



12 December 2019

Ms P Reid  
Advisor, Listings Compliance (Perth)  
ASX Compliance Pty Ltd  
Level 40, Central Park  
152-158 St Georges Terrace  
Perth WA 6000

By email: [ListingsCompliancePerth@asx.com.au](mailto:ListingsCompliancePerth@asx.com.au)

#### **Appendix 4C**

We refer to your letter dated 9 December 2019 in regard to Quantify Technology Holdings Limited's (the "Company" or "Quantify") Appendix 4C for the period ended 30 September 2019 and comment as follows:

1. The Company expects to continue to have future negative operating cash flows for the time being, as the Company continues the rollout of the commercialisation phase of its products with continued investment in sales, distribution and marketing growth.
2. The Company has a successful track record of being able to secure adequate funding, including capital raisings. The Company is actively seeking funding through a number of channels and believes it will be successful in securing capital in Q1 2020.

The Company will ensure that the market is informed in line with its continuous disclosure obligations.

3. Yes, the Company expects to be able to continue its operations and meet its business objectives with the intended receipt of further funding as noted above. The Company continues the rollout of the commercialisation phase it has released a number of announcements on distribution and orders, in particular:
  - (a) 16 August 2019 – Agreement with Intelligent Home Technology Centre for the distribution of the Company's products in Western Australia;
  - (b) 23 August 2019 – Agreement with 8Digital for the distribution of the Company's products in Queensland;

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**Quantify Technology Holdings Ltd** ABN: 25 113 326 524

Registered Office: Level 4, 216 St Georges Terrace, Perth WA 6000

Postal Address: P.O. Box 7315, Perth WA 6850

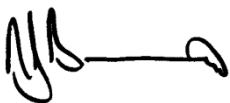
T: +61 8 6268 2622 F: +61 8 6268 2699

- (c) 23 September 2019 – Agreement with ASI Electrics for the distribution of the Company's products in Victoria;
- (d) 3 October 2019 – MOU with Energy Trade Pty Ltd for the inclusion of the Company's products into Energy Trade's sales;
- (e) 4 November 2019 – Agreement with Fokused Pty Ltd to become the exclusive stocking distributor in Western Australia, with an initial \$250,000 stocking order; and
- (f) Agreement with Blaq Projects to deliver devices in 267 apartments in Wollongong, NSW. The order in excess of \$500,000.

In addition, as previously announced the company has undertaken further cost-cutting activities, resulting in the reduction in overall annual overhead costs in excess of \$1.5m. These moves represent a recognition much of the development work has been completed and the business is now focussed on commercialisation.

- 4. The Company confirms that it is in compliance with Listing Rule 3.1 and that there is no information that should be given to the ASX about its financial condition in accordance with that Rule that has not already been released to the market.
- 5. The Company's response has been authorised by the Board of Directors.

Yours faithfully



Neville Bassett  
Company Secretary



9 December 2019

Mr Neville Bassett  
Company Secretary  
Quantify Technology Holdings Limited  
Level 4, 216 St Georges Terrace  
PERTH WA 6000

By email: [njb@westarcapital.com.au](mailto:njb@westarcapital.com.au)

Dear Mr Bassett

**Quantify Technology Holdings Limited ('QFY'): Appendix 4C Query**

ASX refers to QFY's Appendix 4C quarterly report for the period ended 30 September 2019 lodged with the ASX Market Announcements Platform and released on 31 October 2019 (the 'Appendix 4C').

ASX notes that QFY has reported:

- negative net operating cash flows for the quarter of \$1,765,000;
- cash at the end of the quarter of \$564,000; and
- estimated cash outflows for the next quarter of \$1,446,000.

It is possible to conclude, based on the information in the Appendix 4C, that if QFY were to continue to expend cash at the rate indicated by the Appendix 4C, QFY may not have sufficient cash to continue funding its operations.

**Request for Information**

In view of that, ASX asks QFY to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market under Listing Rule 18.7A:

1. Does QFY expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has QFY taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does QFY expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that QFY is complying with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition under that rule that has not already been released to the market.
5. Please confirm that QFY's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of QFY with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that QFY considers may be relevant to ASX forming an opinion on whether QFY is complying with Listing Rule 12.2 that a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing.

**When and where to send your response**

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This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **2 PM AWST Thursday, 12 December 2019**.

If we do not have your response by then, ASX will have no choice but to consider suspending trading in QFY's securities under Listing Rule 17.3. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, QFY's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market. Your response should be sent to me by e-mail at [ListingsCompliancePerth@asx.com.au](mailto:ListingsCompliancePerth@asx.com.au). It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### **Listing Rule 3.1 and 3.1A**

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A. In responding to this letter, you should have regard to QFY's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that QFY's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

### **Trading halt**

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in QFY's securities under Listing Rule 17.1. If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

### **Enquiries**

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

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**Penelope Reid**

Adviser, Listings Compliance (Perth)