a Memorandum of Understanding ("MOU") with leading Taiwanese manufacturer CASwell Inc. ("CASwell"), to develop processes for the volume manufacture of the Company's products. Following the development of manufacturing processes, Quantify Technology will seek to appoint CASwell to manufacture the Company's products for the domestic and international markets.

CASwell is listed on the Taiwanese stock exchange and has offices in Taiwan, China, Japan and the United States. In December 2014, the Foxconn Technology Group, the world's largest provider of electronics manufacturing services with a market cap of \$20B, acquired CASwell via its subsidiary Ennoconn Corporation.

The MOU contemplates other partnership opportunities including development of a distribution channel for Quantify's products in Taiwan and mainland China.

Global CB Certification

During the March quarter, the Company announced that Quantify Technology's dimmer device had received CB Scheme Certification, following its success in passing global certification testing in December 2018. The scheme is operated by the IEC System of Conformity Assessment Schemes for Electrotechnical Equipment and Components and is an international system for mutual acceptance of test reports and certificates dealing with the safety of electrical and electronic components, equipment and products.

Further to this market update, on 11 February 2019, the Company announced that its intelligent GPO hardware device had passed compliance and been issued certification meeting global safety standards. Based on the successful pass, Quantify Technology also applied for the acceptance of the GPO hardware under the CB Certification scheme. CB certification for the dimmer and GPO will complete the range of initial products the Company will take to the market and will make it significantly easier for Quantify Technology to enter sales and distribution agreements in the relevant participating countries and territories.



Further Patents

In January 2019, Quantify Technology announced that it had been steadily progressing the Application of Patents for the Company's modular hardware. The Applications are being progressed for local regional acceptance after being granted Global Approval under the Patent Co-Operation Treaty.

The patents cover the modularity of Quantify Technology's products, which is a key selling feature and competitive advantage of the Company's hardware and solution. It also ensures that Quantify devices that are easily upgraded for additional features and functions, or changed as technology develops in the future, do not require the need for specialist tools or technicians.

Further to the announcement released in January 2019, the Company announced on 11 February 2019, that its modular wall-mounted device had received Final Patent Approval in Mexico. Quantify has received Final Patent Approval in Australia, China, Indonesia, Morocco, the Republic of Korea, Singapore, South Africa, Japan and Israel. Patents are currently pending in 54 other countries / regions including the EU and USA.

Quantify Technology Enters into HOA with Curtin University

In March 2019, Quantify Technology entered into a Heads of Agreement ("HOA") with Curtin University of Technology to install the Quantify Technology products in a trial building in Fremantle, Western Australia. The HOA will see Quantify Technology work alongside West Australian companies, Fleetwood Australia and Landcorp, who employ sustainable building construction techniques to increase building efficiency and reduce material consumption and waste.

The 'Legacy Living Lab (L3)' will be constructed in East Village Knutsford located in Fremantle, Western Australia and will showcase the sustainable building products and feature home automation products developed by Quantify Technology. The space will act as an interactive research, prototyping and test facility and will be used to collaborate and engage directly with the building, to explore performance and data, whilst serving as a case study for a PhD fellowship with the Company.

Corporate Update

Release from Escrow

During the quarter, Quantify Technology announced that the following securities were released from ASX escrow conditions on 8 March 2019.

163,342,653 ordinary fully paid shares

31,596,511 options exercisable at \$0.075 on or before 30 September 2019

8,747,626 options exercisable at \$0.09 on or before 30 September 2019

62,115,701 performance shares

-ENDS-



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CONT.

Further Information:

Investor Relations & Media Enquiries

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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 an 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")

31 MARCH 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	84	116
1.2 Payments for		
(a) research and development	(544)	(1,967)
(b) product manufacturing and operating costs	(240)	(240)
(c) advertising and marketing	(48)	(99)
(d) leased assets	(102)	(268)
(e) staff costs	(509)	(1,509)
(f) administration and corporate costs	(215)	(708)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	4
1.5 Interest and other costs of finance paid	-	(34)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	1,710
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,572)	(2,995)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(5)	(15)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(d) intellectual property	(35)	(89)
	(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	(40)	(104)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	3,994
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	-	(344)
3.5	Proceeds from borrowings	670	1,770
3.6	Repayment of borrowings	-	(1,472)
3.7	Transaction costs related to loans and borrowings	(1)	(82)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	669	3,866

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	2,161	451
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,572)	(2,995)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(40)	(104)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	669	3,866

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	1,218	1,218

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	1,167	2,092
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	51	69
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,218	2,161

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
48
-

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	647
9.2 Product manufacturing and operating costs	107
9.3 Advertising and marketing	50
9.4 Leased assets	65
9.5 Staff costs	474
9.6 Administration and corporate costs	185
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	1,528

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: 30 April 2019

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.