



**QUANTIFY TECHNOLOGY HOLDINGS LIMITED**

**ACN 113 326 524**

## **OFFER DOCUMENT**

For a non-renounceable pro rata entitlement issue on the basis of eight (8) New Shares for every eleven (11) Shares held by Eligible Shareholders on the Record Date at an issue price of \$0.01 per New Share, to raise up to \$3,993,652 before the costs of the issue (**Offer**).

The Offer opens on 16 October 2018 and closes at 5.00pm (WST) on 6 November 2018 (unless extended). Valid acceptances must be received before the closing time.

### **Lead Manager and Underwriter**

Pinnacle Corporate Finance Pty Ltd (AFSL: 403 684)

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### **IMPORTANT NOTICE**

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This document is not a prospectus and has not been lodged with ASIC. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the New Shares offered by this document.

This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its content or are in doubt as to the course you should follow, you should consult your stockbroker or professional adviser without delay.

The New Shares offered by this Offer Document should be considered speculative.

Please read the instructions in this document and on the accompanying Entitlement and Acceptance Form regarding the acceptance of your Entitlement.

## IMPORTANT NOTES

### General

This Offer Document was prepared by Quantify Technology Holdings Limited (ACN 113 326 524) (**Company**) and is dated 8 October 2018.

This Offer Document contains an offer to Eligible Shareholders of continuously quoted securities (as defined in the Corporations Act) of the Company and has been prepared in accordance with section 708AA of the Corporations Act (as amended by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84). In broad terms, section 708AA relates to rights issues by certain companies that do not require the provision of a prospectus or other disclosure document.

This Offer Document is not a prospectus and the level of disclosure in it is significantly less than that required in a prospectus. It does not contain all of the information which may be required by an investor to make a decision regarding the Offer. This document has not been lodged with ASIC.

The information in this Offer Document does not constitute investment or financial product advice. Eligible Shareholders should therefore consider whether the Shares offered under this Offer Document are a suitable investment in light of their own investment objectives and financial circumstances and the merits or risks involved, having regard to their own knowledge of the Company and the disclosures made by the Company to ASX. In particular, Eligible Shareholders should consider the risk factors set out in Section 3 of this Offer Document which could affect the performance of the Company or the value of their investment in the Company.

If after reading this Offer Document Eligible Shareholders have any questions regarding the Offer they should contact their stockbroker, accountant or other professional advisers before deciding whether or not to accept the Offer.

Neither ASX nor ASIC takes any responsibility for the contents of this Offer Document or the merits of the investment to which this Offer Document relates.

### Information about the Company

Announcements released by the Company are available from the ASX website ([www.asx.com.au](http://www.asx.com.au)) and the Company's website ([www.quantifytechnology.com](http://www.quantifytechnology.com)). Although these announcements are not incorporated into this Offer Document, Eligible Shareholders should have regard to them before making a decision whether or not to participate in the Offer, or to otherwise invest in the Company.

The Company may release further announcements after the date of this Offer Document and throughout the Offer Period, which may be relevant to an Eligible Shareholder's consideration of the Offer. Eligible Shareholders should check whether any announcements have been released by the Company after the date of this Offer Document before taking any action or deciding to do nothing in relation to the Offer. These announcements will be available from the ASX website ([www.asx.com.au](http://www.asx.com.au)) and the Company's website ([www.quantifytechnology.com](http://www.quantifytechnology.com)).

### No representations

No person is authorised to give information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

### Forward-looking statements

This Offer Document contains forward-looking statements which incorporate an element of uncertainty or risk, such as 'intends', 'may', 'could', 'believes', 'estimates', 'targets' or 'expects', including certain intentions, expectations and plans of the Company, which may or may not be achieved. These statements are based on an evaluation of current economic and operating conditions, as well as assumptions regarding future events. These events are, as at the date of this Offer Document, expected to take place, but there cannot be any guarantee that such events will occur as anticipated or at all given that many of the events are outside the Company's control.

Accordingly, the Company and the Directors cannot and do not give any representation, warranty, guarantee or assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Offer Document will actually occur. Further, other than by lodgement of a replacement or supplementary offer document during the period of the Offer, if required by law, the Company may not update or revise any forward-looking statement if events subsequently occur or information subsequently becomes available that affects the original forward-looking statement.

## **Applications**

Applications for New Shares by Eligible Shareholders can only be made on an original Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Forms sets out an Eligible Shareholder's Entitlement to participate in the Offer.

## **Overseas Shareholders**

The Company is of the view that it is unreasonable to make the Offer under this Offer Document to Shareholders outside of Australia and New Zealand having regard to:

- the number of Shareholders registered outside of Australia and New Zealand;
- the number and value of the New Shares that would be offered to Shareholders registered outside of Australia and New Zealand; and
- the cost of complying with the legal requirements and requirements of regulatory authorities in the overseas jurisdictions.

Accordingly, the Company is not required to offer the New Shares under this Offer Document to Shareholders registered outside of Australia and New Zealand. Please refer to Section 1.15 for further information.

This Offer Document does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

## **Past performance**

Investors should note that the Company's past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guidance as to) the Company's future performance including the Company's future financial position or share price performance.

## **Risks**

Refer to the 'Risk factors' in Section 3 of this Offer Document.

## **Privacy Act**

If you complete an Entitlement and Acceptance Form for New Shares, you will be providing personal information to the Company (directly or by the Company's Share Registry). The Company collects, holds and uses that information to assess your Application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your Securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's Share Registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its Share Registry if you wish to do so at the relevant contact numbers set out in this Offer Document.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1998* (Cth), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the Entitlement and Acceptance Form for New Shares, the Company may not be able to accept or process your Application.

### **Definitions, Currency and Time**

Capitalised terms in this Offer Document are generally defined terms. Their meaning is set out in Section 5 of this Offer Document.

All references in this Offer Document to “\$”, “AUD” or “dollar” are references to Australian currency unless otherwise indicated.

All references in this document to time relate to Western Standard Time in Perth, Western Australia.

## CORPORATE DIRECTORY

### **Directors**

Peter Rossdeutscher - Chairman  
Brett Savill  
Gary Castledine  
Mark Lapins

### **Company Secretary**

Neville Bassett

### **Registered and Principal Office**

Level 4  
216 St Georges Terrace  
Perth WA 6000

Telephone: (08) 62 6268 2622

Facsimile: (08) 6268 2699

Website: [www.quantifytechnology.com](http://www.quantifytechnology.com)

### **Lead Manager and Underwriter**

Pinnacle Corporate Finance Pty Ltd  
Level 9, 190 St Georges Terrace  
Perth WA 6000

### **Share Registry\***

Automic Share Registry Services  
Level 2, 267 St George's Terrace  
Perth WA 6000

### **Auditor\***

HLB Mann Judd  
Level 4, 13 Stirling Street  
Perth WA 6000

### **Securities Exchange Listing**

ASX Limited  
(Home Branch – Perth)  
ASX Code: QFY

\* These parties are included for information purposes only. They have not been involved in the preparation of this Offer Document.

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## 1. DETAILS OF THE OFFER

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### 1.1 The Offer

The Company is making a non-renounceable pro-rata offer to Eligible Shareholders of New Shares on the basis of eight (8) New Shares for every eleven (11) Shares held on the Record Date, at an issue price of \$0.01 each to raise up to \$3,993,652 (**Offer**).

New Shares will be fully paid ordinary shares which, upon issue, will rank equally with existing Shares on issue.

Where the determination of the Entitlement of any Eligible Shareholder results in a fraction such fraction will be rounded down to the nearest whole number.

### 1.2 Eligibility

The Offer is made to Eligible Shareholders only, being Shareholders whose details appear on the Company's register of Shareholders as at the Record Date with a registered address in Australia or New Zealand.

### 1.3 Indicative Timetable

Event	Date
Announcement of Rights Issue and Appendix 3B	8 October 2018
Release of Offer Document and section 708AA notice to ASX	8 October 2018
Notice sent to Shareholders	9 October 2018
"Ex" Date (date from which Shares commence trading without the entitlement to participate in the Offer)	10 October 2018
Record Date 5.00pm (WST) (date for determining Entitlements of Eligible Shareholders to participate in the Offer)	11 October 2018
Offer Document and Entitlement and Acceptance Form sent to Eligible Shareholders	16 October 2018
Offer Opening Date	16 October 2018
Last date to extend the Offer Closing Date	1 November 2018
Offer Closing Date 5.00pm (WST)	6 November 2018
Shares quoted on a deferred settlement basis	7 November 2018
ASX notified of under subscriptions	9 November 2018
Anticipated date for the issue of the New Shares	13 November 2018
Deferred settlement trading ends	13 November 2018
Normal trading (on a T+2 basis) commences	14 November 2018

**Note:** The dates in the above timetable are indicative only and subject to change. Further, the dates are subject to the Listing Rules and other applicable laws. The Directors reserve the right to vary these dates.

### 1.4 Proposed Use of Funds

The application of funds raised from this Offer is summarised in the table below. 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. Specifically, proceeds of the Offer will be used for:

Use of funds	Underwritten amount
Hardware, Software and Cloud Development	\$ 1,930,000
Marketing and Sales	\$ 630,000
Capital raising costs	\$ 265,000
Corporate and administrative costs and working capital	\$ 1,168,652
<b>Total</b>	<b>\$3,993,652</b>

Notes:

1. The above table represents statements of the intended use of the funds raised by the Company as at the date of this document.

### 1.5 Effect of the Offer

The capital structure of the Company following completion of the Offer is summarised below:

Shares	Number
Shares on issue at date of the Offer	549,127,232
New Shares offered under the Offer <sup>2</sup>	399,365,259
Underwriter Shares <sup>3</sup>	25,000,000
<b>Total Shares on issue at completion of the Offer<sup>1</sup></b>	<b>973,492,491</b>

Options	Number
Options on issue at date of the Offer	
Options exercisable at \$0.09 on or before 30 September 2019	8,747,626
Options exercisable at \$0.075 on or before 30 September 2019	73,236,165
Options exercisable at \$0.10 on or before 4 April 2020	6,000,000
Options offered under the Offer	Nil
<b>Total Options on issue at completion of the Offer</b>	<b>87,983,791</b>

Performance Shares and Performance Rights	Number
Performance Shares and Performance Rights on issue at the date of the Offer	
Performance Shares (1:1 ratio)	120,000,000
Performance Rights	12,500,000
Performance Shares and Performance Rights offered under the Offer	Nil
<b>Total Performance Shares and Performance Rights on issue at completion of the Offer</b>	<b>132,500,000</b>



**Notes:**

1. *The number of Shares on issue assumes that no Options currently on issue are exercised prior to the Record Date.*
2. *The number of New Shares issued assumes that the Offer is fully subscribed and that no Options currently on issue are exercised prior to the Record Date.*
3. *The Underwriter Shares form part of the Underwriter fees outlined in 4.1.*

The Company's cash reserves following completion of the Offer, assuming the Offer is fully subscribed, will increase by approximately \$3,728,652 being the gross proceeds of the Offer, less the costs of the Offer.

**1.6 Entitlements and acceptance**

The Entitlement of Eligible Shareholders to participate in the Offer is determined on the Record Date. Your Entitlement is shown on the Entitlement and Acceptance Form accompanying this Offer Document.

In determining Entitlements, any fractional Entitlement will be rounded down to the nearest whole number.

***Acceptance of Entitlement in Full***

If you are an Eligible Shareholder and wish to take up **all** of your Entitlement under the Offer, please complete the Entitlement and Acceptance Form in accordance with the instructions set out in that form.

In addition to the above, Eligible Shareholders who have subscribed for their Entitlement in full may apply for Shares in addition to their Entitlement (**Additional Shares**) by completing the Entitlement and Acceptance Form in accordance with the instructions set out in that form.

***Partial Acceptance of Entitlement***

If you are an Eligible Shareholder and wish to take up **part** of your Entitlement pursuant to the Offer, please complete the Entitlement and Acceptance Form in accordance with the instructions set out in that form and insert the number of New Shares for which you wish to accept (being less than your Entitlement as specified on the Entitlement and Acceptance Form).

***Entitlements Not Taken Up***

If you decide not to accept all or part of your Entitlement pursuant to the Offer, you are not required to take any action. The New Shares not accepted will form part of the Shortfall.

**1.7 No Entitlement trading**

The Entitlements to New Shares under the Offer are non-renounceable. Accordingly, there will be no trading of Entitlements on the ASX and you may not dispose of your Entitlement to subscribe for New Shares under the Offer to any other party.

If you do not take up your Entitlement under the Offer by the Closing Date, the Offer to you will lapse.

**1.8 Underwriting**

The Offer is fully underwritten by Pinnacle Corporate Finance Pty Limited. The Underwriting Agreement is subject to certain conditions including circumstances under which the Underwriter may terminate its obligations. The terms and conditions of the Underwriting Agreement, including underwriting fees, are summarised in Section 4.1 of this Offer Document.

## **1.9 Shortfall**

If you do not wish to take up any part of your Entitlement under the Offer, you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall and will be dealt with by the Underwriter in accordance with this Section 1.9 and 4.1.

## **1.10 Effect on Control**

The Company has lodged with ASX a notice in accordance with section 708AA of the Corporations Act which sets out, among other things, the effect of the Offer on the control of the Company. This notice may be viewed on the websites of the Company and ASX.

If all Eligible Shareholders take up their Entitlements in full, the Offer will not diminish the percentage shareholding and voting power of each Eligible Shareholder.

If some Eligible Shareholders do not take up their Entitlement in full, then their percentage shareholding and voting power in the Company will be diluted. The percentage shareholding and voting power of non-resident Shareholders not eligible to participate in the Offer will also be diluted by New Shares issued under the Offer.

The Underwriter will ensure that no person will acquire, through participation in sub-underwriting the Offer, a holding of Shares of, or increase their holding, to an amount in excess of 19.9% of all the Shares on issue on completion of the Offer or from a starting point that is above 20% to a greater percentage on completion of the Offer than was held prior to the Offer. Please see Section 4.1 for further details.

## **1.11 Opening and Closing Dates**

The Offer opens on the Opening Date, being 16 October 2018. The Company will accept Entitlement and Acceptance Forms until 5.00pm (WST) on the Closing Date or such other date as the Directors determine, subject to the Listing Rules.

## **1.12 Issue and Dispatch**

The issue of New Shares offered by this Offer Document and the dispatch of holding statements are expected to occur on 13 November 2018.

It is the responsibility of Applicants to determine their allocation prior to trading in the New Shares. Applicants who sell New Shares before they receive their holding statements will do so at their own risk.

## **1.13 ASX Quotation**

Application has been made to the ASX for quotation of the New Shares. The fact that ASX may grant official quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares now offered for subscription. Issues of New Shares under the Offer will only be made after permission for their quotation on the ASX has been granted.

## **1.14 CHESS**

The Company participates in the Clearing House Electronic Sub-register System, known as 'CHESS'. All trading on ASX in Shares will be settled through CHESS. ASX Settlement Pty Ltd (**ASX Settlement**), a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Rules.

The Company's Registry operates an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. Both these sub-registers constitute the Company's principal register of Shareholders.

Holders of Shares will not receive a certificate but will receive a statement of their holding of Shares.

If you are broker sponsored or other participant in CHESS, ASX Settlement will send you a CHESS statement. The CHESS statement will set out the number of Shares issued under this Offer

Document, provide details of your holder identification number, and provide the participant identification number of the sponsor and the terms and conditions applicable to the Shares.

If you are registered on the issuer sponsored sub-register, your statement will be despatched by the Company's Registry and will contain the number of Shares issued to you under this Offer Document and your security holder reference number (SRN).

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements

#### **1.15 Treatment of Overseas Shareholders**

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer Document.

The Company is of the view that it is unreasonable to make the Offer to Shareholders without registered addresses in Australia or New Zealand (**Ineligible Shareholders**) having regard to the:

- (a) number of Ineligible Shareholders;
- (b) number and value of New Shares that would be offered to Ineligible Shareholders; and
- (c) cost of complying with regulatory requirements in each relevant jurisdiction.

Accordingly, the Offer is not being extended and New Shares will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

#### **1.16 Taxation Implications**

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under this Offer Document. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders.

Eligible Shareholders should consult their professional tax advisor in connection with subscribing for New Shares under this Offer Document.

#### **1.17 Rights and Liabilities attaching to New Shares**

The New Shares will rank equally in all respects with existing Shares (including, for example, with respect to dividends, voting and bonus issues). Full details of the rights and liabilities attaching to Shares are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

#### **1.18 Risk Factors**

As with any securities investment, there are risks associated with investing in the Company. The principal risks that could affect the financial and market performance of the Company are detailed in Section 3 of this Offer Document. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the New Shares in the future. Accordingly, before deciding to invest in the Company, investors should read this Offer Document in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

Factors affecting an investment in the Company include stock market fluctuations, insurance risk, competition risks, foreign currency exchange rate fluctuations, economic risks and external market factors and additional requirements for capital.

### **1.19 Withdrawal of Offer**

The Directors may at any time decide to withdraw this Offer Document and the Offer at any time prior to the issue of New Shares under the Offer. If the Offer is withdrawn, the Company will return all Application Money (without interest) within 28 days of giving such notice of withdrawal.

### **1.20 Governing Law**

This Offer Document and the contracts formed on acceptance of the Entitlement and Application Form are governed by the laws applicable in Western Australia. Each Applicant for New Shares submits to the exclusive jurisdiction of the courts of Western Australia and the courts of the Commonwealth of Australia sitting in Perth, Western Australia.

### **1.21 Nominees, Trustees and Custodians**

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

Shareholders resident in Australia or New Zealand holding shares on behalf of persons who are resident overseas should seek independent advice as to how they should proceed.

### **1.22 Enquiries concerning Offer Document**

This document is important and should be read in its entirety. Persons who are in any doubt as to the course of action to be followed should consult their stockbroker, solicitor, accountant or other professional adviser without delay.

If you have any questions regarding your Entitlement or the Offer, please contact the Company on (08) 6268 2622 (for calls within Australia) or +61 8 6268 2622 (outside Australia), from 8.30am to 5.00pm WST, Monday to Friday.

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## 2 ACTION REQUIRED BY SHAREHOLDERS

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### 2.1 How to Accept the Offer

If you are an Eligible Shareholder and you wish to take up all or part of your Entitlement, you must accept the Offer by completing the personalised Entitlement and Acceptance Form mailed to you with this Offer Document. Your personalised Entitlement and Acceptance Form will detail your Entitlement to New Shares under the Offer. You should complete the form in accordance with the instructions set out in that form.

#### ***Acceptance of Entitlement in Full***

If you are an Eligible Shareholder and wish to take up **all** of your Entitlement under the Offer, please complete the Entitlement and Acceptance Form in accordance with the instructions set out in that form.

In addition to the above, Eligible Shareholders who have subscribed for their Entitlement in full may apply for Shares in addition to their Entitlement (Additional Shares) by completing the Entitlement and Acceptance Form in accordance with the instructions set out in that form.

It is possible that there will be few or no Additional Shares available, depending on the level of acceptance of Entitlements by Eligible Shareholders. There is therefore no guarantee that in the event that Additional Shares are available for issue, they will be allocated to all or any of the Eligible Shareholders who have applied for them.

In the event there is an insufficient Shortfall to satisfy applications for Additional Shares, the Directors reserve the right to allocate any Additional Shares at their absolute discretion (in consultation with the Underwriter). The Company may issue to an Applicant under the Offer a lesser number of Additional Shares than the number applied for, reject an application for Additional Shares or not proceed with the issuing of all or part of the Additional Shares. If the number of Additional Shares is less than the number applied for, surplus application monies will be refunded without interest.

#### ***Partial Acceptance of Entitlement***

If you are an Eligible Shareholder and wish to take up **part** of your Entitlement pursuant to the Offer, please complete the Entitlement and Acceptance Form in accordance with the instructions set out in that form and insert the number of New Shares you wish to accept (being less than your Entitlement as specified on the Entitlement and Acceptance Form).

#### ***Non-Acceptance of Entitlement***

If you do not wish to take up any part of your Entitlement under the Offer, you are not required to take any action. If you decide not to accept all or part of your Entitlement, the New Shares not accepted will form part of the Shortfall and will be dealt with in accordance with Section 1.9.

### 2.2 Acceptance of Terms and Form of Payment

All Applications for New Shares must be made on the Entitlement and Acceptance Form. Any Application will be treated as an offer from the Applicant to acquire New Shares on the terms and conditions set out in this Offer Document. The Directors reserve the right to reject any Applications for New Shares.

If you are paying by cheque please make the cheque payable to '**Quantify Technology Holdings Limited Offer A/C**' and cross it 'Not Negotiable'. Please ensure that your completed Entitlement and Acceptance Form and your cheque is received by the Company's Share Registry no later than 5.00pm (WST) on the Closing Date at:

**By Post:**

Quantify Technology Holdings Limited  
C/- Automic Registry Services  
Level 2/ 267 St Georges Terrace  
Perth WA 6000

**By Hand:**

Quantify Technology Holdings Limited  
C/- Automic Registry Services  
Level 2/ 267 St Georges Terrace  
Perth WA 6000

Those who elect to pay via BPAY must follow the instructions for BPAY set out in the Entitlement and Acceptance Form. Investors who elect to pay by BPAY will not need to return their completed Entitlement and Acceptance Form.

Please note that payment via BPAY must be made by no later than 4:00pm (WST) on 6 November 2018.

Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY by the date and time mentioned above.

If you have multiple holdings you will have multiple BPAY customer reference numbers. To ensure you receive your Entitlement in respect of that holding, you must use the customer reference number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to apply for in respect of that holding.

**2.3 Application Money and refunds**

Application Money will be held on trust for applicants until New Shares are issued under this Offer Document.

Any Application Money received in excess of an Applicant's final allocation of New Shares (including any Shortfall Shares) will be refunded as soon as possible after issue.

If the Offer is withdrawn, all Application Money will be refunded as soon as possible. Refund payments will be by cheque made payable to the registered holder and will be sent to the address last recorded on the Company's register of shareholders.

Interest will not be paid to Applicants on any Application Money which is refunded and any interest earned on Application Money will belong to the Company.

**2.4 Effect of taking up your Entitlement**

Submitting an Entitlement and Acceptance Form or making payment using BPAY® constitutes a binding offer to subscribe for New Shares on the terms and conditions set out in this Offer Document. Once lodged, an Entitlement and Acceptance Form cannot be withdrawn. The Entitlement and Acceptance Form does not need to be signed to be binding.

If an Entitlement and Acceptance Form is not completed or submitted correctly, it may still be treated as a valid Application. The Company's decision whether to treat an Application as valid and how to construe, amend or complete or submit the Application is final.

The Company reserves the right (in its sole discretion) to:

- (a) reject any Application that it believes comes from a person who is not an Eligible Shareholder; and

- (b) reduce the number of New Shares allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claim to be entitled to participate in the Offer proves to be false, exaggerated or unsubstantiated.

## **2.5 ASX quotation**

The Company has applied to ASX for quotation of the New Shares. If ASX does not grant quotation to the New Shares, then the Company will not issue any of the New Shares and will refund all Application Money without interest.

## **2.6 Issue of New Shares**

The Company expects to issue the New Shares under the Offer on 13 November 2018 and send holding statements for the New Shares on that date. The New Shares will not be issued until ASX grants quotation of the New Shares.

It is your responsibility to determine your holdings before trading in New Shares. Any person who sells New Shares before receiving confirmation of their holding will do so at their own risk.

## **2.7 Enquiries concerning your Entitlement**

If you have any questions regarding your Entitlement or the Offer, please contact the Company on (08) 6268 2622 (for calls within Australia) or +61 8 6268 2622 (outside Australia), from 8.30am to 5.00pm WST, Monday to Friday.

### **3 RISK FACTORS**

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#### **3.1 General**

The New Shares offered under this Offer Document should be considered speculative because of the nature of the Company's business.

The following is a summary of the more material matters to be considered and should be read in conjunction with specific matters referred to in the Company's announcements and reports. Please note that the summary is not exhaustive and potential investors should examine the contents of this Offer Document in its entirety and consult their professional advisors before deciding whether to apply for the New Shares.

Applicants should give careful consideration to each of the risks. The risks below identify some of the key risks specific to an investment in the Company. However, these risks should not be taken as an exhaustive list of all risks which the Company could be subject to. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the New Shares.

#### **3.2 Company specific**

##### **(a) Capital and Funding Requirements**

Given its initial focus on growing its market share, the Company has negative operating cashflow and, at present, it does not currently have any revenue. No assurance can be given that the Company will achieve commercial viability through its existing technology or otherwise. Until the Company is able to realise value from its technology, it is likely to incur ongoing operating losses. Depending on how successfully the Company times and executes its monetisation and depending on the opportunities that arise for business development, the Company may require further resources to achieve its aims going forward. Beyond its regular operating expenses, additional funding may also be deemed necessary to take advantage of promotional or other business opportunities. These funds may come in the form of further investments or loans. The Company may not be able to secure funding on acceptable terms. Its ability to raise further capital and the terms on which it does so may depend on macro-economic conditions, the performance of the Company and of the broader Internet of Things technology industry at the time. If the Company is unable to access these funds, or is unable to do so on acceptable terms, this could adversely affect its position.

##### **(b) Development and commercialisation of the Company technology**

The success of the Company will depend upon the Company's ability to develop and commercialise its technology and intellectual property. A failure to successfully develop and commercialise the technology could lead to a loss of opportunities and adversely impact on the Company's operating results and financial position. The global marketplace for most products is ever changing due to new technologies, new products, changes in preferences, changes in regulation and other factors influencing market acceptance or market rejection. This market volatility and risk exists despite the best endeavours of market research, promotion and sales and licensing campaigns. There is a risk that, if the Company technology is not accepted by the market, it will not be able to commercialise its Internet of Things products, which could adversely impact its operations.

The market for "Internet of Things" is still relatively new. It is uncertain whether "Internet of Things" devices will achieve wide market acceptance. The Company's success will depend to a substantial extent on the willingness of consumers to widely adopt these devices. In part, adoption of the Company's products will depend on the increasing prevalence of "Internet of Things" devices and the profile of the market as a whole. Furthermore, some consumers may be unwilling to use "Internet of Things" devices because they have concerns regarding data privacy and security. If consumers do not perceive the benefits of "Internet of Things" devices



or choose not to adopt them, the market may develop more slowly than expected which would adversely affect the Company's business, financial condition and operating results.

The Company could experience delays in completing the development and introduction of its products. Problems in the design or quality of the Company's products may also have an adverse effect on the Company's business, financial condition, and operating results. If product introductions are delayed or not successful, the Company may not be able to achieve an acceptable return, if any, on its research and development efforts, and the Company's business may be adversely affected. Expenditure on research and development may not produce the intended results. Additionally, investments in new technologies, processes and products may not produce returns for the Company above the cost of development of those technologies, products and processes.

**(c) Redundancy, Upgradability and Scalability Risk**

There is a risk that industry standards might change in relation to standard communication protocols (for example wifi, zigbee protocols becoming obsolete) and that the Company's current communication architecture base may become redundant or no longer supported.

The Company believes that it is well placed to address this risk owing to its modular design. The Company will ensure that its current technology choices and architecture use industry standard development frameworks and monitors these industry standards.

**(d) Intellectual property**

Securing rights to intellectual property, and in particular patents, is an integral part of securing potential product value from the development of the Company's technology. Competition in retaining and sustaining protection of intellectual property and the complex nature of intellectual property can lead to expensive and lengthy patents disputes for which there can be no guaranteed outcome. The granting of a patent does not guarantee that the rights of others are not infringed nor that competitors will not develop competing intellectual property that circumvents such patents. The Company's success depends, in part, on its ability to obtain patents, maintain trade secret protection and operate without infringing the proprietary rights of third parties.

The Company currently holds trade mark rights, patents and patent applications. As some of the patents have not yet been granted, without the priority date for some of its intellectual property there is a risk of third parties lodging patents in the same field with an earlier priority date, as well as the publication of similar methods to those envisioned in the patents which would invalidate any future patent claims by the Company.

There is also a risk of third parties claiming involvement in technological developments, and if any disputes arise, they could adversely affect the Company's business. Except as disclosed below, the Company is not aware of any third party interests in relation to the intellectual property rights of the Company's technology, there has not been any external analysis of patents to determine whether the Company technology infringes any existing patents. This provides for the potential risk of claims being made at a later point which may incur costs for the Company through the need for licensing of further patents. The Company's prospects may also depend on its ability to licence third party proprietary technology necessary for the development of the technology. Breach of any licence agreements, or infringement of the licensed intellectual property by third parties, may have an adverse impact on the Company's ability to develop its technology.

**(e) Lack of patent protection in some jurisdictions**

An integral part of the Company's business will be its ability to obtain and sustain patents, maintain trade secret protection and operate without infringing proprietary rights of third parties. The granting of protection, such as a registered patent, does not guarantee that the rights of others are not infringed, that competitors will not develop technology to avoid the patent or that third parties will not claim an interest in the intellectual property with a view to seeking a commercial benefit from the Company or its partners. In this regard, based on the perceived cost versus benefit of doing so, the Company has decided not to pursue patent filing in certain jurisdictions. This may allow competitors in such jurisdictions to develop products functionally identical to the Company's products and the Company may not be able

to seek injunctive or financial relief against those companies by virtue of not having registered interests in those jurisdictions. No guarantee can be given that the patents will give the Company commercially significant protection of its intellectual property.

The Company has notified a third party that it may be developing a product that might fall within the scope of the Company's Australian patent (Application number 2013204864), and has invited the party to engage at a commercial level to discuss a beneficial way forward. The Company may not be able to reach agreement with the party that is potentially in breach and at such stage, will have to evaluate what course of action it should take in relation to the breach.

**(f) Trade Marks**

The Company is the applicant of pending trade mark applications. Objections have been raised by the relevant examiner in a case to the wording of the services claimed and, in the case of one of the Company trademarks, on the basis of allegedly similar trade marks on the trademarks register. There is a risk that this and any other potential future objections may not be able to be overcome, and accordingly a risk that the trade mark application may not be accepted, and subsequently registered. While this may not prevent the Company from continuing to trade under the relevant brands, it may limit the Company's ability to prevent a competing product from being made available by another party using the same or similar branding.

**(g) Sales risk**

In order to commercialise the technology, the Company will need to develop a successful sales model for delivery of the technology to customers. Potential sales models include the reseller strategy and direct sales model. The reseller model provides significant advantages to a smaller business by increasing its reach to the customer. However, risk lies in the ability or motivation of the reseller achieving agreed sales volumes not being under the direct control of the Company. This can only be mitigated through the reseller agreements providing clauses in relation to non-performance of meeting mutually agreed sales targets. The direct sales model has the benefit of the Company retaining control of the sales process. However, the sale of technically complex products requires additional financial resources and specialized sales staff. There is a risk that the Company may lack the financial and technical capacity to implement successful sales channels across borders and to different geographical regions. The inability of the Company to implement a successful sales model will have an adverse impact on the future success and profitability of the Company.

**(h) Global Market Risk**

The Company's future aim is to take the Q Device into global markets, thus the Company's continued growth is dependent on it entering new markets. Any expansion into new markets could expose the Company to a number of risks including different regulatory systems, difficulties managing foreign operations, exchange rate fluctuations, differences in consumer behaviour, potential political and economic instability and potential difficulties in enforcing contracts and intellectual property rights. Any of these factors could materially affect the Company's business, financial performance and operations.

**(i) Competition risk**

There is significant competition in the Internet of Things industry generally, with companies offering a variety of competitive products and services. Competition in the Internet of Things industry is expected to intensify in the future as new and existing competitors introduce new or enhanced products that are potentially more competitive than the Company's products. The Internet of Things industry has a multitude of participants, including many large, broad-based consumer electronic companies that compete in the market.

There is no assurance that competitors will not succeed in developing products that are more effective or economic than the products developed by the Company, or which would render the products obsolete and/or otherwise uncompetitive.

The large number of market participants can complicate customers' discrimination between competitors, increasing the difficulty of achieving market share and revenue. The Company may be unable to compete successfully against future competitors where aggressive policies are employed to capture market share. Such competition could result in price reductions, reduced gross margins and loss of market share, any of which could materially adversely affect the Company's future business, operating results and financial position.

There is also the potential for significant consolidation in the Company's targeted market, resulting in a fewer number of competitors each having greater financial and other resources. Any such consolidation before the commercialisation of the Company's technology could also adversely affect the Company's ability to gain market share and commercialise its technology.

**(j) Staffing and reliance on key management**

The Company relies on the experience and knowledge of key members of its staff. In the event that key personnel leave and the Company is unable to recruit suitable replacements, such loss could have a materially adverse effect on the Company.

The responsibility of successfully implementing the Company's development and commercialisation strategy depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment with the Company. There is also a risk to the business where there is a turnover of development staff that have knowledge of the technology and business. This loss of knowledge could result in leakage or misappropriation of confidential information. Whilst the Company aims to mitigate this risk by imposing contractual restraints on use and ownership of confidential information, there could also be increased costs for the Company in having to replace the implicit knowledge and skills of departing employees.

**(k) Dependence on the Internet and telecommunications infrastructure**

The success of the Company and its products will depend to some extent on the availability and stability of telecommunications infrastructure, and in particular the infrastructure over which devices directly communicate with each other and the internet. The utility of both connectivity and the internet for carrying communications between devices can be adversely impacted upon as a result of the rapidly increasing demands for bandwidth, data security, reliability, cost, accessibility and quality of service. Delays in the development or adoption of new standards and protocols to handle these increased demands may impact on the adoption of the Company and ultimately the success of the Company's business. The performance of the internet has been harmed by "viruses," "worms" and similar malicious programs, and the internet has experienced a variety of outages and other delays as a result of damage to portions of its infrastructure. Importantly, the Company's Q device is agnostic of the transmission technology used. A wide range of wireless as well as wireline options can be used and would be dependent upon the application and development resources. This is a decision made by the manufacturer on what best suits the needs of their customers. Note that the Company's platform does not rely on access to the internet for basic functionality.

**(l) Hacker risk, technology, disruption, corruption, systems failure**

Security concerns and the possibility of data corruption and data manipulation are particular concerns with most wireless technology. Where consumers perceive that the Company is insecure and open to being hacked then the adoption of the Company's technology may be impacted. This may ultimately impact on the success of the Company's business. Whilst the Company have sought as part of the design of their technology to incorporate enterprise grade security aspects, at the present time this security design is still being investigated and no assurance can be given at this time that the Company's technology will be immune from the usual range of IoT technology risks. To mitigate any risks associated with this security, the Company will be implementing changes to the hardware design to include an AES encryption engine.

#### **(m) Third Party Reliance Risk**

There is a risk that the technology used by the Company in the development of its solution may subsequently require payment for upgrade or the payment of royalties to proprietors of that technology. This applies both to hardware components and software platforms comprising the Company's IoT solution.

The Company's current strategy seeks to avoid the risk of dependence on proprietary third party technology by using technology with standardised open source or royalty free tools and libraries where possible. The Company is of the view that if the technology it currently uses becomes proprietary in the future, or existing proprietary technology currently in use by the Company becomes subject to commercial terms that are not acceptable to the Company, there are existing alternate and often open source technologies which are available. However, the Company cannot guarantee that such alternatives will remain available at all times or at a commercially feasible cost.

The Company currently uses third party tools and components in the development of its technology and as such faces a risk that those tools and components contain limitations and imperfections such as bugs or errors which may adversely affect the operation of the Company Solution. This problem can occur with any third party tools or technologies in use by the Company. The Company seeks to mitigate this risk by ensuring that it maintains an agile development process involved with patching and updates of both hardware and software where these problems are publicly identified. Additionally, the Company testing and quality assurance seeks to reduce the potential risks caused by the incorporation of third party component and software library updates.

#### **(n) Relationships with suppliers**

The Company will rely on sourcing chips, sensors and other componentry (Components) from various suppliers and any material adverse change in the Company's relationships with its suppliers, its terms of trade, or the ability of key suppliers to meet orders could have a negative impact on its operations. The Company's business model revolves largely around the supply of hardware and this target revenue stream relies heavily upon the supply of these Components for hardware manufacture. The Company is in discussions with various Components suppliers to mitigate the risk of availability and other supplier problems.

Currently there are few IoT-specific laws and regulations. However in Australia, IoT-based technologies may be impacted by informational privacy laws. Such laws differ from jurisdiction to jurisdiction. In Australia, the collection, use, storage and disclosure of "personal information" is principally regulated by the Privacy Act 1988 (Cth) (Privacy Act). The Privacy Act does not prohibit IoT-based technologies but it could in certain circumstances impose additional compliance obligations on businesses who use or commercialise those technologies. If the Company's technology collects data which falls within the definition of "personal information", or the data aggregated with other datasets which together could be considered personal information, then the compliance regime under the Privacy Act will apply to the Company in respect of the collection, use, storage and disclosure of that "personal information". The Company will take steps to ensure compliance with any applicable requirements of the Privacy Act. There is the risk that increased regulation may be imposed on IoT-based technologies and therefore the Company's business may incur additional regulatory compliance costs, potentially affecting the Company's business, financial performance and operations.

### **3.3 General risks**

#### **(a) Economic**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's research, development and production activities, as well as on its ability to fund those activities.

**(b) Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and technology stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

**(c) Additional requirements for capital**

Additional Funding may be required in the event that costs exceed the Company's estimates and to effectively implement its business and operations plans in the future to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which Quantify may incur. If such events occur, additional funding will be required.

Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its business. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

**(d) Dividends**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

**(e) Taxation**

The acquisition and disposal of New Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring New Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for New Shares under this Offer.

**(f) Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

## 4 ADDITIONAL INFORMATION

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### 4.1 Underwriting Agreement

The Offer is fully underwritten by Pinnacle Corporate Finance Pty Limited. Pursuant to the Underwriting Agreement, the Underwriter will be entitled to the following fees, exclusive of GST, an underwriting fee of 5.0% of the Underwritten Amount; a management fee of 1.0% of the Underwritten Amount; and issue to the Underwriter or its nominee(s) 25,000,000 New Shares (Underwriter Shares). The Company will also pay the Underwriter its reasonable costs and expenses incidental to the Offer.

The Underwriting Agreement provides that:

- a) The Underwriter may procure such persons to sub-underwrite the Offer as the Underwriter in its sole and absolute discretion thinks fit.
- b) The Underwriter will ensure that no person will acquire, through participation in sub-underwriting the Offer, a holding of Shares of, or increase their holding, to an amount in excess of 19.9% of all the Shares on issue on completion of the Offer or from a starting point that is above 20% to a greater percentage on completion of the Offer than was held prior to the Offer.
- c) The Underwriter may terminate the Underwriting Agreement and be relieved of its obligations if certain events occur, which are usual and appropriate for agreements of this nature in the circumstances.

The Underwriter may terminate its obligations under the Underwriting Agreement if:

- (a) **(Company default)**: the Company fails to perform an obligation under the Underwriting Agreement;
- (b) **(Indices fall)**: the S&P ASX 300 Index closes on any 2 Business Days from the date of the Underwriting Agreement at a level that is 5% or more below the level of the Index at the close of trading on the Business Day before the date of the Underwriting Agreement.
- (c) **(Offer Document)**: the Company does not dispatch the Offer Document to Shareholders on the Dispatch Date or the Offer Document or the Offer is withdrawn by the Company;
- (d) **(Offer Materials)** a statement contained in the Offer Materials is or becomes misleading or deceptive or likely to mislead or deceive, or the Offer Materials omit any information they are required to contain (having regard to the provisions of section 708AA of the Corporations Act and any other applicable requirements);
- (e) **(Lodgement of Cleansing Notice)**: the Company fails to lodge with the ASX the Cleansing Notice on the Lodgement Date;
- (f) **(Cleansing Notice)**: the Cleansing Notice is defective, or a supplementary statement is issued or is required to be issued under the Corporations Act;
- (g) **(No Listing Approval)**: the Company fails to lodge an Appendix 3B in relation to the Underwritten Securities with ASX by the time required by the Listing Rules, the Corporations Act or any other regulations;
- (h) **(No Official Quotation)**: ASX has advised the Company that it will or may not grant official quotation to the Underwritten Securities on or prior to the Shortfall Notice Deadline Date;
- (i) **(proceedings)** ASX, ASIC or any other person proposes to conduct any enquiry, investigation or proceedings, or to take any regulatory action or to seek any remedy, in connection with the Offer or the Offer Materials, or publicly foreshadows that it may do so; or
- (j) **(Unable to issue Shares)** the Company is prevented from issuing the Underwritten Securities within the time required by this Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX

or any court of competent jurisdiction or any governmental or semi-governmental agency or authority; or

- (k) **(future matters)** Any statement or estimate in the Offer Materials which relates to a future matter is or becomes incapable of being met or, in the reasonable opinion of the Underwriter, unlikely to be met in the projected timeframe;
- (l) **(ASIC application)**: an application is made by ASIC for an order under Section 1324B or any other provision of the Corporations Act in relation to the Offer Materials, the Shortfall Notice Deadline Date has arrived, and that application has not been dismissed or withdrawn; or
- (m) **(No Quotation Approval)**: the Company fails to lodge an Appendix 3B in relation to the Underwritten Securities with ASX by the time required by the Corporations Act, the Listing Rules or any other regulation;
- (n) **(Takeovers Panel)**: the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, which in the Underwriter's reasonable opinion has a Material Adverse Effect;
- (o) **(Authorisation)**: any authorisation which is material to anything referred to in the Offer Document is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter acting reasonably;
- (p) **(Cleansing Statement)**: the Company ceases to be capable of issuing, at the date of issue of any Shortfall Securities, a notice under section 708A(5)(e) of the Corporations Act to allow secondary trading of any Shortfall Securities; or
- (q) **(Indictable offence)**: a director of the Company is charged with an indictable offence; or
- (r) **(Termination Events)**: subject always to clause 10.3, any of the following events occurs:
  - (i) **(Hostilities)**: there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of this Agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, the Democratic People's Republic of Korea, or the Peoples Republic of China or any member of the European Union;
  - (ii) **(Default)**: default or breach by the Company under this Agreement of any terms, condition, covenant or undertaking;
  - (iii) **(Incorrect or untrue representation)**: any representation, warranty or undertaking given by the Company in this Agreement is or becomes untrue or incorrect in a material respect;
  - (iv) **(Contravention of constitution or Act)**: a contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
  - (v) **(Adverse change)**: an event occurs which gives rise to a Material Adverse Effect or any adverse change or any development including a prospective adverse change after the date of this Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company;
  - (vi) **(Error in Due Diligence Results)**: it transpires that any of the Due Diligence was materially false, misleading or deceptive or that there was a material omission from them;
  - (vii) **(Public statements)**: without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offer or the Offer Document, other than a statement the Company is required to make in order to ensure its disclosure obligations under the Listing Rules and the Corporations Act;
  - (viii) **(Misleading information)**: any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer

or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive;

- (ix) **(Official Quotation qualified):** the official quotation is qualified or conditional other than as set out in clause 1.3;
- (x) **(Change in Act or policy):** there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy;
- (xi) **(Prescribed Occurrence):** a Prescribed Occurrence occurs;
- (xii) **(Suspension of debt payments):** the Company suspends payment of its debts generally;
- (xiii) **(Event of Insolvency):** an Event of Insolvency occurs in respect of a Relevant Company;
- (xiv) **(Judgment against a Relevant Company):** a judgment in an amount exceeding \$100,000 is obtained against a Relevant Company and is not set aside or satisfied within 7 days;
- (xv) **(Litigation):** litigation, arbitration, administrative or industrial proceedings are after the date of this Agreement commenced against any Relevant Company;
- (xvi) **(Board and senior management composition):** there is a change in the composition of the Board or a change in the senior management of the Company before the date of issue of the Underwritten Securities without the prior written consent of the Underwriter (such consent not to be unreasonably withheld);
- (xvii) **(Change in shareholdings):** there is a material change in the major or controlling shareholdings of a Relevant Company (other than as a result of the Offer, a matter disclosed in the Offer Document) or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company;
- (xviii) **(Timetable):** there is a delay in any specified date in the Timetable which is greater than 2 Business Days;
- (xix) **(Force Majeure):** a Force Majeure affecting the Company's business or any obligation under the Agreement lasting in excess of 7 days occurs;
- (xx) **(Certain resolutions passed):** a Relevant Company passes or takes any steps to pass a resolution under Section 254N, Section 257A or Section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (xxi) **(Capital Structure):** any Relevant Company alters its capital structure in any manner not contemplated by the Offer Document;
- (xxii) **(Breach of Material Contracts):** any of the Contracts are terminated or substantially modified; or
- (xxiii) **(Market Conditions):** a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.

The events listed in (r) above do not entitle the Underwriter to exercise its rights of termination unless, in the reasonable opinion of the Underwriter reached in good faith, it has or is likely to have, or those events together have, or could reasonably be expected to have, a Material Adverse Effect or could give rise to a liability of the Underwriter under the Corporations Act.



The Underwriting Agreement contains a number of conditions that must be satisfied by the Company before the Underwriter's obligation to underwrite the Offer commences that are considered standard for an agreement of this type, such as procurement of sub-underwriters to the Offer and the timely lodgement of documents by the Company in accordance with the timetable.

The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to the Underwriter that are considered standard for an agreement of this type.

#### **4.2 Section 708AA (2) (f) Notice**

The Company has lodged with ASX a notice in accordance with section 708AA of the Corporations Act which sets out, amongst other information, the effect of the Offer on the control of the Company, taking into account the identity and current shareholdings of the sub-underwriters to the Offer. This notice may be reviewed on the websites of the Company and ASX.

## 5 DEFINED TERMS

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**Applicant** means a person who submits an Entitlement and Acceptance Form.

**Application** refers to the submission of an Entitlement and Acceptance Form.

**Application Monies** means monies received from persons applying for New Shares.

**ASIC** means the Australian Securities and Investments Commission.

**Associate** has the meaning set out in the Listing Rules.

**ASX** means ASX Limited (ACN 008 624 691) or, where the context permits, the Australian Securities Exchange operated by ASX Limited.

**Closing Date** means the closing date of the Offer, being 5.00pm (WST) on 6 November 2018.

**Company** means Quantify Technology Holdings Limited (ACN 113 326 524).

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the directors of the Company.

**Eligible Shareholder** means a Shareholder whose details appear on the Company's register of Shareholders as at the Record Date with a registered address in Australia or New Zealand.

**Entitlement** means the entitlement to subscribe for New Shares under this Offer and **Entitlements** has a corresponding meaning.

**Entitlement and Acceptance Form** means the Entitlement and Acceptance Form accompanying this Offer Document.

**Ineligible Shareholder** means a Shareholder who is not an Eligible Shareholder.

**Listing Rules** means the ASX Listing Rules published and distributed by ASX.

**New Share** means a new Share proposed to be issued pursuant to this Offer.

**Offer** means the offer of New Shares under this Offer Document, as set out in Section 1.1.

**Offer Document** means this Offer Document dated 8 October 2018.

**Opening Date** means the opening date of the Offer, being 16 October 2018.

**Option** means an option to acquire a Share.

**Record Date** means 5.00pm (WST) on 11 October 2018.

**Share** means an ordinary fully paid share in the capital of the Company.

**Share Registry** means Automic Pty Ltd.

**Shareholder** means a holder of Shares.

**Shortfall** means those New Shares under the Offer not applied for by Eligible Shareholders by the Closing Date.

**Underwriter** means Pinnacle Corporate Finance Pty Limited (ACN 149 263 543)

**Underwriting Agreement** means the underwriting agreement dated 5 October 2018 between the Underwriter and the Company

**WST** means Australian Western Standard Time.