



## December 2019 Quarterly Update

ASX RELEASE

31/1/2020

### HIGHLIGHTS

- **MOU signed with NSW-based company, Energy Trade**
- **Quantify Technology integrates with smart speaker powerhouse, Google**
- **Quantify Technology sign West Australian stockist, Fokused Pty Ltd**
- **MOU signed with multinational company, Honeywell**
- **Major order signed with Blaq Projects for development in Wollongong, NSW**
- **Major ACT projects secured, following deal with 3 Property Group**
- **New order with The Burcham developers, The Stable Group**

**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 31 December 2019.

**Quantify Technology CEO Brett Savill commented:** "This has been a really important Quarter for us. Orders are flowing in with significant East Coast developers signing three year exclusive deals. This is a sure sign that they have bought into the unique benefits of our technology solution. The integration with Google, along with Alexa, brings us to 90% of the smart voice market. Finally, working with Honeywell opens up the important Commercial market."



## **Operations Update**

### MOU signed with NSW-based company, Energy Trade

On 3 October 2019, Quantify Technology announced that it had signed a Memorandum of Understanding ("MOU") with Energy Trade, to include the Company's solution in Energy Trade's sales and to explore opportunities for a deeper integration of Quantify's technology with Energy Trade's platform.

Energy Trade is an Australian owned and operated energy provider, specialising in delivering cost-effective embedded energy solutions, and are one of the largest embedded energy providers in NSW. Energy Trade has delivered embedded energy networks nationally. They have thousands of customers and are one of the fastest growing embedded energy providers in Australia. Energy Trade is backed by Quinbrook Infrastructure Partners, a global leader in the energy market with operations in Australia, North America and the UK.

The inclusion of Quantify Technology's automated light control and power outlet devices will enable Energy Trade to deliver a differentiated offering to customers, while allowing Quantify to reach Energy Trade's new and existing clientele, which will help to increase the Company's market share and maximise sales nationally.

### Quantify Technology integrates with Google

As announced on 28 October 2019, Quantify Technology has integrated the Google Assistant into its patented smart home products.

The integration with Google means homeowners will be able to use voice commands with Assistant-enabled devices, including the Google Nest smart speaker range, to control their Quantify Technology smart home solution.

Google holds 72 percent of Australia's smart speaker market, with Amazon in second place, holding 15 percent, meaning Quantify's devices now work with almost 90 percent of the rapidly growing smart speaker market in Australia. Working with Google strengthens Quantify's platform as it maximises its sales nationally and looks to secure distribution overseas.

### Quantify signs West Australian stockist

On 4 November 2019, Quantify Technology announced it had entered an agreement with Fokused Pty Ltd, which will see Fokused become the Company's exclusive stocking distributor for Western Australia.

Fokused has committed to an initial \$250K stocking order for the first year, as part of a four-year purchasing agreement, and will initially market directly to 30+ home automation companies in WA, as well as to electrical contractors, end-users, developers, architects and builders.



Fokused was established by Mark Peterson, solely to be a promoter and exclusive stockist of the Company's technology in WA. It represents a further step in the company's strategy to maximise the sales opportunities in Australia.

#### MOU signed with Honeywell

During the quarter, Quantify Technology was selected to participate in Honeywell's PropTech Hub Program, in collaboration with YBF Ventures.

As announced on 18 November 2019, the Program supports technology and digital innovation that drives solutions for the real estate, building and property industry. As part of the Program, Quantify Technology will explore expanding its technology platform, work with potential product and channel collaborators, and benefit from Honeywell's global competences in the building automation space.

Honeywell is a United States-headquartered, Fortune 100 multinational technology company that solves its customers' challenges through innovation, including the development of sustainable and reliable technologies for buildings. It has operated in Australia for nearly 60 years and has more than 1.5K employees in 28 offices across Australia and New Zealand.

#### Major order signed with Blaq Projects

As announced on 28 November 2019, Quantify Technology's products will be exclusively installed in at least three major developments in Wollongong, New South Wales, under an agreement signed with Blaq Projects.

In the three-year commitment, Blaq Projects will use Quantify's devices for its home automation in an initial 267 apartments and two demonstration suites. The order is in excess of \$500K and will be distributed via the Company's stocking distributor, Harvey Norman Commercial Division, representing HNCD's first major supply order for Quantify devices.

Blaq Projects is an innovative Sydney-based property development, construction and investment company renowned for its excellence in architecture and cost-effective building and design solutions.

#### Major ACT projects secured

On 13 December 2019, Quantify Technology, together with Harvey Norman Commercial Division, announced the signing of an exclusive, three-year agreement with Canberra-based property development company, 3 Property Group.

The Agreement targets an initial 53 townhouses across three separate developments, representing Quantify's first installation in the ACT. The first installations are planned to take place in April 2020, with more projects expected to follow.

3PG has a proven track record of providing innovative technology options to their purchasers across their projects in the thriving ACT market. The Agreement represents a prime opportunity for



Quantify Technology to step foot into the growing property market, which comes thanks to an expanding ACT population that is growing by 8K pa. To cater for new housing demand, the ACT residential land release program is targeting the release of 15.6K homes over four years.

#### New order with The Stable Group

As announced on 17 December 2019, Quantify Technology has signed an Agreement with Sydney's The Stable Group, which will see Quantify's products specified into 18 luxury townhouses in Sydney's northern beaches suburb of Newport.

Quantify's inclusion in this project comes after a successful installation at The Burcham in Rosebery, NSW, which is Stable's most recent award-winning development. Harvey Norman Commercial Division have a permanent display apartment in The Burcham featuring Quantify Technology's devices.

Stable is an innovative, award-winning Australian development and property services company with a vision to challenge convention and create smart, vibrant, and environmentally sustainable developments.

#### **Corporate Update**

##### Corporate restructure

During the quarter, the Company undertook significant cost-saving activities, part of which included a reduction in the headcount of its engineering workforce. The Company has replaced the roles with outsourced companies and engineering specialists, allowing Quantify to scale and respond accordingly as required by product demand and development requirements.

#### **Outlook**

##### Sales

As a result of the terms and conditions of the sales agreement with Harvey Norman Commercial Division, the Company had delivered a further \$160k of orders. The funds are due to be received from Harvey Norman Commercial Division in the following quarter.

During December 2019, Quantify Technology delivered its first order to its Western Australian stockist, Fokused Pty Ltd, with the funds due to be received in the following quarter.

-ENDS-



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CONT.

**Further Information:**

Investor Relations & Media Enquiries

Caelie Jones

E: [caelie.jones@quantifytechnology.com](mailto:caelie.jones@quantifytechnology.com) | P: +61 (8) 6254 0200

**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.

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

QUANTIFY TECHNOLOGY HOLDINGS LIMITED

**ABN**

25 113 326 524

**Quarter ended ("current quarter")**

31 DECEMBER 2019

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	200	200
1.2 Payments for		
(a) research and development	(674)	(1,382)
(b) product manufacturing and operating costs	(160)	(380)
(c) advertising and marketing	(43)	(151)
(d) leased assets	(57)	(151)
(e) staff costs	(342)	(720)
(f) administration and corporate costs	(137)	(395)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid	(83)	(83)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	1,743	1,743
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>447</b>	<b>(1,318)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(2)	(5)
(b) businesses (see item 10)	-	-
(c) investments	-	-

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
(d) intellectual property	(30)	(70)
(e) other non-current assets	-	-
<b>2.2 Proceeds from disposal of:</b>		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.3 Cash flows from loans to other entities</b>	-	-
<b>2.4 Dividends received (see note 3)</b>	-	-
<b>2.5 Other</b>	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(32)</b>	<b>(75)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	1,704
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	-	(127)
3.5 Proceeds from borrowings	385	385
3.6 Repayment of borrowings	(1,113)	(1,113)
3.7 Transaction costs related to loans and borrowings	(1)	(1)
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(729)</b>	<b>848</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	564	795
4.2 Net cash from / (used in) operating activities (item 1.9 above)	447	(1,318)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(32)	(75)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(729)	848

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>250</b>	<b>250</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	199	513
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	51	51
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>250</b>	<b>564</b>

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

<b>6.</b>	<b>Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to these parties included in item 1.2	55
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

<b>7.</b>	<b>Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
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. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

N/A

9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	256
9.2 Product manufacturing and operating costs	307
9.3 Advertising and marketing	14
9.4 Leased assets	60
9.5 Staff costs	242
9.6 Administration and corporate costs	293
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>1,172</b>

Note: The above does not include sales receipts due to be received for the next quarter.

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	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 January 2020

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.