



June 2019 Quarterly Update

ASX RELEASE

31/7/19

HIGHLIGHTS

- **Leading Taiwanese manufacturer CASwell Inc., appointed to manufacture the Company's products for the domestic and international markets.**
- **Agreement signed with Harvey Norman Commercial Division, which saw the commercial franchise become the Company's exclusive distributor for the Australian eastern states, including New South Wales, Victoria, Queensland, The Australian Capital Territory and Tasmania.**
- **Limitless Home Automation signed as distributor for Western Australia.**
- **Quantify Technology's Taiwanese manufacturer, CASwell, through its associate company, Advanio, showcased Quantify's products at the Computex trade show in Taiwan.**
- **The Company's collaboration with leading disability support provider, St John of God Accord came to fruition, with Quantify's products being installed in a home for people with an intellectual disability in Brighton East, Victoria.**
- **Quantify reduced its operating costs by \$1.14m per annum and continues to pursue further cost reductions.**
- **Capital raising of approximately \$2.5m through its appointed Joint Lead Managers, Pinnacle Corporate Finance Pty Ltd and RM Corporate Finance Pty Ltd, via a placement and an entitlement issue.**

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 period ending 30 June 2019.

Quantify Technology CEO Brett Savill Commented: "The June Quarter has been an important period for Quantify as the Company steadily moves closer towards commercialisation. During the reporting period, the Company appointed leading Taiwanese manufacturer CASwell Inc., to manufacture Quantify's products for both the Australian and international markets. Upon the appointment of CASwell, after developing manufacturing processes for bulk production, we commenced the first



production run to fulfill orders for Harvey Norman Commercial Division's ("HNCD") \$500,000 stocking order."

"Importantly, during the June quarter, Quantify also entered into an exclusive distribution agreement with HNCD, which will allow the Company to gain awareness and further increase sales in the domestic market. With a dedicated sales team specialising in home automation, Quantify's products are actively being sold to leading Australian builders, developers, architects and designers, which has resulted in a \$500,000 stocking order being placed by HNCD and due for delivery in September 2019."

"To continue towards commercialisation and further fund research and development, during the reporting period, Quantify announced a \$2.5m capital raise. Both myself and Quantify Chairman Peter Rossdeutscher have both committed to subscribe for \$100,000 each in the Placement, and I strongly encourage shareholders to take up their entitlement issue."

"We look forward to another positive quarter for Quantify Technology and I would like to thank shareholders for their support to date."

Operations Update

CASwell Inc. Appointed as Global Manufacturer

Following the execution of a Memorandum of Understanding in January 2019, during the reporting period, Quantify announced that it had appointment leading Taiwanese manufacturer CASwell Inc. ("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, CASwell joined the Foxconn Technology Group, a company with a market cap of \$20B, after being acquired by its subsidiary Ennoconn Corporation.

Following the appointment of CASwell and the development of production process for bulk manufacturing, Quantify commenced its first production run with products due to be delivered to Australia in September 2019.

Harvey Norman Commercial Division Sign as East Coast Distributor

On 13 May 2019, Quantify Technology announced that it had signed an agreement with Harvey Norman Commercial Division ("HNCD"), which saw the commercial franchise become the Company's exclusive distributor for the Australian eastern states, including New South Wales, Victoria, Queensland, The Australian Capital Territory and Tasmania.

HNCD has a team of over 400 staff and is the single largest Harvey Norman franchise, providing an extensive selection of brand-name products to builders, developers, architects and designers. HNCD's customers are increasingly seeking to include Internet of Things ("IoT") technology and smart devices into their developments, as demand increases for higher energy efficiency, convenience and security

Under the Agreement, HNCD has placed a \$500K stocking order for the first six months of the 2020 financial year, which bought Quantify Technology's purchase orders to a total of \$1.2m.



Image 1- The HNCD display apartment at The Burcham, Rosebery,
featuring Quantify Technology's products

Limitless Automation Signed as WA Distributor

During the June quarter, the Company announced that it had signed an agreement with Limitless Automation for the distribution of the Company's products in Western Australia. Founded in 2016, Limitless is a boutique home automation and commercial automation business operating from Claremont, Western Australia. Overseen by a highly experienced team, including Co-Directors Mark Peterson and Cristian Avramita, Limitless design and deliver home automation solutions and assert a strong sales pipeline across the retrofit, new build and renovation markets, with a focus on homes and town houses in Perth.

Quantify showcased at Taiwan Computex

During the reporting period the Company announced that leading Taiwanese manufacturer, CASwell, through its associate company, Advanio, showcased Quantify's products at the Computex Trade Show, held from 28 May to 1 June 2019 in Taipei, Taiwan. Established in 1981, Computex is the one of the largest global IoT and information and communications technology (ICT) trade shows. The five-day exhibition brought together Taiwanese, Chinese and other international organisations to showcase integrated technologies, along with the latest products that will open new business opportunities and create new heights for the industry.



Opening of St John of God Accord home in Victoria

In June 2019, Quantify announced that its collaboration with leading disability support provider, St John of God Accord, has come to fruition with a new technology-enabled home for people with an intellectual disability having opened in Brighton East, Victoria.



Image 2 – The St John of God Accord home for people with intellectual disabilities in Brighton, Victoria.

Quantify's IoT solution was installed into the home built by St John of God Accord and to match the needs and goals of residents, Quantify designed a tailored solution based on the Company's existing intelligent building technology, with the devices allowing carers to focus on delivering better care outcomes, and residents to live safer, more independent lives. The devices will enable residents to trigger customised living experiences such as morning and night-time scenes, using buttons with easily understood sun and moon symbols.

Corporate Update

Reduction of Overheads

During the June Quarter, Quantify reduced its operating costs by \$1.14m per annum and continues to pursue further cost reductions.

\$2.5 Million Capital Raising

On 25 June 2019, Quantify announced that it will be undertaking a capital raising of approximately \$2.5m through its appointed Joint Lead Managers, Pinnacle Corporate Finance Pty Ltd and RM Corporate Finance Pty Ltd, via a placement and an entitlement issue ("Capital Raising"). The Company received firm commitments for a placement ("Placement") of approximately 200m new fully paid ordinary shares ("Shares") to sophisticated and professional investors pursuant to section 708 of the Corporations Act 2001 (Cth), under its existing ASX Listing Rule 7.1 (106m Shares) and 7.1A (94m Shares) capacities, at an issue price of \$0.005 per Share to raise gross proceeds of approximately \$1.0m. The Placement settled on 3 July 2019, and Quantify CEO, Brett Savill, and Chairman, Peter Rosseuschler, both committed to subscribe for \$100,000 each in the Placement (subject to shareholder approval).



The Company encourages shareholders to take up their entitlement issue of 1 new share for every 4 shares held on the record date at a price of \$0.05 per share

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")

30 JUNE 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	5	121
1.2 Payments for		
(a) research and development	(861)	(2,828)
(b) product manufacturing and operating costs	(156)	(396)
(c) advertising and marketing	(27)	(126)
(d) leased assets	(75)	(343)
(e) staff costs	(291)	(1,800)
(f) administration and corporate costs	(111)	(819)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	5
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	(1,515)	(4,510)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(13)	(28)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
(d) intellectual property	(15)	(104)
(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	(28)	(132)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	750	4,744
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	388	2,158
3.6 Repayment of borrowings	(18)	(1,490)
3.7 Transaction costs related to loans and borrowings	-	(82)
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	1,120	4,986

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	1,218	451
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,515)	(4,510)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(28)	(132)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	1,120	4,986

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	795	795

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	45	1,167
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	750	51
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	795	1,218

Other includes restricted cash from unissued share capital, and long-term Term Deposits held with Tier One banking institutions.

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	56
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	

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	Current quarter \$A'000
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	

N/A

8. Financing facilities available

Add notes as necessary for an understanding of the position

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	569
9.2	Product manufacturing and operating costs	120
9.3	Advertising and marketing	76
9.4	Leased assets	65
9.5	Staff costs	373
9.6	Administration and corporate costs	194
9.7	Other (provide details if material)	-
9.8	Total estimated cash outflows	1,397

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 July 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.