



QFY Well Positioned In Uncertain Times

ASX RELEASE

23 March 2020

Highlights

- **The sales pipeline is strong, with near-term contract wins expected in the East and West Coast.**
- **Quantify Technology's Products are being enhanced with integration into the Control4 platform, one of the world's largest providers of smart home automation, which will increase opportunities in the retrofit market**
- **Costs were reduced by around \$1m per annum at the end of calendar year 2019 with tight cost control moving forward.**

Quantify Technology Holdings Limited (ASX:QFY) ("**Quantify Technology**", the "**Company**") is delighted to provide this trading update. The Company has a strong cash balance following the \$1.75m capital raising¹ earlier this year. Nevertheless, the Coronavirus outbreak is causing uncertainty in the property development market and components manufactured in China are taking longer to arrive. Having noted that, the Company remains positive.

Sales

Over the past few months, the Company has begun delivering orders announced prior to Christmas. The most immediate of which is Blaq Projects², where the first apartment block has now been installed and the second is due to be commenced shortly. The pipeline with Harvey Norman Commercial Division ("**HNCD**") is strong, buoyed by an appearance



Better Homes and Gardens host, James Tobin filming Quantify's smart home solution at The Burcham

¹ <https://wcsecure.weblink.com.au/pdf/QFY/02193411.pdf>

² <https://wcsecure.weblink.com.au/pdf/QFY/02178865.pdf>



on Channel 7's *Better Homes and Gardens*. The final delivery in the initial \$500K³ order is pending, and the Company anticipates announcing new contracts in the coming months.

In Melbourne, marketing events have been run with Victorian distributor, ASI Electrics⁴, with the Company working with them on a number of opportunities.

In Western Australia, stocking distributor, Fokused Pty Ltd ("**Fokused**"), has received its first stocking order. 9Life's TV show, *Ready Set Reno*, begins airing in April and will show the home featuring Quantify's qDevices in May. Quantify's products will also be featured in another 9Life TV show, *Australia's Best House*, alongside Indah Island interior designer and Quantify ambassador, Natalee Bowen. This means the Company would have appeared on the 7 and 9 Networks.



Quantify's qPower+ in Indah Island's farmhouse, to be featured on *Ready Set Reno* in May and *Australia's Best House*

Product Development

The Company is working hard to broaden the appeal of its devices by integrating with a range of different systems and providers. Quantify is in the final stages of completing integration with Control4, one of the world's largest providers of smart home automation. This will open the Company up more extensively to the retrofit market. At the same time, HNCD have begun using the software as a first step to taking responsibility for the end-to-end commissioning process.

³ <https://wcsecure.weblink.com.au/pdf/QFY/02104924.pdf>

⁴ <https://wcsecure.weblink.com.au/pdf/QFY/02149758.pdf>



Cost Control

At the end of last calendar year, the Company reduced its operating costs by around \$1m per annum through a combination of headcount reduction and greater use of outsourcing, with a series of outsourced contractors and organisations providing resources on a flexible basis. There were costs associated with these changes, but the benefit of this cost reduction will become apparent in the following quarters. On top of this, and as a result of uncertainties surrounding the Coronavirus outbreak, the Company's workforce, including its CEO, has agreed to reduce its hours by 20%⁵ to preserve cash. Quantify will continue to actively search for appropriate cost reduction opportunities that do not impact operations.



Quantify's white qDimmer PinStripe Series is installed at an Avena Homes display home in Perth, WA

This announcement is authorised by the Board.

-ENDS-

Further Information:

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About Quantify Technology

Quantify Technology is an Australian-based company, focused on making lives better in homes, workplaces, and communities with their Internet of Things (IoT) smart home technology. Their qDevices replace standard power outlets and light switches and can be controlled by voice, app and touch. Quantify has the opportunity to be the first truly mass-market smart home product because of its simplicity, the innovative nature of its technology, and its limitless platform. Its strategic priorities are to maximise sales domestically, secure distribution internationally and strengthen its platform.

⁵ For Full Time staff