

Quantify Technology Holdings Limited

ACN 113 326 524

Prospectus

Offer

For a non-renounceable pro rata entitlement offer 1 Share for every 4 Shares held by Eligible Shareholders as at the Record Date at an issue price of \$0.005 per Share to raise approximately \$1,426,238, together with 1 free attaching New Option for every Share subscribed for and issued (**Offer**).

The Offer is fully underwritten by Pinnacle Corporate Finance Pty Ltd ACN 149 263 543 and RM Corporate Finance Pty Ltd ACN 108 084 386 (**Joint Underwriters**) in equal shares. Refer to Section 7.1 for details regarding the Underwriting Agreement.

Important

This Offer closes at 5.00pm AEST on 6 August 2019. Valid acceptances must be received before that time. Please read the instructions in this Prospectus and on the accompanying Entitlement and Acceptance Form regarding the acceptance of your entitlement.

This Prospectus is a transaction specific prospectus issued in accordance with section 713 of the Corporations Act. This is an important document that should be read in its entirety. Please read the instructions in this Prospectus and the relevant Entitlement and Acceptance Form regarding acceptance of the Offer. Investors who do not understand this document should consult their stockbroker, lawyer, accountant or other professional adviser before deciding to apply for Securities under the Offer. The Securities offered under this Prospectus should be considered highly speculative.

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Important Information

General

This Prospectus is issued by Quantify Technology Holdings Limited ACN 113 326 524 (**Company**).

The Prospectus is dated 5 July 2019 and a copy of this Prospectus was lodged with ASIC on that date. Neither ASIC nor ASX take responsibility for the contents of this Prospectus or the merits of the investment to which the Prospectus relates.

This Prospectus is a transaction specific prospectus for offers of continuously quoted securities (as defined in the Corporations Act) and options over continuously quoted securities, and has been prepared in accordance with section 713 of the Corporations Act.

No Securities will be issued pursuant to this Prospectus later than 13 months after the date of this Prospectus.

Persons wishing to apply for Securities pursuant to the Offer must do so using the relevant Entitlement and Acceptance Form attached to or accompanying this Prospectus. Before applying for Securities, investors should carefully read this Prospectus.

Any investment in the Company should be considered highly speculative. Investors who do not understand this document should consult their stockbroker, lawyer, accountant or other professional adviser before deciding to apply for Securities under the Offer.

No person is authorised to give any information or to make any representation in relation to the Offer which is not contained in this Prospectus. Any such information or representations may not be relied upon as having been authorised by the Directors.

Prospectus availability

ASIC has confirmed that the Corporations Act allows distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

A copy of this Prospectus can be downloaded from the Company's website at www.quantifytechnology.com. There is no facility for online applications. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Entitlement and Acceptance Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of

this Prospectus free of charge by contacting the Company on +61 8 6254 0200.

Risk factors

Before deciding to invest in the Company, investors should read the entire Prospectus and in particular, in considering the prospects of the Company, investors should consider the risk factors that could affect the financial performance and assets of the Company. Investors should carefully consider these factors in light of personal circumstances (including financial and taxation issues). The Securities offered by this Prospectus should be considered highly speculative. Refer to section 6 details certain risk factors which are considered to be relevant for the purposes of the Offer.

Publicly available information

Information about the Company is publicly available and can be obtained from ASIC and ASX (including ASX's website at www.asx.com.au). The contents of any website or ASIC or ASX filing by the Company are not incorporated into this Prospectus and do not constitute part of the Offer. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest in Shares or the Company.

Financial amounts

All references in this Prospectus to "\$", "A\$", "AUD", "dollars" or "cents" are references to Australian currency unless otherwise stated.

Any discrepancies between the totals and sums of components in tables contained in this Prospectus are due to rounding.

Definitions and time

A number of terms and abbreviations used in this Prospectus have defined meanings which are set out in section 9.

All references to time relate to the time in Sydney, New South Wales unless otherwise stated or implied.

Governing law

This Prospectus and the contracts that arise from the acceptance of the applications under this Prospectus are governed by the law applicable in Western Australia and each applicant submits to the exclusive jurisdiction of the courts of Western Australia.

Corporate Directory

Directors

Brett Savill
Managing Director

Peter Rossdeutscher
Non-Executive Chairman

Mark Lapins
Non-Executive Director

Gary Castledine
Non-Executive Director

Company Secretary

Neville Bassett

Registered Office

Level 4, 216 St Georges Terrace
Perth WA 6000

Phone: +61 8 6254 0200

Website

www.quantifytechnology.com

ASX Code

QFY

Joint Underwriters

Pinnacle Corporate Finance Pty Ltd
Level 28, 140 St Georges Terrace
Perth WA 6000

RM Corporate Finance Pty Ltd
Level 1, 1205 Hay Street
West Perth WA 6005

Share Registry

Automic Registry Services
Level 2, 267 St Georges Terrace
Perth WA 6000

Auditor

HLB Mann Judd
Level 4, 130 Stirling Street
Perth WA 6000

Legal Adviser

AGH Law
Level 2, 66 Kings Park Road
West Perth WA 6005

1. Timetable

Key events	Date
Lodgement of Prospectus with ASIC and ASX	5 July 2019
Lodgement of Appendix 3B with ASX	
Notices sent to Shareholders and Option holders	8 July 2019
Ex date	10 July 2019
Record Date for determining Entitlements	11 July 2019
Prospectus sent to Eligible Shareholders	16 July 2019
Opening Date	
Closing Date	6 August 2019
Securities quoted on a deferred settlement basis	7 August 2019
ASX notified of under subscriptions	9 August 2019
Issue date of Securities under the Offer	13 August 2019
Quotation of Securities issued under the Offer	14 August 2019

Note: The above timetable is indicative only. The Company reserves the right, subject to the Corporations Act, the Listing Rules and other applicable laws, to vary the dates, including by extending the Closing Date or accepting late acceptances, either generally or in particular cases, without notice.

2. Chairman's Letter

Dear Shareholder,

On behalf of the Board, I am pleased to present you with the Company's non-renounceable pro rata entitlement offer. Each Eligible Shareholder is being offered the right to acquire additional fully paid ordinary shares in the Company at an issue price of \$0.005 per Share, to raise approximately \$1,426,238. This has been determined on the basis of 1 new Share for every 4 Shares registered in your name as at the Record Date for the Offer. You will also receive 1 free attaching New Option for every Share subscribed for and issued.

As announced to ASX on 25 June 2019, the Company has also agreed to a placement of 200,000,000 Shares on the same terms as the Offer to raise a further \$1,000,000. Of this amount, Quantify's CEO, Brett Savill and myself have each committed to subscribe for \$100,000 each, subject to Shareholder approval.

I joined Quantify as Chairman at the beginning of October 2018 as part of a re-structure of the entire Board. At that time, it was apparent that we had a technically advanced solution but that we needed to focus on commercialisation. Over the past nine or so months, we have made significant strides which is why I have committed to investing in the Company.

A key part of the Company's commercialisation strategy has been to source a manufacturing partner that can scale as demand for Quantify's products grows both in Australia and internationally.

To this end, Quantify has achieved the following milestones during the past 12 months:

- Appointed leading Taiwanese manufacturer, CASwell Inc., to manufacture the Company's product suite for both the domestic and international markets. CASwell Inc. is a Taiwanese Stock Exchange listed company with \$200 million turnover and is a subsidiary of Foxconn Technology Group which has a market capitalisation of US\$20b. Quantify Technology's product suite represents a valuable addition to CASwell's portfolio and CASwell is uniquely positioned to accelerate the Company's growth strategy.
- Entered into a three-year agreement with Harvey Norman Commercial Division (**HNCD**) to become the Company's exclusive distributor on the Australian east coast. HNCD has a team of over 400 staff and is the single largest Harvey Norman franchise, providing an extensive range of brand-name products to builders, developers, architects and designers. HNCD has committed to an initial \$500,000 stocking order for the first six months of the agreement.
- Received first purchase order of \$736,000 for installation of Quantify's revolutionary Q-Device product at Wallaroo Shores. Wallaroo Shores is a premium coastal resort and housing development of 18.5 hectares at Wallaroo, South Australia. This initial sale is for Quantify's hardware to be installed in 100 townhouses and function centre under construction for the resort component of the development. The \$220 million Wallaroo Shores development is a significant South Australian master planned project that includes residential, retirement and commercial components. Quantify has agreements in place to potentially supply a further 13,500 additional Q-Device products over the life of the development.
- Entered into agreements for the distribution of the Company's products in Western Australia.
- Passed global safety certification testing of Quantify's hardware and the Company has achieved patent protection in 11 countries, with patents currently pending in another 54 countries/territories, including the US and EU.
- Opened or entered into agreement for display homes in Rosebery, NSW; Brighton East, Victoria; Fremantle, Western Australia; and Subiaco, Western Australia.

Further to the above, the Company has been focused on rolling out its Qumulus cloud platform. The Qumulus cloud platform redefines and revolutionises installation, configuration and maintenance in the high-volume smart home market. The Qumulus cloud platform transforms the methodologies traditionally used in the building industry by facilitating installation and remote configuration of smart home, lighting

control or power management systems. Previously, high installation and configuration costs have formed a barrier to mass adoption, thereby preventing the market from implementing smart home technology as a standard feature of all buildings.

The Qumulus cloud platform removes this barrier as it cuts through the noise of the smart home market to deliver a Truly Intelligent Building Solution in a way that is simple to understand, install, configure and manage. The Qumulus suite of applications ensures significant time savings for builders, installers and users of the Company's intelligent platform. The technology also provides significant differentiation against industry competitors and this is a key factor that has driven the Company's investment in the development of the platform.

Your Board believes that Quantify has met several substantial milestones in the last 12 months paving the way to commercialisation of the Quantify products.

This Prospectus contains information about the Offer and the key risks associated with investing in the Company (see Section 6), and it is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX. An investment in the Company should be considered highly speculative. If you do not understand this Prospectus then you should contact your professional adviser.

As mentioned, subject to Shareholders approval, your CEO and myself have each committed \$100,000 to the Placement.

On behalf of the Board, I commend the Offer to you.

Kind regards,

A handwritten signature in black ink, appearing to read 'Peter Rossdeutsch', with a stylized flourish at the end.

Peter Rossdeutsch
Chairman

3. Details of the Offer

3.1 Entitlement Offer

The Company is making a non-renounceable pro rata entitlement offer to Eligible Shareholders on the basis of 1 Share for every 4 Shares held at 5:00pm (AEST) on the Record Date at an issue price of \$0.005 per Share to raise approximately \$1,426,238, together with 1 free attaching New Option for every Share subscribed for and issued (**Offer**). The New Options are intended to be quoted, and will be exercisable at \$0.01 each on or before the date that is two years from the date of issue.

The joint underwriters are Pinnacle Corporate Finance Pty Ltd ACN 149 263 543 and RM Corporate Finance Pty Ltd ACN 108 084 386 (**Joint Underwriters**). The Joint Underwriters have agreed to fully underwrite the Offer on an equal basis by subscribing for any shortfall. Please refer to Section 7.1 for more details.

At the date of this Prospectus the Company has on issue 1,140,990,717 Shares and 114,015,591 unquoted Options with various exercise prices and expiry dates as set out in Section 5.2.

On the assumption that no Options are exercised before the Record Date, the Company proposes to offer 285,247,679 Shares under the Offer. If all of the unquoted Options were exercised before the Record Date, up to an additional 28,503,897 Shares would be offered under the Offer.

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

Shares issued under the Offer will be issued as fully paid ordinary shares and will rank equally in all respects with the existing Shares on issue. Further details on the rights and liabilities attaching to the Shares proposed to be issued under the Offer are contained in Section 7.4. New Options issued under the Offer will be issued on the terms and conditions contained in Section 7.5.

3.2 Placement and General Meeting

As announced to the ASX on 25 June 2019, the Company has agreed to issue 200,000,000 Shares at \$0.005 per Share (the same issue price as the Offer) to sophisticated and professional investors to raise \$1,000,000 (before costs), together with 1 free attaching New Option for every Share subscribed for and issued (**Placement**). 160,000,000 Shares under the Placement were issued on 2 July 2019. As this date is before the Record Date for the Offer, these participants in the Placement will be able to participate in the Offer in respect of the Shares they received under the Placement. All proceeds from the Placement will be used in accordance with Section 3.3.

A further 20,000,000 Shares each (40,000,000 Shares in aggregate) will be issued under the Placement to Mr Brett Savill, the Managing Director, and Mr Peter Rosseutscher, the Non-Executive Chairman, subject to Shareholder approval at the General Meeting. The General Meeting is after the Record Date for the Offer, as such Mr Savill and Mr Rosseutscher will not be able to participate in the Offer in respect of any Shares they will receive under the Placement.

The 200,000,000 New Options to be issued pursuant to the Placement will be subject to Shareholder approval at the General Meeting.

At the General Meeting, the Company will seek Shareholder approval for the following:

- the ratification of 160,000,000 Shares that were issued pursuant to the Placement;
- the issue of 160,000,000 New Options pursuant to the Placement;
- the participation of Mr Savill and Mr Rosseutscher in the Placement of 20,000,000 Shares at \$0.005 per Share and 20,000,000 New Options each; and

- the issue of an aggregate of 50,000,000 New Options to the Joint Underwriters (refer to Section 7.1).

3.3 Proposed Use of Funds

The purpose of the Offer is to raise approximately \$1,426,238 (before costs). The Offer, together with the Placement, will raise approximately \$2,426,238 (before costs).

The funds raised from the Offer and Placement are planned to be used in accordance with the table set out below.

Item	Amount
Expenses of the Offer (excluding GST) ¹	\$173,000
Sales, marketing and commercialisation ²	\$1,337,556
Working capital ³	\$915,682
Total	\$2,426,238

Notes:

1. Refer to Section 7.9 of this Prospectus.
2. Sales, marketing and commercialisation expenses include costs in relation to production costs, research and development costs, obtaining further certifications for the distribution of its products globally, relevant labour costs, third party consultants and contractors, costs of samples for marketing purposes, costs incurred in attending conferences, trade shows, corporate events, the cost of business development staff and associated travel expenses.
3. Working capital may include wages, payments to contractors, rent and outgoings, insurance, accounting, audit, legal and listing fees, payments to creditors, interest payments, other items of a general administrative nature and cash reserves but excludes sales which may be used in connection with the Company's activities, as determined by the Board at the relevant time.

The above table is a statement of the Board's current intention as at the date of this Prospectus. However, Shareholders should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments, market and general economic conditions and environmental factors. In light of this, the Board reserves the right to alter the way the funds are applied.

3.4 Details of Substantial Holders

As at 3 July 2019, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Amount	%
Lapins Holdings Pty Ltd <Lapins Family A/C>	142,079,001	12.45%
Morgan Stanley Australia Securities (Nominee) Pty Ltd <No 1 Account>	109,514,889	9.60%

In the event all Entitlements are accepted in full there will be no change to the substantial holders on completion of the Offer. The holdings of the substantial holders may increase as a result of any participation in the Shortfall Offer, however no holder will receive Shares in contravention of the takeover prohibition in section 606 of the Corporations Act. See Section 5.3 for further information on the effect of the Offer on control of the Company.

3.5 Eligible Shareholders

Eligible Shareholders for the purposes of the Offer are those persons who:

- are registered as a holder of Shares as at 5.00pm (AEST) on the Record Date; and
- have a registered address in Australia or New Zealand.

Shareholders who are not Eligible Shareholders are **Ineligible Shareholders**.

The Company has determined, in reliance on Listing Rule 7.7.1, that it would be unreasonable to extend the Offer to Ineligible Shareholders, having regard to:

- the small number of Ineligible Shareholders;
- the small number and value of the Shares which would be offered to Ineligible Shareholders if they were Eligible Shareholders; and
- the cost of complying with the legal and regulatory requirements in the respective overseas jurisdictions.

Accordingly, this Offer is not being extended to any Shareholders outside Australia and New Zealand. The Company will notify all Ineligible Shareholders of the Offer and advise that the Company is not extending the Offer to those Shareholders.

3.6 Details of the Offer

Details specific to the Offer are set out in this section 3.4.

(a) **Minimum subscription**

As the Offer is fully underwritten (subject to certain conditions), there is no minimum subscription for the Offer.

(b) **Oversubscriptions**

No oversubscriptions will be accepted by the Company.

(c) **Offer period**

The Offer will open on the Opening Date and close on the Closing Date.

(d) **ASX quotation**

The Company will apply to ASX within 7 days after the date of this Prospectus for quotation of the Securities offered under this Prospectus. If approval for quotation of the Securities is not granted within 3 months after the date of this Prospectus (or any later time in accordance with applicable laws), the Company will not issue any Securities and will repay all Application Monies without interest as soon as practicable.

The fact that ASX may grant quotation of the Securities being offered is not to be taken in any way as an indication by ASX as to the merits of the Company or the Securities.

(e) **Application Monies**

All Application Monies for Shares to be issued pursuant to the Offer will be held in trust on behalf of applicants until the Shares are issued or, if the Shares are not issued, until the Application Monies are returned to applicants. All interest earned on Application Monies (including those which do not result in the issue of Shares) will be retained by the Company.

(f) **No Rights Trading**

Entitlements under the Offer are non-renounceable and accordingly cannot be traded on the ASX or any other stock exchange, or privately transferred.

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

3.7 Underwriting

The Offer is fully underwritten by the Joint Underwriters in equal shares.

The Underwriting Agreement is subject to certain conditions including circumstances under which the Joint Underwriters may terminate their obligations. The terms and conditions of the Underwriting Agreement, including underwriting fees, are summarised in Section 7.1 of this Prospectus.

If for any reason the Underwriting Agreement is terminated before completion, the Company reserves the right to place the Shortfall at its discretion within 3 months after the close of the Offer.

3.8 Shortfall

Eligible Shareholders may, in addition to their Entitlement, apply for Additional Shares from any Shortfall that becomes available, by completing the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form.

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

It is an express term of the Offer that applicants for Additional Shares will be bound to accept a lesser number of Additional Shares allocated to them than applied for, if so allocated. If a lesser number of Additional Shares is allocated to them than applied for, excess application monies will be refunded without interest. The Company together with the Joint Underwriters reserve the right to scale back any applications for Additional Shares in their absolute and sole discretion. When determining the amount (if any) by which to scale back an application, the Company and the Underwriters may take into account a number of factors, including the size of an applicant's shareholding in the Company, the extent to which an applicant has sold or bought Shares in the Company before and after both the announcement of the Offer and the Record Date, as well as when the application was made.

No Additional Shares will be issued to any person under this Prospectus if the issue of the Additional Shares would contravene the takeover prohibition in section 606 of the Corporations Act.

3.9 Foreign investor restrictions

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or to extend such an invitation. No action has been taken to register this Prospectus or otherwise to permit the offering of securities in any jurisdiction outside Australia. It is the responsibility of non-Australian resident investors to obtain all necessary approvals and comply with all relevant laws and regulations for the issue to them of Securities offered pursuant to this Prospectus. Return of an Entitlement and Acceptance Form will constitute a representation and warranty that there has been no breach of such laws and regulations.

3.10 Nominees, Trustees and Custodians

The foreign Shareholder restrictions referred to in section 3.9 apply to the underlying beneficial holder of Shares. Nominees, trustees and custodians must not apply on behalf of any beneficial holder that would not itself be an Eligible Shareholder.

Shareholders who hold Shares on behalf of persons who are resident outside Australia or New Zealand are responsible for ensuring that accepting the Offer and receiving Securities does not breach any laws or regulations in the relevant overseas jurisdictions. Return of a completed Acceptance Form or payment via BPAY® will constitute a representation by the applicant that there has been no breach of such laws and regulations with respect to the Offer.

Shareholders who are nominees, trustees and custodians are therefore advised to seek independent advice as to how they should proceed. Failure to comply with restrictions set out in this Prospectus may result in violations of applicable securities laws and regulations.

3.11 Issues of Securities

Any issue of Securities under this Prospectus will occur in accordance with the timetable set out in Section 1. Following this, holding statements will be sent to applicants as required by ASX. It is the responsibility of applicants to determine their allocation prior to trading in the Securities. Applicants who sell their Securities before they receive their holding statement will do so at their own risk.

3.12 CHESS and issuer sponsorship

The Company operates an electronic CHESS sub-register and an electronic issuer sponsored sub-register. These two sub-registers will make up the Company's register of shares.

The Company will not issue certificates to security holders. Rather, holding statements (similar to bank statements) will be dispatched to security holders as soon as practicable after allotment. Holding statements will be sent either by CHESS (for security holders who elect to hold Shares on the CHESS sub-register) or by the Company's Share Registry (for security holders who elect to hold their Shares on the issuer sponsored sub-register). The statements will set out the number of Shares allotted under this Prospectus and the Holder Identification Number (for security holders who elect to hold Shares on the CHESS sub register) or Shareholder Reference Number (for security holders who elect to hold their shares on the issuer sponsored sub-register). Updated holding statements will also be sent to each security holder following the month in which the balance of their security holding changes, and also as required by the Listing Rules and the Corporations Act.

3.13 Privacy disclosure

Persons who apply for Securities pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess applications for Securities, to provide facilities and services to Shareholders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If the information requested is not supplied, applications for Securities will not be processed. In accordance with privacy laws, information collected in relation to specific Shareholders can be obtained by that Shareholder through contacting the Company or the Share Registry.

3.14 Taxation

It is the responsibility of all investors to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offer, by consulting their own professional tax advisers. Neither the Company or the Directors accept any liability or responsibility in respect of the taxation consequences of the matters referred to in this Prospectus.

4. How to Apply

This Section 4 sets out the choices for an Eligible Shareholder with respect to applying for Securities under the Offer. Please refer to Section 3.5 to determine who is an Eligible Shareholder.

4.1 Choices Available

Eligible Shareholders may do any of the following:

- take up all or part of their Entitlement under the Offer (refer to Section 4.2);
- if you take up all of your Entitlement, subscribe for Additional Shares (refer to Section 4.3); or
- do nothing (refer to Section 4.4).

The Offer is a non-renounceable pro rata offer to Eligible Shareholders. Eligible Shareholders are entitled to 1 free attaching New Option for every Share subscribed for an issued under the Offer.

The Offer is fully underwritten (please see Section 7.1 for further details). The issue of Shares may dilute the percentage holdings of Shareholders. For further details on the effects of the Offer, please refer to Section 5.

4.2 Take Up all or Part of Entitlement

Eligible Shareholders who wish to take up all or part of their Entitlement under the Offer should complete the Entitlement and Acceptance Form in respect of the number of Shares they wish to subscribe for and arrange for payment of the Application Monies in accordance with section 4.5.

4.3 Subscribe for Additional Shares

Eligible Shareholders who take up all of their Entitlement, who wish to subscribe for Additional Shares (see Section 3.8) should fill in the number of Additional Shares you wish to accept in the space provided on the Entitlement and Acceptance Form and arrange for payment of the Application Monies in accordance with section 4.5.

4.4 Allow All or Part of Entitlement to Lapse

If Eligible Shareholders decide not to accept all or part of their Entitlement to Shares, or fail to accept by the Closing Date, the part of their Entitlement not accepted will lapse. The Shares not subscribed for will form part of the Shortfall, which will be taken up by the Joint Underwriters.

Eligible Shareholders should note that if they do not take up their Entitlement then although they will continue to own the same number of Shares, their percentage holding in the Company will be diluted.

4.5 Making an Application

Eligible Shareholders have 2 payment options in order to take up their Entitlement under the Offer.

- (a) **Option 1: Submit a completed Entitlement and Acceptance Form together with a cheque, bank draft or money order.**

To follow option 1, applicants should:

- complete the personalised Entitlement and Acceptance Form accompanying this Prospectus in accordance with the instructions set out on that form, and indicate the number of Shares they wish to subscribe for; and

- return the form to the Share Registry (address details below) together with a cheque, bank draft or money order which must be:
 - in respect of the full Application Monies (being \$0.005 multiplied by the number of Shares they wish to subscribe for);
 - in Australian currency drawn on an Australian branch of a financial institution; and
 - made payable to 'Quantify Technology Holdings Limited – Application Account' and crossed 'Not Negotiable'.

Applicants should ensure that sufficient funds are held in the relevant account(s) to cover the Application Monies. If the amount of the cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay for the number of Shares applied for in the Entitlement and Acceptance Form in full, the applicant will be taken to have applied for the lower number of whole Shares as the cleared Application Monies will pay for (and to have specified that number of Shares in the Acceptance Form). Alternatively, the application will be rejected.

Cash payments will not be accepted. Receipts for payment will not be issued.

Applicants need to ensure that their completed Acceptance Form and cheque, bank draft or money order reaches the Share Registry at the address below by no later than 5.00pm (AEST) on the Closing Date.

Completed Acceptance Forms should be returned to the Share Registry at the following address:

By post:

Quantify Technology Holdings Limited
c/- Automic Group
GPO Box 5193
Sydney NSW 2000

By hand:

Quantify Technology Holdings Limited
c/- Automic Group
Level 5, 126 Phillip Street
Sydney NSW 2000

Entitlement and Acceptance Forms (and payment of Application Monies) may not be accepted if received after 5.00pm (AEST) on the Closing Date.

(b) Option 2: Pay via BPAY® payment

To follow option 2, applicants should pay the full Application Monies, being \$0.005 multiplied by the number of Shares comprising their Entitlement, or, if subscribing for only part of their Entitlement, the number of Shares the applicant wishes to subscribe for, via BPAY® payment in accordance with the instructions set out on the personalised Entitlement and Acceptance Form (which includes the biller code and the applicant's unique customer reference number). Applicants can only make a payment via BPAY® if they are the holder of an account with an Australian financial institution.

Please note that if payment is made by BPAY®:

- the applicant does not need to submit the personalised Entitlement and Acceptance Form but is taken to make the statements on that form; and
- if the applicant subscribes for less than its entitlement or does not pay for its full entitlement, the applicant is taken to have taken up its entitlement in respect of such whole number of Shares which is covered in full by the Application Monies.

Applicants need to ensure that their BPAY® payment is received by the Share Registry by no later than 3.00pm (AEST) on the Closing Date. Applicants should be aware that

their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. It is the responsibility of the applicant to ensure that funds are submitted through BPAY® by the date and time mentioned above.

4.6 Effect of Making an Application

Returning a completed Entitlement and Acceptance Form or making a BPAY® payment will be taken to constitute a representation by the applicant that it:

- has received a printed or electronic copy of this Prospectus accompanying the Entitlement and Acceptance Form and has read it in full;
- agrees to be bound by the terms of this Prospectus and the Constitution;
- makes the representations and warranties in sections 3.9 and 3.10 (to the extent that they are applicable) and confirms its eligibility in respect of an offer of Securities under the Offer;
- declares that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- declares that it is over 18 years of age and has full legal capacity and power to perform all of its rights and obligations under the Entitlement and Acceptance Form;
- acknowledges that once the Entitlement and Acceptance Form is returned or a BPAY® payment is made its acceptance may not be withdrawn;
- agrees to being issued the number of Shares it applies for at the offer price (or a lower number issued in a way described in this Prospectus);
- authorises the Company to register it as the holder(s) of the Securities issued to it;
- acknowledges that the information contained in this Prospectus is not investment advice or a recommendation that the Securities are suitable for it, given its investment objectives, financial situation or particular needs; and
- authorises the Company and its officers or agents to do anything on its behalf necessary for Securities to be issued to it, including correcting any errors in its Entitlement and Acceptance Form or other form provided by it and acting on instructions received by the Share Registry using the contact details in the Entitlement and Acceptance Form.

4.7 Enquiries

This document is important and should be read in its entirety. Shareholders who are in any doubt as to the course to follow should consult their stockbroker, lawyer, accountant or other professional adviser without delay. Shareholders who:

- have questions relating to the calculation of their Entitlement;
- have questions on how to complete an Entitlement and Acceptance Form or take up their Entitlements; or
- have lost an Entitlement and Acceptance Form and would like a replacement form,

should call the Share Registry on 1300 288 664 between 9.00am (AEST) to 5.00pm (AWST) Monday to Friday during the Offer period.

5. Effect of the Offer

5.1 Effect on cash reserves

Assuming full subscription under the Offer (on the basis that it is fully underwritten), the potential effect of the Offer will be that:

- cash reserves will increase by approximately \$1,253,238 (after costs);
- the number of Shares on issue will increase from 1,140,990,717 to 1,426,238,396; and
- the number of Options on issue will increase from 114,015,591 to 399,263,270.

Shareholders should note that due to rounding of entitlements under the Offer on the Record Date, among other things, the exact number of Securities to be issued will not be known until completion of the Offer.

Further, subject to Shareholder approval at the General Meeting, the Company proposes to issue a further 40,000,000 Shares and 250,000,000 New Options increasing the number of Shares and Options on issue to 1,466,238,396 and 649,263,270 respectively. See Section 3.2 for further information.

Funds raised from the Placement and the Offer are proposed to be used in accordance with the table set out in Section 3.3.

5.2 Effect on capital structure

The indicative capital structure of the Company, assuming the Offer completes fully subscribed, no Options are exercised prior to the Record Date and all resolutions at the General Meeting are passed and Securities issued, is set out below.

Shares

Shares	Number
Existing Shares	1,140,990,717
Shares issued under the Offer ¹	285,247,679
Shares issued under the Placement that are subject to Shareholder approval	40,000,000
Total	1,466,238,396

Notes:

1. These Shares are being offered for the purpose set out in Section 3.3.

Options

Options	Number
Existing Options (unquoted) ¹	114,015,591
New Options issued under the Offer	285,247,679
New Options issued under the Placement ²	200,000,000

New Options issued to the Joint Underwriters ²	50,000,000
Total	649,263,270

Notes:

- This figure is comprised of the following unquoted Options:
 - 8,747,626 Options exercisable at \$0.09 on or before 30 September 2019;
 - 85,736,165 Options exercisable at \$0.075 on or before 30 September 2019;
 - 1,200,000 Options exercisable at \$0.10 on or before 4 April 2020;
 - 4,800,000 Options exercisable at \$0.10 on or before 4 April 2010 and subject to vesting conditions; and
 - 13,531,800 Options exercisable at \$0.075 on or before 31 July 2020 and subject to vesting conditions.
- Subject to Shareholder approval at the General Meeting.

Other securities

Other security	Number
Existing Performance Shares ¹	200,000,000
Existing Performance Rights ²	22,166,666
Existing ESS Share Rights	2,999,997
Other securities issued under the Offer	Nil
Total	225,166,663

Notes

- This figure is comprised of the following:
 - 120,000,000 Performance Shares on a 1 for 1 basis expiring 8 September 2021 and subject to certain performance milestones; and
 - 80,000,000 Performance Shares on a 1 for 1 basis expiring 19 December 2023 and subject to certain performance milestones.
- This figure is comprised of the following:
 - 4,166,666 Performance Rights expiring on 8 March 2020 and subject to certain performance milestones; and
 - 18,000,000 Performance Rights expiring on 19 March 2023 and subject to certain performance milestones.

5.3 Effect on control of the Company

The Offer is fully underwritten by the Joint Underwriters. Refer to Section 7.1 for details of the terms of the underwriting.

The Joint Underwriters currently hold the following securities in the Company.

Joint Underwriter	Shares	Options
Pinnacle Corporate Finance	4,985,680	6,000,000 ¹
RM Corporate Finance	Nil	Nil

Notes:

1. Subject to Shareholder approval at the General Meeting.

The extent to which Shares are issued pursuant to the underwriting will affect each Joint Underwriter's voting power in the Company. The Joint Underwriters are not related parties of the Company for the purpose of the Corporations Act. Underwritten Securities may be taken up by sub-underwriters of the Joint Underwriters in accordance with the Underwriting Agreement.

The maximum potential increase in voting power to each Joint Underwriter as a result of its underwriting arrangement is set out below.

Joint Underwriter	Underwritten Shares	Underwritten Value	Current voting power	Voting power post-Offer ¹
Pinnacle Corporate Finance	142,623,840	\$713,119	0.44%	10.35%
RM Corporate Finance	142,623,840	\$713,119	0%	10.00%

Notes:

1. Further dilution will occur following the issue of the 40,000,000 Shares to Mr Savill and Mr Rosseutscher for \$0.005 per Share, subject to Shareholder approval at the General Meeting.

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 20% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus). Examples of how the dilution may impact Shareholders, assuming no Options are exercised before the Record Date, are set out in the table below.

Holder	Holding as at Record Date	% at Record Date	Entitlements Under the Offer	Holdings if Entitlement Not Taken Up	% Post Offer ¹
Shareholder 1	100,000,000	8.76%	25,000,000	100,000,000	7.01%
Shareholder 2	50,000,000	4.38%	12,500,000	50,000,000	3.51%
Shareholder 3	10,000,000	0.88%	2,500,000	10,000,000	0.70%
Shareholder 4	5,000,000	0.44%	1,250,000	5,000,000	0.35%

Notes:

1. Further dilution will occur following the issue of the 40,000,000 Shares to Mr Savill and Mr Rosseutscher, subject to Shareholder approval.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that the Placement has completed and those Entitlements not accepted are placed under the Shortfall Offer or taken up by the Joint Underwriters.

No Shares will be issued under this Prospectus if the issue of Shares would contravene the takeover prohibition in section 606 of the Corporations Act.

5.4 Effect on financial position

Set out below is the audit reviewed statement of financial position for the Company at 31 December 2018, and unaudited pro forma statement of financial position at 31 December 2018. The unaudited pro forma statement of financial position has been prepared on the basis and

assumption that there have been no material movements in the assets and liabilities of the Company between 31 December 2018 and completion of the Offer other than:

- certain interim adjustments (including for the Placement) for the period between 31 December 2018 and the date of this Prospectus as described in notes 1 to 9 below;
- the issue of 285,247,679 Shares through the Offer which will raise \$1,426,238 before costs; and
- the estimated expenses of the Offer of approximately \$176,000, which amount is shown as a deduction against issued capital.

The pro forma consolidated statement of financial position has been prepared to provide investors with information on the assets and liabilities of the Company and pro forma assets and liabilities of the Company as noted below. The historical and pro forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

\$'000	31 Dec 2018 Reviewed	Adjustments (1-9)	After Adjustments Pro Forma	Adjustment for Offer	After Offer Pro Forma
Current assets					
Cash and cash equivalents ¹	2,161	(1,132)	1,029	1,253	2,282
Receivables ²	128	(50)	78	-	78
Prepayments ³	60	(60)	-	-	-
Total current assets	2,349	(1,242)	1,107	1,253	2,360
Non-current assets					
Receivables	-	-	-	-	-
Plant and equipment ⁴	184	7	191	-	191
Intangible assets ⁵	7,685	519	8,204	-	8,204
Total non-current assets	7,869	526	8,395	-	8,395
Total assets	10,218	(716)	9,502	1,253	10,755
Current liabilities					
Trade and other payables ²	(824)	(110)	(934)	-	(934)
Interest-bearing loans ⁶	-	(1,028)	(1,028)	-	(1,028)
Provisions ⁷	(208)	50	(158)	-	(158)
Total current liabilities	(1,032)	(1,088)	(2,120)	-	(2,120)
Non-current liabilities					
Interest-bearing loans	(18)	-	(18)	-	(18)
Total non-current liabilities	(18)	-	(18)	-	(18)
Total liabilities	(1,050)	(1,088)	(2,138)	-	(2,138)
Net assets	9,168	(1,804)	7,364	1,253	8,617

Equity

Issued capital ⁸	31,655	942	32,597	1,253	33,850
Share based payments reserve	2,821	-	2,821	-	2,821
Accumulated losses ⁹	(25,308)	(2,746)	(28,054)	-	(28,054)
Total equity	9,168	(1,804)	7,364	1,253	8,617

Notes:

1. Utilisation of cash reserves for manufacture of devices for commercialisation, continued development, sales and marketing and overhead costs, offset by net funds received from capital raising, R&D pre-funding activities and sales receipts.
2. Working capital movements.
3. Amortisation of 12 month insurance prepayments and occupancy costs. Nil balance based on timing of new payments.
4. Acquisition of further capitalised equipment.
5. Capitalisation of tools, moulds and equipment as used and consumed in development activities on the Company's product suite.
6. The Company pre-funded a part of its FY2019 R&D Tax Incentive from the Australian Government. The funds are short-term, interest-bearing and are due upon receipt of the refund, which is estimated to be September 2019.
7. Decrease in provisions notably driven by reduction in head-count as part of cost cutting activities.
8. Reflects the net proceeds from the Placement, and minor share issuances during the period.
9. \$2.746m loss during the period.

6. Risk Factors

Activities in the Company and its controlled entities, as in any business, are subject to risks, which may impact on the Company's future performance. The Company and its controlled entities have implemented appropriate strategies, actions, systems and safeguards for known risks, however, some are outside its control.

The Directors consider that the matters summarised in this Section 6, which is not exhaustive, represent some of the major risk factors which Shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. Shareholders should carefully consider the following factors in addition to the other information presented in this Prospectus.

6.1 Specific risks

(a) Capital and Funding Requirements

Given its initial focus on growing its market share, the Company has negative operating cashflow and, at present, it has minimal 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's technology

The success of the Company will depend upon the Company's ability to further 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. There is no guarantee that the Company's sales and marketing initiatives will be successful.

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 further development and introduction of its products. For example, the Company may not be able to obtain certifications in certain markets for the sale of its products in a timely fashion or at all.

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) 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.

(d) 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.

(e) 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.

(f) 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.

(g) 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.

(h) 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.

(i) **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.

(j) **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.

(k) **Relationships with suppliers**

The Company relies on CASwell Inc. (**CASwell**) for sourcing chips, sensors and other componentry (**Components**) and any material adverse change in the Company's relationships with CASwell or the ability of CASwell 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.

(l) **Privacy laws**

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 effecting the Company's business, financial performance and operations.

6.2 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) **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.

(f) **Unforeseen expenditure**

Expenditure may need to be incurred that has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of any additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

(g) **General economic climate**

Factors such as inflation, currency fluctuation, interest rates and supply and demand have an impact on operating costs, and stock market prices. The Company's future revenues and security price may be affected by these factors, which are beyond the Company's control.

(h) **Global credit and investment market**

Global credit, commodity and investment markets have recently experienced a high degree of uncertainty and volatility. The factors which have led to this situation have been outside the control of the Company and may continue for some time resulting in continued volatility and uncertainty in world stock markets (including the ASX). This may impact the price at which the Company's Shares trade regardless of operating performance, and affect the Company's ability to raise additional equity and/or debt to achieve its objectives, if required.

(i) **Force majeure risk**

Events may occur within or outside the markets in which the Company operates that could impact upon the global and Australian economies, the operations of the Company and the market price of its securities. These events include acts of terrorism, outbreaks of international hostilities, fires, pandemics, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease, and other man-made or natural events or occurrences that can have an adverse effect on the demand for the Company's services and its ability to conduct business. Given the Company has only a limited ability to insure against some of these risks, its business, financial performance and operations may be materially adversely affected if any of the events described above occurs.

(j) **Litigation**

The Company may in the ordinary course of business become involved in litigation and disputes, for example with service providers, customers or third parties infringing the Company's intellectual property rights. Any such litigation or dispute could involve significant economic costs and damage to relationships with contractors, customers or other stakeholders. Such outcomes may have an adverse impact on the Company's business, reputation and financial performance.

(k) **Taxation**

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

(l) **Speculative Nature of Investment**

The above list of risk factors should not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. Shareholders should consider that an investment in the Company is speculative and should consult their professional advisors before deciding whether to participate in the Offer.

Whether or not future income will result from the Company's operations is dependent on the successful implementation of the Company's business plan.

Factors including costs, consumer preferences and platform/marketing costs affect successful development. In particular, changes in global economic conditions (including changes in interest rates, inflation, foreign exchange rates and labour costs) as well as general trends in the Australian and overseas equity markets may affect the Company's operations and particularly the trading price of the Shares on the ASX.

Shareholders should consider that an investment in the Company is speculative and should consult their professional advisors. The Shares to be allotted pursuant to this Prospectus should be regarded as speculative in nature and carry no guarantee with respect to the payment of dividends, return of capital or their market value.

7. Additional Information

7.1 Underwriting Agreement

The Offer is fully underwritten by the Joint Underwriters in equal shares. Pursuant to the Underwriting Agreement, the Joint Underwriters will be entitled to the following fees:

- (a) an underwriting fee of 4% of the Underwritten Amount;
- (b) a management fee of 2% of the Underwritten Amount;
- (c) pay an aggregate monthly retainer of \$12,000 for a period of 3 months to the Joint Underwriters in equal shares; and
- (d) issue to the Joint Underwriters (or their nominee(s)) an aggregate of 50,000,000 New Options (**Underwriter Options**) in equal shares, subject to Shareholder approval at the General Meeting.

In the event that the Shareholders do not approve the issue of the Underwriter Options at the General Meeting, the Company will pay the Joint Underwriters an aggregate of \$50,000 in equal shares, in lieu of the issue of the Underwriter Options. The Company will also pay the Joint Underwriter their reasonable costs and expenses incidental to the Offer.

The Underwriting Agreement provides that:

- (a) the Joint Underwriters may procure such persons to sub-underwrite the Offer as the Joint Underwriters, in their sole and absolute discretion, thinks fit;
- (b) the Joint Underwriters 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; and
- (c) each Joint 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 obligations of the Joint Underwriters under the Underwriting Agreement are several, and not joint or joint and several. A Joint Underwriter may terminate 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 Business Day from the date of the Underwriting Agreement at a level that is 10% 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) (**Prospectus**): the Company does not lodge the Prospectus with ASIC on 5 July 2019 or the Prospectus or the Offer is withdrawn by the Company;
- (d) (**Supplementary Prospectus**):
 - (i) the Joint Underwriters, having elected not to exercise its right to terminate its obligations under the Underwriting Agreement as a result of an occurrence as described in clause (p)(v), forms the view on reasonable grounds that a supplementary Prospectus should be lodged with ASIC for any of the reasons referred to in section 719 of the Corporations Act and the Company fails to lodge a supplementary Prospectus in such form and content and within such time as the Joint Underwriters may reasonably require; or
 - (ii) the Company lodges a supplementary Prospectus without the prior written

agreement of the Joint Underwriters;

- (e) **(Non-compliance with disclosure requirements):** it transpires that the Prospectus does not contain all the information that investors and their professional advisers would reasonably require to make an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - (ii) the rights and liabilities attaching to the Shares and New Options;
- (f) **(Misleading Prospectus):** it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provisions of sections 711, 713 and 716 of the Corporations Act) or if any statement in the Prospectus becomes misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive;
- (g) **(Error in Due Diligence Results):** it transpires that any of the due diligence results or any part of the verification material was materially false, misleading or deceptive or that there was a material omission from them;
- (h) **(proceedings)** ASIC or any other person conducts any enquiry, investigation or proceedings, or takes any regulatory action or seeks any remedy, in connection with the Offer or the offer materials, or publicly foreshadows that it may do so;
- (i) **(Unable to issue Securities)** the Company is prevented from allotting and issuing the Shares and New Options within the time required by the Timetable, Listing Rules, applicable laws, an order of a court of competent jurisdiction or a government authority;
- (j) **(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 Joint Underwriters, unlikely to be met in the projected timeframe;
- (k) **(No Quotation Approval):** the Company fails to lodge an Appendix 3B in relation to the Shares and New Options with ASX by the time required by the Corporations Act, the Listing Rules or any other regulation;
- (l) **(ASIC application):** an order is made under Section 1324B or any other provision of the Corporations Act in relation to the Prospectus, the shortfall notice deadline date has arrived, and that application has not been dismissed or withdrawn;
- (m) **(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 Joint Underwriters' reasonable opinion has a material adverse effect;
- (n) **(Authorisation):** any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Joint Underwriters acting reasonably;
- (o) **(Indictable offence):** a director of the Company is charged with an indictable offence; or
- (p) **(Termination events):** 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 the Underwriting 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 the Underwriting Agreement of any terms, condition, covenant or undertaking;
- (iii) **(Incorrect or untrue representation):** any representation, warranty or undertaking given by the Company in the Underwriting 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 the Underwriting 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 results or any part of the verification material was materially false, misleading or deceptive or that there was a material omission from them;
- (vii) **(Significant change):** a "new circumstance" as referred to in Section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;
- (viii) **(Public statements):** without the prior approval of the Joint Underwriters a public statement is made by the Company in relation to the Offer or the Prospectus, 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;
- (ix) **(Misleading information):** any information supplied at any time by the Company or any person on its behalf to the Joint Underwriters in respect of any aspect of the Offer or the affairs of the Company is or becomes misleading or deceptive or likely to mislead or deceive;
- (x) **(Official Quotation qualified):** the official quotation is qualified or conditional;
- (xi) **(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;
- (xii) **(Prescribed Occurrence):** a prescribed occurrence occurs, other than as disclosed in the Prospectus;
- (xiii) **(Suspension of debt payments):** the Company suspends payment of its debts generally;
- (xiv) **(Event of Insolvency):** an event of insolvency occurs in respect of the Company or any its subsidiaries;
- (xv) **(Judgment against a Relevant Company):** a judgment in an amount exceeding \$500,000 is obtained against a Relevant Company and is not set aside or satisfied within 14 days;

- (xvi) **(Litigation)**: litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced against the Company or any its subsidiaries, except as disclosed in the Prospectus;
- (xvii) **(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 Shares and New Options without the prior written consent of the Joint Underwriters (such consent not to be unreasonably withheld);
- (xviii) **(Change in shareholdings)**: there is a material change in the major or controlling shareholdings of the Company or any its subsidiaries (other than as a result of the Offer, a matter disclosed in the Prospectus) or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to the Company or any its subsidiaries;
- (xix) **(Timetable)**: there is a delay in any specified date in the Timetable which is greater than 2 Business Days;
- (xx) **(Force Majeure)**: a force majeure affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs;
- (xxi) **(Certain resolutions passed)**: the Company or any its subsidiaries 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 Joint Underwriters;
- (xxii) **(Capital structure)**: the Company or any its subsidiaries alters its capital structure in any manner not contemplated by the Prospectus;
- (xxiii) **(Breach of Contracts)**: any of the Contracts are terminated or substantially modified; or
- (xxiv) **(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 (p) above do not entitle each Joint Underwriter to exercise its rights of termination unless, in the reasonable opinion of the Joint Underwriters 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 Joint Underwriter under the Corporations Act.

The Underwriting Agreement contains a number of conditions that must be satisfied by the Company before the Joint Underwriters 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 Joint Underwriters that are considered standard for an agreement of this type.

7.2 Continuous disclosure

As the Company is admitted to the official list of ASX, the Company is a “disclosing entity” for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure

obligations. Specifically, like all listed companies, the Company is required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

Price sensitive information is publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants is also managed through disclosure to ASX. In addition, the Company posts information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

Investors are encouraged to check and monitor any further announcements made by the Company to ASX prior to Securities being issued under the Offer. To do so, please refer to the Company's ASX announcements platform via www.asx.com.au.

By virtue of section 713 of the Corporations Act, the Company is entitled to issue a "transaction-specific" prospectus in respect of the Offer.

In general terms, a "transaction-specific prospectus" is only required to contain information in relation to the effect of the issue of securities on the Company and the rights and liabilities attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position and performance, profits and losses or prospects of the issuing company.

As a disclosing entity under the Corporations Act, the Company states that:

- it is subject to regular reporting and disclosure obligations;
- copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC; and
- it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - the annual financial report of the Company for the financial year ended 30 June 2018;
 - any half-year financial report of the Company lodged with ASIC after the lodgement of the annual financial report referred to above and before the lodgement of this Prospectus with ASIC; and
 - all continuous disclosure notices given by the Company after the lodgement of the annual financial report referred to above and before the lodgement of this Prospectus with ASIC (see below).

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules that investors or their professional advisers:

- would reasonably require for the purpose of making an informed assessment of:
 - the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - the rights and liabilities attaching to the securities the subject of this Prospectus; and
- would reasonably expect to find in this Prospectus.

This Prospectus contains information specific to the Offer. If investors require further information in relation to the Company, they are recommended to take advantage of the opportunity to inspect or obtain copies of the documents referred to above.

The following announcements have been lodged with ASX in respect of the Company since the Company lodged its annual financial report for the financial year ended 30 June 2018 on 1 October 2018.

Date	Title
05/07/2019	Appendix 3B
05/07/2019	Change in substantial holding from MUFG
05/07/2019	Quantify signs Spokesperson & Media Agreement
04/07/2019	Change in substantial holding from MS
03/07/2019	Appendix 3B and Section 708A Notice
26/06/2019	Opening of St John of God Accord home in Victoria
25/06/2019	Reinstatement to Official Quotation
25/06/2019	\$2.5 million Capital Raising
24/06/2019	Suspension from Official Quotation
20/06/2019	Trading Halt
27/05/2019	Quantify showcased at Taiwan Computex
21/05/2019	Company Presentation
20/05/2019	Appendix 3B and Section 708A Notice
20/05/2019	Response to Appendix 4C Query
13/05/2019	Harvey Norman Commercial sign on as Exclusive Distributor
10/05/2019	Limitless Automation sign on as Distributor for WA
02/05/2019	Quantify Appoints CASwell as Global Manufacturer
30/04/2019	Appendix 4C - quarterly
14/03/2019	Change of Director's Interest Notice
12/03/2019	Appendix 3B
01/03/2019	Heads of Agreement with Curtin University
28/02/2019	Half Yearly Report and Accounts
22/02/2019	Release from Escrow
11/02/2019	GPO Global Certification and Further Patent
31/01/2019	Appendix 4C - quarterly
09/01/2019	MOU Signed with Leading Manufacturer CASwell Inc

Date	Title
08/01/2019	Global CB Certification and Further Patents
20/12/2018	Change of Director's Interest Notice
20/12/2018	Change of Director's Interest Notice
20/12/2018	Change of Director's Interest Notice
20/12/2018	Appendix 3B
20/12/2018	QFY Hardware Passes Global Certification Tests
13/12/2018	Heads of Agreement for Sustainable Display Home
30/11/2018	Results of Meeting
29/11/2018	Ceasing to be a substantial holder
22/11/2018	Becoming a substantial holder from MUFG
21/11/2018	Becoming a substantial holder from MS
21/11/2018	Change of Director's Interest Notice
19/11/2018	Appendix 3B
19/11/2018	Entitlement Issue Completed
09/11/2018	Shortfall Notification
05/11/2018	QFY Launches Industry Transforming Cloud Platform - Qumulus
31/10/2018	Appendix 4C - quarterly
30/10/2018	Notice of Annual General Meeting/Proxy Form
18/10/2018	Retraction-Partnership signed with Powerhouse Announcement
18/10/2018	Investor Presentation
17/10/2018	Partnership signed with Powerhouse Home Automation Group
16/10/2018	Dispatch of Offer Document
09/10/2018	Letter to Ineligible Shareholders
09/10/2018	Letter to Shareholders
08/10/2018	Section 708AA Notice
08/10/2018	Offer Document
08/10/2018	Letter to Optionholders
08/10/2018	Appendix 3B
08/10/2018	Fully Underwritten Rights Issue

Date	Title
04/10/2018	Final Director's Interest Notice
04/10/2018	Final Director's Interest Notice
04/10/2018	Initial Director's Interest Notice
04/10/2018	Initial Director's Interest Notice
04/10/2018	Trading Halt
04/10/2018	Pause in trading
01/10/2018	Corporate Governance Statement
01/10/2018	Appendix 4G

7.3 Market price of Shares

The highest and lowest closing prices of Shares on the ASX during the 3 months preceding the date of this Prospectus, and the closing price on the trading day before the date of this Prospectus, are set out below.

High – 13 May 2019	Low – Various Dates	Last – 4 July 2019
\$0.01	\$0.005	\$0.005

7.4 Rights and liabilities attaching to Shares

The rights attaching to Shares are described in the Constitution and, to the extent applicable, are regulated by the Corporations Act, the Listing Rules and general law. The following is a summary of certain rights attaching to Shares.

(a) Voting

At a general meeting of the Company on a show of hands, every member present in person, or by proxy, attorney or representative has one vote and upon a poll, every member present in person, or by proxy, attorney or representative has one vote for every fully paid up Share held by them. In the case of a partly paid share, a fraction of a vote equivalent to the proportion which the amount paid up on that member's share bears to the total amounts paid and payable (excluding amounts credited) on that share.

(b) Dividends

Subject to law and any special rights and restrictions attached to any Shares:

- (i) the directors may declare and pay dividends as appear to them to be justified by the profits of the Company; and
- (ii) the person entitled to a dividend on a Share is entitled to:
 - A. if the Share is fully paid (whether the issue price of the Share was paid or credited or both), the entire dividend; or
 - B. if the Share is partly paid, a proportion of that dividend equal to the proportion which the amount paid on that Share bears to the total issue price of that Share. Any amounts credited without payment in money or

other consideration being made to the Company and any amounts paid up in advance of the applicable due date for payment are ignored when calculating the proportion.

(c) Winding up

If the Company is wound up and after payment of all debts and satisfaction of liabilities a surplus remains, it may be distributed amongst Shareholders entitled to it in proportion to the number of Shares held by each of them regardless of the amounts paid up on the Shares.

(d) Further Increases in Capital

Subject to restrictions on the issue or grant of securities contained in the Listing Rules, ASX Settlement Operating Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors have the right to issue shares or grant options over unissued shares to any person and they may do so at such times as they think fit and on the conditions they think fit.

Such shares may have preferred, deferred or other special rights or special restrictions about dividends, voting, return of capital, participation in the property of the Company on a winding up or otherwise, as the directors think fit.

(e) Variation of Rights

The rights attached to any class of shares may, unless their terms of issue state otherwise, be varied:

- (i) with the written consent of the holders of 75% of the shares of the class; or
- (ii) by a special resolution passed at a separate meeting of the holders of shares of the class.

(f) Transfer of securities

Generally, the shares and options in the Company will be freely transferable, subject to satisfying the usual requirements of security transfers on the ASX. The Directors may decline to register any transfer of shares but only where permitted to do so under its Constitution or the Listing Rules.

(g) Sale of non-marketable holdings

The Company may take steps in respect of non-marketable holdings of shares in the Company to effect an orderly sale of those shares in the event that holders do not take steps to retain their holdings.

The Company may only take steps to eliminate non-marketable holdings in accordance with the Constitution and the Listing Rules.

(h) Alteration of Constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

7.5 Terms of the New Options

The terms and conditions of the New Options are:

(a) Entitlement

Each New Option entitles the holder to subscribe for one Share upon exercise of the New Option.

(b) Exercise Price

Subject to paragraph (i), the amount payable upon exercise of each New Option will be \$0.01 (**Exercise Price**).

(c) Expiry Date

Each New Option will expire at 5:00 pm (AWST) on the date that is two years from the date of issue under the Offer (**Expiry Date**). A New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

The New Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) Notice of Exercise

The New Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each New Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each New Option being exercised in cleared funds (**Exercise Date**).

(g) Timing of issue of Shares on exercise

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of New Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the New Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) Shares issued on exercise

Shares issued on exercise of the New Options rank equally with the then issued shares of the Company.

(i) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of a New Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.

(j) Participation in new issues

There are no participation rights or entitlements inherent in the New Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Options without exercising New Options.

(k) Change in exercise price

A New Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the New Option can be exercised.

(l) Transferability

The New Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

(m) Quotation

The Company will seek to have the New Options quoted by ASX.

7.6 Director interests

Other than as set out below or elsewhere in this Prospectus, no existing or proposed Director holds at the date of this Prospectus, or has held in the 2 years prior to the date of this Prospectus, an interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or in connection with the Offer; or
- the Offer,

and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to an existing or proposed Director to induce them to become, or qualify as, a Director or for services in connection with the formation or promotion of the Company or the Offer.

(a) Remuneration

The cash remuneration (including superannuation) paid or to be paid to the Directors for the 2 years prior to the date of this Prospectus is set out below.

Director	Position	Financial year ended 30 June 2018	Financial year ended 30 June 2019
Peter Rossdeutscher ¹	Non-Executive Chairman	-	\$81,000

Brett Savill ²	Managing Director	\$6,000	\$225,000
Mark Lapins ³	Non-Executive Director	\$343,769	\$203,077
Gary Castledine ⁴	Non-Executive Director	-	\$54,000

Notes:

1. Peter Rossdeutscher was appointed as Non-Executive Chairman on 1 October 2018. Mr Rossdeutscher is currently paid a cash fee of \$108,000 (including superannuation) per annum.
2. Brett Savill was appointed as Non-Executive Director on 25 May 2018 and to the position of Managing Director on 1 October 2018. Mr Savill is currently paid a cash fee of \$300,000 (including superannuation) per annum.
3. Mark Lapins was appointed as non-executive director on 1 March 2017. Mr Lapins is currently paid a cash fee of \$72,000 (including superannuation) per annum.
4. Gary Castledine was appointed as Non-Executive Director on 1 October 2018. Mr Castledine is currently paid a cash fee of \$72,000 (including superannuation) per annum.

(b) Securities

The securities in the Company in which the Directors and their associates have relevant interests in at the date of this Prospectus are set out below.

Director	Shares	Voting power ¹	Performance Shares	Performance Rights	Options
Peter Rossdeutscher ²	Nil	0%	20,000,000 ³	Nil	Nil
Brett Savill ⁴	215,909	0.02%	40,000,000 ⁵	Nil	Nil
Mark Lapins	142,079,001	12.45%	53,801,001 ⁶	2,083,333 ⁷	5,119,000 ⁸
Gary Castledine	1,935,743	0.17%	20,000,000 ⁹	Nil	Nil

Notes:

1. Figures are based on the total number of Shares on issue at the date of this Prospectus.
2. The Company has agreed, subject to Shareholder approval at the General Meeting, to allow Peter Rossdeutscher to subscribe for 20,000,000 Shares on the same terms as other investors who participated in the Placement, for a total subscription of \$100,000;
3. Comprising:
 - a. 5,000,000 performance shares which will each convert into 1 Share upon the Company securing a minimum of \$3,900,000 in long-term funding prior to 31 December 2018 expiring 19 December 2023 (**Tranche 1 Performance Share**);
 - b. 5,000,000 performance shares which will each convert into 1 Share upon the Company and/or the Company's subsidiaries generating \$5,000,000 in accumulated revenue (excluding Government Grants and/or R&D rebates) between 1 October 2018 and 30 September 2021, and such revenue is confirmed by the signed attestation of a registered company auditor or properly included in the Company's audited financial statements expiring 19 December 2023 (**Tranche 2 Performance Share**); and
 - c. 10,000,000 performance shares which will each convert into 1 Share upon the Company achieves a share price of at least \$0.03 and a market capitalisation of at least \$45,000,000, each based on the volume weighted average market price over 20

consecutive trading days during which the Company's shares have actually traded expiring 19 December 2023 (**Tranche 3 Performance Share**);

4. The Company has agreed, subject to Shareholder approval at the General Meeting, to allow Brett Savill to subscribe for 20,000,000 Shares on the same terms as other investors who participated in the Placement, for a total subscription of \$100,000; and
5. Comprising:
 - a. 10,000,000 Tranche 1 Performance Shares;
 - b. 10,000,000 Tranche 2 Performance Shares; and
 - c. 20,000,000 Tranche 3 Performance Shares;
6. Each Performance Share in the relevant Tranche will convert into 1 Share upon achievement of the following performance hurdles:
 - a. **Tranche A:** one-quarter of the Performance Shares will be convertible into Shares upon:
 - (i) certification by a recognised and accredited Australian testing facility (such as TUV Rheinland Australia) of the Company's retrofittable wall switch and power outlet known as the "Retrofit Switch" which is, as a minimum, able to switch 220-230V AC Power where such certification is:
 - (A) for installation in an applicable Australian Standards based wall box powered by the wiring in place; and
 - (B) to CISPR15 Standards; and
 - (ii) the Company receiving committed orders for \$3,000,000 by 8 September 2018.
 - b. **Tranche B:** one-quarter of the Performance Shares will be convertible into Shares upon:
 - (i) certification by a recognised and accredited Australian testing facility, (such as TUV Rheinland Australia) for the wireless communication module installed in the Company's retrofittable wall switch and power outlet known as the "Wireless Card", which wireless module is capable of providing wireless communication based on the 802.11 wireless standard or the 802.15 Zigbee Standard, where such certification is to AS/NZS4268 Standards, and
 - (ii) the Company receiving committed orders for \$5,000,000 (in total) by 8 September 2019;
 - c. **Tranche C:** one-quarter of the Performance Shares will be convertible into Shares upon the Company receiving committed orders for \$10,000,000 (in total) by 8 September 2020, at which time the resulting Shares will be placed in voluntary escrow with release from escrow pro rata for every \$1,000,000 of revenue received in respect of the first \$5,000,000 of committed orders received; and
 - d. **Tranche D:** one-quarter of the Performance Shares initially issued to a Holder will be convertible into Shares upon the Company receiving committed orders for \$15,000,000 (in total) by 8 September 2021, at which time the resulting Shares must be placed in voluntary escrow with release from escrow pro rata for every \$1,000,000 of revenue received in respect of the first \$10,000,000 of committed orders received;
7. Each Performance Right will vest into 1 Share upon the 20 day volume weighted average per Share increasing to \$0.24 per Shares on or before 3 March 2020.
8. The Options are exercisable at \$0.075 on or before 30 September 2019.
9. Comprising:
 - a. 5,000,000 Tranche 1 Performance Shares;
 - b. 5,000,000 Tranche 2 Performance Shares; and
 - c. 10,000,000 Tranche 3 Performance Shares.

7.7 Expert and adviser interests

Other than as set out below or elsewhere in this Prospectus, no expert, promoter, underwriter or other person named in this Prospectus who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus holds, at the date of this Prospectus, or has held in the 2 years prior to the date of this Prospectus, an interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or in connection with the Offer; or
- the Offer,

and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to any such persons for services in connection with the formation or promotion of the Company or the Offer.

Pinnacle Corporate Finance Pty Ltd is one of the Joint Underwriters to the Offer, in respect of which it is entitled to receive fees and commissions under the Underwriting Agreement as set out in Section 7.1 above.

RM Corporate Finance Pty Ltd is one of the Joint Underwriters to the Offer, in respect of which it is entitled to receive fees and commissions under the Underwriting Agreement as set out in Section 7.1 above.

AGH Law has acted as the legal adviser to the Company in relation to the Offer. The estimated fees payable to AGH Law for these services are \$20,000 (exclusive of GST).

7.8 Consents

Each of the parties referred to below:

- does not make the Offer;
- has not authorised or caused the issue of this Prospectus;
- does not make, or purport to make, any statement that is included in this Prospectus, or a statement on which a statement made in this Prospectus is based, other than as specified below; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with the consent of that party as specified below.

Pinnacle Corporate Finance Pty Ltd has given, and has not before lodgement of this Prospectus withdrawn, its written consent to be named in this Prospectus as Joint Underwriter to the Company in relation to the Offer in the form and context in which it is named. Pinnacle Corporate Finance Pty Ltd has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than references to its name.

RM Corporate Finance Pty Ltd has given, and has not before lodgement of this Prospectus withdrawn, its written consent to be named in this Prospectus as Joint Underwriter to the Company in relation to the Offer in the form and context in which it is named. RM Corporate Finance Pty Ltd has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than references to its name.

AGH Law has given, and has not before lodgement of this Prospectus withdrawn, its written consent to be named in this Prospectus as the legal adviser to the Company in relation to the Offer in the form and context in which it is named. AGH Law has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than references to its name.

There are a number of persons referred to elsewhere in this Prospectus who have not made statements included in this Prospectus and there are no statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in this Prospectus and did not authorise or cause the issue of this Prospectus.

7.9 Offer expenses

The estimated expenses of the Offer (exclusive of GST) are set out below.

Item	Amount
ASIC fees	\$3,206
ASX fees	\$18,051
Legal fees	\$20,000
Underwriting fees ¹	\$121,574
Printing, registry and other costs	\$10,169
Total	\$173,000

Notes:

1. This figure includes the \$12,000 monthly retainer to be paid to the Joint Underwriters, in equal portions, for a period of 3 months.

7.10 Litigation

As at the date of this Prospectus, the Company is not otherwise involved in any material legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

8. Authorisation

5 July 2019

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and the issue of this Prospectus, and has not withdrawn that consent.

Signed for and on behalf of the Company.

A handwritten signature in black ink, appearing to read 'Peter Rossdeutscher', with a stylized, cursive script.

Peter Rossdeutscher
Chairman
Quantify Technology Holdings Limited

9. Definitions

Additional Shares means Shares applied for by an Eligible Shareholder that are in excess of its Entitlement.

AEST means Australian Eastern standard Time, being the time in Sydney, Western Australia.

Application Monies means the monies received from persons applying for Shares under the Offer.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.

ASX Settlement means ASX Settlement Pty Limited ACN 008 504 532.

AWST means Australian Western Standard Time, being the time in Perth, Western Australia.

Board means the board of Directors.

Business Day means a day on which banks are open for business in Perth, Western Australia excluding a Saturday, Sunday or public holiday.

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement.

Closing Date means the date that the Offer close being 5.00pm (AEST) on 6 August 2019 or such other time and date as the Company determines.

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

Constitution means the constitution of the Company from time to time.

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

Director means a director of the Company.

Eligible Shareholder means a Shareholder as at the Record Date with a registered address in Australia or New Zealand.

Entitlement means the number of Shares for which an Eligible Shareholder is entitled to subscribe for under the Offer, being 1 Share for every 4 Shares held on the Record Date, together with 1 free attached New Option for every Share issued.

Entitlement and Acceptance Form means the personalised "Entitlement and Acceptance Form" in the form accompanying this Prospectus pursuant to which a person may apply for Securities under the Offer.

General Meeting means the Company's general meeting to be held in or about the middle of August 2019.

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

Joint Underwriters means Pinnacle Corporate Finance and RM Corporate Finance.

Listing Rules means the official listing rules of the ASX.

New Option means a free attaching Option on a 1 for 1 basis exercisable at \$0.01 on or before the date that is 2 years from the date of issue under the Offer, and otherwise on the terms set out in Section 7.5.

Offer means the non-renounceable pro rata offer of approximately 285,247,679 Shares to Eligible Shareholders at an issue price of \$0.005 each to raise approximately \$1,426,238, together with 1 free attaching New Option for every Share issued.

Opening Date means the first date for receipt of applications under the Offer being 8.00am (AEST) on 16 July 2019, or such other time and date as the Company determines.

Option means an option to acquire a Share.

Pinnacle Corporate Finance means Pinnacle Corporate Finance Pty Ltd ACN 149 263 543.

Placement means the issue of 200,000,000 Shares at \$0.005 per Share (the same issue price as the Offer) to sophisticated and professional investors, together with 1 free attaching New Option for every Share subscribed for and issued.

Prospectus means this prospectus dated 5 July 2019.

RM Corporate Finance means RM Corporate Finance Pty Ltd ACN 108 084 386.

Securities means Shares and New Options (as applicable).

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

Shareholder means a registered holder of one or more Shares.

Share Registry means Automic Pty Ltd ACN 152 260 814.

Shortfall or **Shortfall Shares** means those Shares under the Offer not applied for by Eligible Shareholders pursuant to their Entitlement by the Closing Date.

Underwriting Agreement means the underwriting agreement dated 25 June 2019 between the Joint Underwriters and the Company (as amended).