Quantify Technology Ltd ABN 25 113 326 524

Appendix 4E - Preliminary Final Report For the Year Ended 30 June 2019

1. The reporting period is from 1 July 2018 to 30 June 2019. The previous corresponding period is 1 July 2017 to 30 June 2018.

2. Results for announcement to the market.

				$
2.1	Revenue from ordinary activities	up 19.3% to	$	121,371
2.2	(Loss) from ordinary activities after tax	down 23% to		(5,206,756)
2.3	Net (loss) for the period	down 23% to		(5,206,756)

2.4 Dividend distributions
No dividends have been paid or declared since the start of the financial year.

2.5 Record date for determining entitlement to the dividends
N/A

2.6 Explanation of figures in 2.1 to 2.4 that may be required
Refer to Review of Operations within Annual Report.

3. Statement of comprehensive income with notes
Refer to attached preliminary Statement of comprehensive income and notes

4. Statement of financial position with notes
Refer to attached preliminary Statement of financial position and notes

5. Statement of cash flows and notes
Refer to attached preliminary Statement of cash flows and notes

6. Statement of changes in equity
Refer to preliminary Statement of changes in equity

7. Details of dividend or distribution reinvestment plans — N/A

8. Details of dividends or distributions — N/A

9. Net tangible assets per ordinary security

9.1	Current period ($ / share)	$	0.0007
9.2	Previous corresponding period ($ / share)	$	0.0021

10. Control gained or lost over entities during the period
N/A

11. Details of associates and joint venture entities — N/A

12. Other significant information — Refer to attached results

13. Accounting standards used by foreign entities
The financial statements of subsidiaries are prepared using consistent accounting policies for the same reporting period as the parent company.

14. Commentary on the result

14.1 Earnings per share

Current period – basic	$	(0.01)
Previous corresponding period – basic		(0.01)
Current period – diluted		(0.01)
Previous corresponding period – diluted		(0.01)

14.2 Returns to shareholders including distributions and buy backs — N/A

14.3 Significant features of operating performance — Refer to attached results

14.4 Segment results
There is only 1 segment, which incorporates the Group in its entirety

14.5 Trends in performance — Refer to attached results

14.6 Other factors affecting disclosed results — Refer to attached results

15. Audit / review of accounts upon which this is based
Accounts are in the process of being audited

16. Where accounts have not yet been audited: description of any modified opinion, emphasis of matter or other matter paragraph if applicable
N/A

17. Qualifications of audit/review
No qualifications

annual report 2019

QUANTIFY

truly intelligent buildings

CONTENTS

CORPORATE DIRECTORY

Directors

Executive Directors

Brett Savill

Non-Executive Director

Peter Rossdeutscher
Mark Lapins
Gary Castledine

Key Management Personnel

David Porter – Chief Technology Officer
Fletcher Joyce – Interim Chief Executive Officer & Engineering Manager

Auditor

HLB Mann Judd
Level 4, 130 Stirling Street
Perth WA 6000
Telephone: +61 8 9227 7500

Company Secretary

Neville Bassett

Principal Registered Office

Level 4, 216 St George's Terrace
Perth WA 6000
Telephone: +61 8 9410 1111

Share Registry

Automic Share Registry Services
Level 2, 267 St George's Terrace
Perth WA 6000
Telephone: +61 8 9324 2099

ASX Ticker Code

QFY.ASX

ABN

23 113 326 524

CHAIRMAN'S REPORT

Dear Shareholders,

It is my pleasure to present the 2019 Annual Report to you on behalf of the Board of Quantify Technology Holdings Limited ("Quantify" or the "Company").

The 2019 Financial Year has drawn to a close and we look back on the transformation of Quantify from a technology developer to a commerical entity with certified products being sold across Australia, along with a strong pipeline of opportunities.

During FY2019, we secured our global supply chain with the appointment of CASwell as our manufacturer, and significantly increased downstream demand, through an exclusive stockist agreement with Harvey Norman Commerical Division ("HNCD"), for the east coast of Australia.

HNCD has a projected turnover for this financial year of $350 million, with an annual growth rate in excess of 10%, with offices, showrooms and warehouse facilities in Sydney, the Central Coast, Nowra and Canberra. It is the pre-eminent provider of products to the apartment and building construction market in NSW and ACT, with over 50 business development personnel actively selling to this market. Hence, I am confident in their ability to assist in the widespread distribution of Quantify's devices within Australia.

We closed the financial year with two signifiant orders totalling $1.236m, $736,000 for the Wallaroo shores development and a stocking order from HNCD, for $500,000, for the first six months of the contract.

Over the past year, we have gained traction in the domestic market, through increased awareness, active selling and marketing activities, including the appointment of Natalee Bowen as brand ambassador and spokesperson.

Although we continue to focus on the new build and retrofit market in Australia, during the year, we further explored opportunites for international expansion. The global home automation market is forecasted to grow at a Compounded Annual Growth Rate of 20.1% to reach US$153 billion by 2023, with China and the U.S forecasted to account for a US$11b and $US27b respectively.

We have made a significant reductions to the operating costs of the company, and will continue to do so for the financial year ahead, as we further streamline operations, as we move into the commercialisation and revenue generation phase.

As the 2019 Financial Year has focused on the strategic growth of Quantify's devices, for the year ahead, our strategy involves increasing market share, growing sales within Australia through our existing distribution agreements with the support of targeted marketing, entering into international markets to expand our global footprint, and continuing research and development to ensure that we remain at the forefront, as a global leader in the innovative home automation market.

The next 12 months is set to be an exciting period for Quantify and I thank shareholders for their ongoing support and patience as we look forward to a successful 2020 Financial Year.

Peter Rossdeutscher
Chairman

CHIEF EXECUTIVE OFFICER'S REPORT

Dear Shareholders,

The 2019 Financial Year has been an important period for the Company, as we have steadily progressed towards the commercialisation of our simple-to-install, affordable Internet of Things devices. During the year, Quantify restructured its board to reflect this shift from technology development to strategic growth and sales, as we entered the next phase of growth.

We entered into manufacturing and distribution agreements, provided further proof of concept for the application of Quantify devices across multiple industries, received significant purchase orders and commenced the first large scale production run with CASwell Inc.

Quantify's hardware also recieved CB certification scheme with further patents being granted, well positioning us for international expansion in the new finanical year. Overall, we have very promising prospects moving into FY2020.

A key objective has been to appoint a suitable manufacturer. Following the execution of a Memorandum of Understanding in January 2019, Quantify appointed leading Taiwanese manufacturer Foxconn Technology subsidiary, CASwell Inc., to manufacture the Company's product suite for both the domestic and international markets.

Importantly, coinciding with the appointment of CASwell, Quantify commenced the first production run for its revolutionary devices, with stock due to arrive in Australia in October 2019, to fill existing purchase orders, which at 30 June 2019 exceeded $1.236m.

Another key objective for the financial year was to further increase and secure distribution within the Australian market. In May 2019, Quantify entered into an exclusive distributor agreement with Harvey Norman Commercial Division (HNCD), for the sale of our unique products on the east coast of Australia, which was accompanied with a $500,000 stocking order for the first 6 month period.

Our home automation devices were installed in the HNCD display suite in Rosebery during July 2018, and since, their dedicated sales team has been actively demonstrating, selling and promoting Quantify's devices to developers, architects, builders and electricians. We have received strong initial feedback, which is reflected in HNCD's order and our partnership with HNCD strongly positions Quantify for the 2020 Financial Year, in further growing sales and market share within the domestic market.

Establishing a strong and reliable supply chain, coupled with the appointment of a major distributor to actively sell our products, are two critical steps in Quantify's commercialisation strategy for revenue generation. To further expand potential revenue streams, during the year, Quantify further demonstrated its proof of concept across multiple industries and applications, with the installation of our devices in the St John of God Accord home in Melbourne for people with intellectual disabilities, as well as two luxury homes in Southern Sydney, providing further validation that Quantify's devices have a broad appeal and provide benefits across multiple industries.

We also entered into agreements with Powerhouse Automation and Limitless Automation for the distribution of our products in West Australia, thereby covering the majority of the domesitc market.

During the year, to support further research and innovation, the Quantify team in Perth has been working closely with our manufacturer CASwell,.

Although we are now strongly positioned for strategic growth, the year hasn't been without challenges. As we've advanced towards revenue generation, we've worked to ensure that the Company is adequately capitalised, for not only the commercialisation process, but for continued innovation.

In June 2019, we announced a capital raise of $2.5 million to continue to fund the company through commercialisation and ongoing technology development. As part of the capital raise, we announced an entitlement issue to existing shareholders on the basis of one new share for every four shares held at the record date, at a price of $0.005. Both Quantify Chairman, Peter Rossdeutscher, and I, have committed $100,000 to the capital raise and I would like to thank those shareholders who participated.

With Quantify's devices having received CB certification, coupled with global patent applications, we now look internationally as we seek further growth opportunities.

Our plans to enter the high growth international markets commenced by gaining initial feedback from Chinese buyers and distributors at the Computex trade show in Taiwan, and although announced outside of the Financial Year, Quantify's successful acceptance into the Austrade Launch Pad program, to accelerate market entry into the North American market.

FINANCIAL RESULTS

- Quantify Technology reported a net loss after tax of $5,206,756 for the year ended FY2019 (FY2018: $6,790,579).
- FY2019 loss before interest, tax, depreciation and amortisation (EBITDA) was $4,808,652 (FY2018: $6,565,181).
- As at 30 June 2019, the Group had $795,190 cash on hand (FY2018: $450,711). Subsequent to the year-end, the company was due to receive R&D rebates totalling $1,742,692 (FY2018: $1,707,531).

EBITDA is a non-IFRS measure. The information is unaudited but is extracted from the audited financial statements. EBITDA is used by management to understand cash flows within the group.

OUTLOOK AND MY FINAL WORDS AS CEO

Going forward, our main priority and objective is to deliver shareholder value through the commercialisation of Quantify's technology both within the Australian and international markets. Overall the company has positive prospects moving into the new financial year with key partnerships across both manufacturing and distribution, coupled with proof of concept across multiple industries, and international market entry, providing the critical components required to make Quantify a commercial success.

On behalf of the board of Quantify Technology Holdings Limited, I would like to thank the shareholders for their support to date as we continue this journey together to ensure that Quantify advances as established global leader in the home automation market.

Brett Savill
Chief Executive Officer

30 August 2019

REVIEW OF OPERATIONS

HARVEY NORMAN COMMERCIAL DIVISION

On 13 May 2019, Quantify Technology announced that it had signed an agreement with Harvey Norman Commercial Division ("HNCD"), which saw the commercial franchise become the Company's exclusive distributor for the Australian eastern states, including New South Wales, Victoria, Queensland, The Australian Capital Territory and Tasmania.

Under the Agreement, HNCD has placed a $500K stocking order for the first six months of the 2020 financial year, which brought Quantify Technology's purchase orders to a total of $1.236m.

This agreement follows the Company's announcement on 18 July 2018, whereby Quantify Technology's engineers successfully installed the Company's Q-Device product and Alexa integration in the Harvey Norman Commercial Display suite, in the prestigious Burcham apartments located in Rosebery, Sydney.

HNCD has a team of over 400 staff and is the single largest Harvey Norman franchise, providing an extensive selection of brand-name products to builders, developers, architects and designers. HNCD's customers are increasingly seeking to include Internet of Things (IoT) technology and smart devices into their developments, as demand increases for higher energy efficiency, convenience and security.

APPOINTMENT OF CASWELL INC. AS GLOBAL MANUFACTURER

On 2 May 2019, Quantify announced that it had appointed leading Taiwanese manufacturer CASwell Inc. ("CASwell"), to manufacture the Company's products for the domestic and international markets. Upon the appointment of CASwell, the Company also commenced its first large-scale production run, with products due to be delivered to Australia in October 2019.

The appointment follows the execution of a Memorandum of Understanding ("MOU") with CASwell in January 2019, whereby the parties would work together to develop processes for the volume manufacture of the Company's products.

CASwell is listed on the Taiwanese stock exchange and has offices in Taiwan, China, Japan and the United States. In December 2014, CASwell joined the Foxconn Technology Group, a company with a market cap of $20B, after being acquired by its subsidiary Ennoconn Corporation.

QUANTIFY TECHNOLOGY RECEIVES AND ACCEPTS MAJOR PURCHASE ORDER

On 27 September 2019, Quantify announced that it has received and accepted a purchase order from Copper Coast Investments Pty Ltd ("Copper Coast"), for $736,000 of its revolutionary Q Device product, to be installed at Copper Coast's multi-million dollar Wallaroo Shores tourist resort development in South Australia.

This purchase order followed an announcement on 31 July 2017, whereby Quantify agreed to provide its products to Copper Coast. Under the agreement, Quantify Technology's platform will also be actively promoted and encouraged to developers.

The 100 Resort townhouses and Function Centre are part of the estimated $220 million development by Copper Coast at its Wallaroo Shores site. With a total of 650 residential, retirement and commercial components, this purchase order represents a significant opportunity for Quantify, creating the potential for the sale of an additional 13,500 units with an estimated $2 million of revenue over the life of the development.

OPENING OF ST JOHN OF GOD ACCORD HOME IN VICTORIA

Following an announcement by the Company in June 2018, at the end of the 2019 Financial year, Quantify announced that its collaboration with leading disability support provider, St John of God Accord, has come to fruition with a new technology-enabled home for people with an intellectual disability having opened in Brighton East, Victoria.

Quantify's IoT solution was installed into the home built by St John of God Accord. To match the needs and goals of residents, Quantify designed a tailored solution based on the Company's existing intelligent building technology, with the devices allowing carers to focus on delivering better care outcomes, and residents to live safer, more independent lives. The devices will enable residents to trigger customised living experiences such as morning and night-time scenes, using buttons with easily understood sun and moon symbols.

LIMITLESS AUTOMATION SIGN ON AS DISTRIBUTOR FOR WESTERN AUSTRALIA

In May 2019, Quantify entered into an agreement with Limitless Automation ("Limitless") for the distribution of the Company's products in Western Australia. Founded in 2016, Limitless is a home and commercial automation business operating from Claremont, WA. Overseen by a highly experienced pair of directors, Limitless design and deliver home automation solutions and assert a strong sales pipeline across the retrofit, new build and renovation markets, with a focus on homes and town houses in Perth.

PARTNERSHIP SIGNED WITH POWERHOUSE HOME AUTOMATION GROUP

During the Financial Year, Quantify entered into an agreement with Powerhouse Home Automation Group ("Powerhouse") to engage in joint promotion in media communication and network introductions. Powerhouse targets cutting edge technology in home automation, lifestyle, health care and IoT products in the Perth market and has secured reseller agreements with products and solutions complementary to Quantify.

Its associated company, Formia Group, undertakes large scale projects in the commercial development and resources sector in Western Australia, and Powerhouse has established a display showcase at Subiaco Home Base, which has high traffic from Electrical Contractors, Electrical Consultants, Developers, Architects, and retail customers.

Home Base boasts that it is the largest building, renovating, decorating and landscaping centre in Australia with three levels of permanent displays. Home Base has exposure to a 26,000 registered clients' database and features in the Home Magazine twice annually.

Quantify Signs Heads of Agreement for Sustainable Display Home

In December 2018, Quantify Technology entered into a Heads of Agreement ("HOA") with Perth based Mirreco Holdings Pty Ltd ("Mirreco"), whereby Quantify's products will be showcased in a display home in Perth, Western Australia. Mirreco is a Perth-based company, that creates fully sustainable building solutions from hemp, using proprietary polymer technologies which are capable of storing huge volumes of carbon.

Mirreco plans to construct the display home from carbon storing hemp, alongside other complementary organisations, including Quantify Technology. In conjunction with Landcorp, Mirreco will construct a display home at the Knutsford Project in Fremantle, which is expected to have at least 1,000 homes and will showcase the latest developments in sustainable materials and advanced technologies.

The display home will incorporate Quantify Technology's home automation products, which work to create intelligent solutions in homes, workplaces and communities. With Quantify's devices in place, users can control the functions of their home, such as lighting and power, using voice or touch.

QUANTIFY TECHNOLOGY HARDWARE PASSES GLOBAL CERTIFICATION TESTS

As announced on 20 December 2018, the Quantity Technology hardware passed a global safety certification test, which is a critical step towards international market entry. Based the Quantify Technology hardware successfully passing this test, the Company also applied for, and received, acceptance of the product under the global CB certification scheme.

FURTHER PATENTS

In January 2019, Quantify Technology announced that it had been steadily progressing the Application of Patents for the Company's modular hardware. The Applications are being progressed for local regional acceptance after being granted Global Approval under the Patent Co-Operation Treaty ("PCT"). Although the PCT provides Quantify Technology with the ability to finalise Patents in over 150 countries, the Company chose to focus on 65 countries which it sees as key markets for Company's products.

The Company announced on 11 February 2019, that its modular wall-mounted device had received Final Patent Approval in additional countries including Australia, China, Indonesia, Morocco, the Republic of Korea, Singapore, South Africa, Japan and Israel. Patents are currently pending in 54 other countries / regions including the EU and USA.

QUANTIFY TECHNOLOGY SHOWCASED AT TAIWAN COMPUTEX

In May 2019, the Company announced that leading Taiwanese manufacturer, CASwell, through its associate company, Advanio, showcased Quantify's products at the Computex Trade Show, held from 28 May to 1 June 2019 in Taipei, Taiwan. Established in 1981, Computex is the one of the largest global IoT and information and communications technology trade shows. The five-day exhibition bought together Taiwanese, Chinese and other international organisations to showcase integrated technologies, along with the latest products that will open new business opportunities and create new heights for the industry.

QUANTIFY TECHNOLOGY ENTERS MOU WITH CURTAIN UNIVERSITY

In March 2019, Quantify Technology entered into a Heads of Agreement with Curtain University of Technology to install the Quantify Technology products in a trial building in Fremantle, Western Australia. The HOA will see Quantify Technology work alongside West Australian companies, Fleetwood Australia and Landcorp, who employ sustainable building construction techniques to increase building efficiency and reduce material consumption and waste.

The 'Legacy Living Lab (L3)' will be constructed in East Village Knutsford located in Fremantle, Western Australia and will showcase the sustainable building products and feature home automation products developed by Quantify Technology. The space will act as an interactive research, prototyping and test facility and will be used to collaborate and engage directly with the building, to explore performance and data, while as a case study for a PhD fellowship with the Company.

PARTNERSHIP SIGNED WITTH CAMBRIDGE ELECTRICAL SERVICES

During the 2019 Financial Year, Quantify Technology entered into an agreement with Cambridge Electrical Services ("CES"), an electrical contractor known for their work in major residential and commercial buildings in and around Sydney. CES is based in NSW, and specialises in building automation products and services.

Quantify Technology previously worked with CES on the Lindfield Apartments project and was impressed by the expertise and commitment CES brought to the table. Collaborating on projects from beginning to end, ensuring efficient, effective implementation of automation and energy management solutions, CES holds extensive contacts throughout the building sector. Under the agreement, Quantify and CES will work together to market and promote their respective interests in their social media, communications, and industry news

CORPORATE UPDATES

QUANTIFY TECHNOLOGY RESTRUCTURES BOARD OF DIRECTORS

On 27 September 2018, Quantify Technology restructured its Board of Directors to contribute significant value to the Company, as it moves from technology development to commercialisation and sales.

As part of the board restructure, the Company appointed Peter Rossdeutscher as Chairman. Mr Rossdeutscher has more than twenty years' experience leading global technology companies in the resources industry. He has held previous roles as Managing Director of Gateway Asia and was responsible for building the business in the Asia region from inception, to a $320M division of this US $8 billion, Fortune 500 company. He also held the role as Managing Director of Targus's Asia Pacific branch and led an international team of 200+ staff across all functions, which transformed the business and realised revenue growth from SGD$75M to SGD$160M over a 5-year period.

Brett Savill was appointed as CEO of Quantify Technology. Mr Savill has a 25-year track record in technology, media and telecoms and is a leader focussed on growth and transformation. He has also worked on or advised more than 30 M&A transactions. A former partner of Price Waterhouse Coopers (UK) for 8 years, Mr Savill has also served as CEO of Free TV; the industry body representing Australia's commercial free-to-air television broadcasters. Prior to this, he held the position of Director of Strategy and Corporate Development & Head of Government Relations for Bai Communications, before being appointed as CFO of the organisation.

Under the board restructure, Mark Lapins resigned as CEO of Quantify Technology and has continued on as a Non-Executive Director. As the Founder of Quantify Technology, Mark led the Company as CEO since 2013. With strong technical experience and having served as Managing Director of both Sierra Systems and Vieo Systems, Mark will continue to provide technical advice regarding technology, commercialisation and integrations. Quantify Technology thanks Mr Lapins for his years of service as CEO and work in progressing the technology to date.

Gary Castledine was appointed as a Non-Executive Director of Quantify Technology. Mr Castledine has a highly successful career in capital markets, which spans more than 25 years. With strong expertise in stockbroking, corporate advisory and investment banking, he is a Founding Director of Perth based Westar Capital, a corporate finance specialist with strong high net worth and institutional contacts. Under this role, Mr Castledine has participated in a range of capital raisings and Initial Public Offerings ("IPO") across a broad spectrum of industries. He thrives on working with young companies and helping them transition into successful, high-value organisations.

As part of the board restructure, Lee Christensen and Alex Paior resigned from the Quantify Technology Board of Directors. Appointed on 28 of May 2018, Lee Christensen held the role of Interim Chairman, prior to the appointment of Peter Rossdeutscher as announced during the quarter. Whilst Alex Paior served the Company as a Non-Executive Director since 2016. The Company thanks both Lee Christensen and Alex Paior for their services to Quantify Technology.

REDUCTION IN OVERHEADS

During FY2019, Quantify reduced its operating costs by $1.14m per annum and continues to pursue further cost reductions.

$2.5 MILLION CAPITAL RAISING

On 25 June 2019, Quantify announced that it will be undertaking a capital raising of approximately $2.5m through its appointed Joint Lead Managers, Pinnacle Corporate Finance Pty Ltd and RM Corporate Finance Pty Ltd, via a placement and an entitlement issue ("Capital Raising"). The Company received firm commitments for a placement ("Placement") of approximately 200m new fully paid ordinary shares ("Shares") to sophisticated and professional investors pursuant to section 708 of the Corporations Act 2001 (Cth), under its existing ASX Listing Rule 7.1 (106,000,000 Shares) and 7.1A (94,000,000 Shares) capacities, at an issue price of $0.005 per Share to raise gross proceeds of approximately

$1.0m. The Placement settled on 3 July 2019, and Quantify CEO, Brett Savill, and Chairman, Peter Rossdeutscher, both committed to subscribe for $100,000 each in the Placement (subject to shareholder approval).

ABOUT QUANTIFY TECHNOLOGY

Quantify Technology is a first mover in the Internet of Things ("IoT") market and primarily develops hardware and software devices that enable the monitoring and management of the next generation of internet-enabled devices (such as lighting, power, heating and cooling systems) installed in buildings.

The Company's patented flagship product, the Q Device, provides real-time evaluation of environmental and risk factors for building occupants, as well as proactively managing services and utilities to ensure the highest levels of efficiency are achieved – for example, maximum energy efficiency – to create truly intelligent buildings.

Quantify's products are designed to be retrofittable, cost effective, simple, scalable, extensible, autonomous and secure, and aim to allow IoT solutions to become part of the fabric of buildings - redefining the industry standard with a view to making Quantify Technology's solution the platform of choice.

DIRECTORS' REPORT

The Board of Directors of Quantify Technology Limited submit their report for the year ended 30 June 2019.

DIRECTORS

The names of the Company's Directors who held office during or since the end of the financial year and until the date of this report are detailed below. Directors were in office for the entire financial year unless otherwise stated.

Peter Rossdeutscher – Non-Executive Director – appointed 9 October 2018

Peter Rossdeutscher (FAICD, MBA, BSc) is a Director with extensive leadership and strategic advisory experience. A Fellow of the Australian Institute of Company Directors since 2008, Peter has been a Non-Executive and Chair of various boards. He is a regular key speaker on innovation, digital transformation and the core drivers to grow and protect stakeholder value.

A former enterprise Managing Director leading multinational companies in 12 countries delivering annual incomes >$500 Million. He has considerable depth in strategic planning, value creation, increasing brand and client experiences.

Peter's companies haves provided agile innovation strategy advisory and initiatives to organisations such as Bankwest, CBH Group, METS Ignited, UWA, IBM, Murdoch University, CISCO, Woodside, Donhad Engineering, FESA, Curtin University and the Chamber of Commerce and Industry.

Gary Castledine - Non-Executive Director – appointed 9 October 2018

Gary Castledine's stellar career in capital markets spans more than 25 years. He has expertise in stockbroking, corporate advisory and investment banking. He and his fellow Westar Capital directors are high net worth and institutional specialists.

Gary has participated in a range of capital raisings and IPOs across a broad spectrum of industries.

His expertise lies in his ability to organise the capital and corporate structuring of each transaction to facilitate the investment banking to take a project to market.

Gary's finance career started in 1993. After a decade spent developing his skills as a stockbroker, he moved into a corporate advisory role, where he became involved in investment banking.

Before establishing Westar Capital, Gary was founder, Chairman and MD of Indian Ocean Capital, a successful, specialist boutique securities dealer and corporate advisory firm.

Brett Savill – Chief Executive Officer (CEO) – 1 October 2018

Brett Savill (BA (Hons) 2i, MBA, FAICD) has a track record in business development, growth and acquisition strategy. Brett has held senior operational roles in Australia as well as being a former PricewaterhouseCoopers Partner in the UK, focused on technology, media and telecoms. He brings twenty-five-years' experience across strategy, innovation, regulation, business development, start-up growth, and innovation to the Company. He has worked, or advised, on more than 30 M&A transactions and is an experienced Non-Executive Director.

Mark Lapins – Non-Executive Director – appointed 26 September 2018 (previously Executive Director)

Mark is a leading innovator in the field of IP Communications Technology and Solutions.

He has extensive business acumen and experience in the sector, having spent almost twenty years providing solutions as well as successfully building up and selling two communications technology companies, one of which was acquired by global company Schneider Electric in 2008.

A rare blend of entrepreneurship, business and engineering skills has allowed him to create and deliver a company that will engineer change on a global scale.

COMPANY SECRETARY

Neville Bassett – Company Secretary

Mr Bassett (AM, FCA, BBus) is a Chartered Accountant, specialising in the area of corporate, financial and management advisory services. Mr Bassett has been involved with numerous public company listings, capital raisings and mergers and acquisitions. Mr Bassett has experience in matters pertaining to the Corporations Act, ASX listing requirements, corporate taxation and finance. He is a director or company secretary of a number of public and private companies.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the year were research and development within the Internet of Things ("IoT") market, and the assessment of new investment opportunities and product commercialisation.

OPERATING RESULTS FOR THE YEAR

The net loss after tax of the consolidated entity for the financial year was $5,206,756 after income tax (FY2018: net loss after tax of $6,790,579).

REVIEW OF OPERATIONS

A review of the operations of the consolidated entity is outlined in the Review of Operations on page 7.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Details of the significant changes to the structure and operations is outlined in the Review of Operations on page 7.

DIVIDENDS

No dividends have been paid or declared since the start of the financial year and the Directors do not recommend the payment of a dividend in respect of the financial year.

SIGNIFICANT EVENTS AFTER BALANCE DATE

On 3 July 2019, the Group completed the first tranche of the capital raising, successfully raising $1,000,000 before transaction costs.

The second tranche of the capital raising commenced during July 2019, and was successfully completed on 14 August 2019, raising a further $1,426,238 before transaction costs.

Aside from the above, there has not been any other matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

A general discussion of the Group's outlook is included in the Chairman's Report on page 4 and the Review of Operations on page 7.

DIRECTORS' INTERESTS IN THE SHARES, OPTIONS AND PERFORMANCE RIGHTS OF THE COMPANY AND RELATED BODIES CORPORATE

At the date of this report, share, options, convertible notes and performance rights granted to Directors of the Company and the entities it controlled are:

	Number				
Director	Ordinary Shares	Options	Performance Rights	Founder Performance Shares	Performance Shares
Peter Rossdeutscher	-	-	-	-	20,000,000
Brett Savill	215,909	-	-	-	40,000,000
Mark Lapins	142,079,001	5,119,000	2,083,333	-	40,350,751
Gary Castledine	1,935,743	-	-	-	20,000,000

REMUNERATION REPORT

The Remuneration Report, which forms part of the Directors' report, outlines the remuneration arrangements in place for the Key Management Personnel of the Group for the financial year ended 30 June 2019 and is included on page 17.

SHARE OPTIONS, PERFORMANCE SHARES AND PERFORMANCE RIGHTS

There were 114,015,591 unissued ordinary shares under option, 16,755,147 employee share rights, 170,000,000 performance shares and 22,166,666 performance rights at the date of this report. Refer to Note 24 for further details of the options, performance shares and performance rights outstanding. No securities were exercised during the year.

DIRECTORS' MEETINGS

The number of meetings of Directors held during the year and the number of meetings attended by each Director was as follows:

	Board of Directors
Number of meetings held	10
Number of meetings attended:	
Peter Rossdeutscher[1]	7
Brett Savill[2]	10
Mark Lapins[3]	9
Gary Castledine[4]	7
Lee Christensen[5]	3
Alex Paior[6]	3

1. Mr Peter Rossdeutscher was appointed to the Board of Directors and Chairman on 9 October 2018.
2. Mr Brett Savill was appointed CEO on 1 October 2018.
3. Mr Mark Lapins resigned as CEO on 28 September 2018.
4. Mr Gary Castledine was appointed to the Board of Directors on 9 October 2018.
5. Mr Lee Christensen resigned as Director on 1 October 2018.
6. Mr Alex Paior resigned as Director on 1 October 2018.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group is not subject to any significant environmental legislation.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has agreed to indemnify all the Directors of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as Directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

During the financial year the Company paid a premium in respect of a contract insuring the Directors and officers of the Company and its controlled entities against any liability incurred in the course of their duties to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

NON-AUDIT SERVICES

During the year, the auditor of the parent entity did not provide any non-audit services.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the Directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 35 and forms part of this Directors' report for the year ended 30 June 2019.

COMMITTEE MEMBERSHIP

The Company's Board of Directors performs all required functions of an Audit & Risk Committee and a Nomination & Remuneration Committee.

Members acting on the Board during the year were:

Board of Directors

Brett Savill
Peter Rossdeutscher[1]
Mark Lapins
Gary Castledine

[1] Designates the Chairman of the Board

Signed in accordance with a resolution of the Directors.

Brett Savill
On behalf of the Board.
30 August 2019

REMUNERATION REPORT (AUDITED)

The Remuneration Report details the remuneration arrangements for Key Management Personnel who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Group.

The Remuneration Report is presented under the following sections:

This report, which forms part of the Directors' Report, outlines the remuneration arrangements in place for the Key Management Personnel of Quantify Technology for the year ended 30 June 2019.

The information provided in this Remuneration Report has been audited as required by Section 308(3C) of the Corporations Act 2001.

REMUNERATION REPORT (AUDITED)

1. PERSONS COVERED BY THIS REPORT

This report covers all Key Management Personnel (KMP) as defined in the Accounting Standards, including all Directors, as well as those Executives who have specific responsibility for planning, directing, and controlling material activities of the Group.

The KMP for the year ended 30 June 2019 were:

EXECUTIVE DIRECTORS

Mr Brett Savill	Chief Executive Officer - appointed 1 October 2018

The following persons ceased to be an executive director during FY2019:

Mr Mark Lapins	Chief Executive Officer - resigned as CEO on 26 September 2018

KEY MANAGEMENT PERSONNEL

Mr David Porter	Chief Technology Officer - appointed 1 March 2017
Mr Fletcher Joyce	Interim CEO & Engineering Manager - appointed interim CEO on 27 July 2018 until 1 October 2018.

The following persons ceased to be key management personnel during FY2019:

Mr Timothy Leahy	Chief Development Officer and Chief Financial Officer - resigned 12 October 2018

NON-EXECUTIVE DIRECTORS

Mr Peter Rossdeutscher	Non-Executive Director - appointed 9 October 2018
Mr Gary Castledine	Non-Executive Director - appointed 9 October 2018
Mr Mark Lapins	Non-Executive Director - appointed 26 September 2018

The following persons ceased to be a non-executive director during FY2019:

Mr Alex Paior	Non-Executive Director - resigned 1 October 2018
Mr Lee Christensen	Non-Executive Director - resigned 27 September 2018

2. REMUNERATION GOVERNANCE FRAMEWORK AND STRATEGY

I. Remuneration Philosophy

The performance of the Company depends upon the quality of its Key Management Personnel. The philosophy of the Company in determining remuneration levels is to:

- set competitive remuneration packages to attract and retain high caliber employees;
- link executive rewards to shareholder value creation; and
- establish appropriate, demanding performance hurdles for variable executive remuneration.

II. Securities Trading Policy

The Securities Trading Policy of Quantify Technology is available on the Quantify Technology website. The Policy contains the standard references to insider trading restrictions that are a legal requirement under the Corporations Act, as well as conditions associated with good corporate governance. The Policy specifies "Closed Periods" during which Directors and related parties, KMP, Senior Executives, and any employee in possession of inside information must not trade in the securities of the Company, unless written permission is provided by the Board following an assessment of the circumstances.
All equity based remuneration awards which have vested are subject to the Group's Share Trading Policy.

III. Remuneration Committee

The Board of Directors is responsible for determining and reviewing compensation arrangements for the Key Management Personnel.
The Board of Directors assesses the appropriateness of the nature and amount of remuneration of Key Management Personnel on a periodic basis by reference to relevant employment market conditions with an overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

3. EXECUTIVE KMP REMUNERATION POLICY

I. Structure

Remuneration consists of fixed remuneration and variable remuneration (comprising long-term incentive schemes).

II. Fixed remuneration

Fixed remuneration is reviewed annually by the Board of Directors. The process consists of a review of relevant comparative remuneration in both the market and internally and, where appropriate, external advice on policies and practices.
Executive Directors and other key management are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Group. The fixed remuneration component for the years ended 30 June 2019 and 30 June 2018 is detailed in the Remuneration of KMP tables on page 24.

III. Long Term Incentive (LTI)

The Group also makes long-term incentive payments to reward Executive Directors and Other Key Management in a manner that aligns this element of remuneration with the creation of shareholder wealth.

i. Purpose

The purpose of LTI is to incentivise Senior Executives to deliver Group performance that will lead to sustainable superior returns for shareholders and to modulate the cost of employing Senior Executives.

ii. Form of incentive

The LTI should be based on Employee Options that vest based on service period, and Performance Shares that vest based on performance hurdles. No dividends are payable or accrued on Employee Options and Performance Shares which are unvested and unexercised.

iii. Measurement period

LTI Employee Options will typically have five measurement periods. 50% vests over the first 12 months, and the final 50% across the second year, pro-rata each quarter.

Performance Shares have a measurement period reflecting a period which is appropriate to each performance hurdle.

iv. Vesting of Employee Options

The Employee Options for each employee vest at the end of the measurement period, subject to meeting the service period hurdles, unless the Board exercises its discretion to extend the original measurement period.

Participants are not required to make any payments in respect of Employee Options at grant. Participants will require the payment on the option's strike price.

v. Vesting of Performance Shares

Performance Shares for each employee vest upon completion of each performance hurdle, unless the Board exercises its discretion to extend the original measurement period.

Participants are not required to make any payments in respect of the receipt, holding or exercising of Performance Shares.

vi. Holding period

Unless the Board exercises its discretion, Employee Options and Performance Shares are forfeit if a participant ceases employment during the service period.

IV. Use of remuneration consultants

No consultants were used in FY2019.

V. Details of contractual provisions for KMP

Name	Employing company	Contract Duration	Notice Period
Brett Savill	Quantify Technology Holdings Ltd	3 Years	6 months
David Porter	Quantify Technology Ltd	Unlimited	1 month
Fletcher Joyce	Quantify Technology Ltd	Unlimited	1 month

1. Termination provisions for Executives on contracts – Quantify Technology may at its sole discretion dispose with the written notice period and choose to terminate the contract immediately by making:

- a payment to the Executive equal to the salary payable for the relevant period of notice; and
- a payment to the Executive of an amount equivalent to the salary they would have been paid from the end of the 6 month notice period until the end of the contract term, subject to the amount being reduced to the extent necessary to ensure that, when combined with any other payment made on termination of this Agreement, the Executive is not entitled to more than the maximum amount permitted by the Corporations Act and the Listing Rules.

4. NON-EXECUTIVE DIRECTOR REMUNERATION

I. Application

The Non-Executive Director Remuneration Policy applies to Non-Executive Directors (NED) of the Company in their capacity as directors and as members of committees.

II. Remuneration structure

Remuneration is composed of Board fees.

III. Fees

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain Non-Executive Directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

i. Fee cap

The ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting. The latest determination was at the Annual General Meeting held on 22 December 2016 when shareholders adopted the WHL Limited constitution (the former name of the legal parent), which limited the aggregate remuneration to $350,000 per year, excluding share-based payments.

ii. Non-Executive Director fees

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst the Non-Executive Directors is reviewed annually. As at 30 June 2019, the Group had three Non-Executive Directors.

The Board of Directors considers advice from external shareholders as well as the fees paid to Non-Executive Directors of comparable companies when undertaking the annual review process.

Each Non-Executive Director receives a fee for being a Director of the Company.

iii. Committee fees

The Group does not remunerate Directors for their additional audit & risk and nomination & remuneration responsibilities.

IV. Long Term Incentive (LTI)

The Group also makes long-term incentive payments to reward Non-Executive Directors in a manner that aligns this element of remuneration with the creation of shareholder wealth.

i. Purpose

The purpose of LTI is to incentivise Non-Executive Directors to deliver Group performance that will lead to sustainable superior returns for shareholders and to modulate the cost of employing Senior Executives.

ii. Form of incentive

The LTI should be based on Performance Shares that vest based on performance hurdles. No dividends are payable or accrued on Performance Shares which are unvested and unexercised.

iii. **Measurement period**

Performance Shares have a measurement period reflecting a period which is appropriate to each performance hurdle.

iv. **Vesting of Performance Shares**

Performance Shares for each Non-Executive Director vest upon completion of each performance hurdle, unless the Board exercises its discretion to extend the original measurement period.

Participants are not required to make any payments in respect of the receipt, holding or exercising of Performance Shares.

v. **Holding period**

Unless the Board exercises its discretion, Performance Shares are forfeit if a participant ceases employment during the service period.

V. **No termination benefits**

Termination benefits are not paid to NED by the Company.

5. REMUNERATION OF KMP

	Short-Term Benefits			Post Employment Benefits	Long Term Benefits		Share Based Payments Expense				
	Salary & Fees	FY2019 Cash Bonus	Other Monetary Benefits	Super-annuation /	Leave Accrued	Termination Benefits	Options	Performance Shares & Rights	Total	Share Based Payments Expense %	Performance Related %
YEAR ENDED 30 JUNE 2019											
EXECUTIVE DIRECTORS											
Brett Savill[1]	$ 237,000	$ -	$ -	$ 21,375	$ 17,538	$ -	$ -	$ 112,641	$ 388,554	29.0	29.0
NON-EXECUTIVE DIRECTORS											
Peter Rossdeutscher[2]	$ 81,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 56,320	$ 137,320	41.0	41.0
Mark Lapins[3]	222,045	-	-	19,292	19,642	-	-	93,035	354,014	26.3	26.3
Gary Castledine[4]	54,000	-	-	-	-	-	-	56,320	110,320	51.1	51.1
Lee Christensen[5]	18,000	-	-	-	-	-	-	-	18,000	-	-
Alex Paior[6]	18,000	-	-	-	-	-	-	-	18,000	-	-
OTHER KEY MANAGEMENT PERSONNEL											
David Porter	$ 190,000	$ -	$ -	$ 18,050	$ 14,810	$ -	$ -	$ 1,877	$ 224,737	0.8	0.8
Fletcher Joyce[7]	158,231	-	-	15,032	12,861	-	-	22,877	209,001	10.9	10.9
Timothy Leahy[8]	151,556	-	-	14,069	3,022	-	-	-	168,647	-	-
	$ 1,129,832	$ -	$ -	$ 87,818	$ 67,873	$ -	$ -	$ 343,070	$ 1,628,593		

1. Mr Brett Savill was appointed CEO on 1 October 2018.
2. Mr Peter Rossdeutscher was appointed to the Board of Directors and Chairman on 9 October 2018.
3. Mr Mark Lapins resigned as CEO on 28 September 2018.
4. Mr Gary Castledine was appointed to the Board of Directors on 9 October 2018.
5. Mr Lee Christensen resigned as Director on 1 October 2018.
6. Mr Alex Paior resigned as Director on 1 October 2018.
7. Mr Fletcher Joyce was appointed interim CEO on 27 July 2018 until 1 October 2018.
8. Mr Tim Leahy resigned as Corporate Development Officer and Chief Financial Officer on 12 October 2018.

	Short-Term Benefits			Post Employment Benefits	Long Term Benefits		Share Based Payments Expense				
	Salary & Fees	FY2018 Cash Bonus	Other Monetary Benefits	Super-annuation /	Leave Accrued	Termination Benefits	Options	Performance Shares & Rights	Total	Share Based Payments Expense %	Performance Related %
YEAR ENDED 30 JUNE 2018											
EXECUTIVE DIRECTORS											
Aidan Montague[1]	$ 246,327	$ -	$ -	$ -	$ -	$ 130,000	$ -	$ 124,280	$ 500,607	24.8	24.8
Mark Lapins	343,769	-	347	32,263	25,407	-	-	124,280	526,066	23.6	23.6
NON-EXECUTIVE DIRECTORS											
Alex Paior	$ 48,000	$ -	$ -	$ -	$ -	$ -	$ 45,422	$ -	$ 93,422	48.6	-
Lee Christensen[2]	6,000		-	-	-	-	-	-	6,000	-	-
Brett Savill[3]	6,000		-	-	-	-	-	-	6,000	-	-
OTHER KEY MANAGEMENT PERSONNEL											
Timothy Leahy	$ 214,029	$ -	$ -	$ 20,096	$ 16,267	$ -	$ 44,667	$ 5,641	$ 300,700	16.7	1.9
David Porter	211,539	-	-	20,096	16,267	-	44,072	-	291,974	15.1	-
	$ 1,075,664	$ -	$ 347	$ 72,455	$ 57,941	$ 130,000	$ 134,161	$ 254,201	$ 1,724,769		

1. Mr Aidan Montague resigned as Chairman on 25 May 2018.
2. Mr Lee Christensen was appointed to the Board of Directors and interim Chairman on 25 May 2018.
3. Mr Brett Savill was appointed to the Board of Directors on 25 May 2018.

6. EQUITY INSTRUMENTS HELD BY KMP

I. Bid Options

i. Bid Options

Prior to the reverse takeover which occurred during FY2017, Quantify Technology had 25,978,228 ordinary options on issue to KMP, which were issued at $0.075 with an expiration date of 31 May 2017. As part of the merger, 26,596,510 WHL Bid options were issued in consideration for the Quantify ordinary options as held by the KMP.

The bid options were issued at a fair value of $0.035 each with an exercise price of $0.075 each on a post-consolidation basis.

ii. Measurement Periods

The bid options expire on 30 September 2019, and there is no vesting period.

iii. Vesting of Bid Options

No bid options were issued during FY2019.

The following bid options were held by KMP at 30 June 2019:

Name	Vesting date	No. vested during year	No. vested in prior year	No. exercised during year
Mark Lapins	3 Mar 2017	-	5,119,000	-

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II. Employee Options Grant – FY2017

i. Employee Options Grant

2,500,000 employee options were granted to KMP of Quantify in FY2016. As part of the reverse takeover which occurred during FY2017, the employee options were acquired and re-issued at a rate of 1.0238 WHL options for every Quantify option. As a result, the 2,500,000 initial tranche of employee options were acquired by the Company, and 2,559,493 employee options were re-issued to KMP.

These KMP were still employed by Quantify Technology at 30 June 2019, and all KMP options relating to this issuance had vested at 30 June 2019.

ii. Measurement Periods

There were four separate measurement periods for the employee options granted to KMP during the year, as follows:

- 3 March 2017 for 62.5% of the employee options
- 11 April 2017 for 12.5% of the employee options
- 11 July 2017 for 12.5% of the employee options
- 11 October 2017 for 12.5% of the employee options

Employee options issued to Mr David Porter vested in full at the grant date.

iii. Employee Option Performance Criteria

The employee options are subject to service-based criteria.

iv. Vesting of Options from the Employee Option Grant

The following options were provided at no cost, are exercisable at $0.075 per option, and expire on the earlier of their expiration date of 30 September 2019, or the termination of the KMP employment for any unvested option.

Name	Options granted	Grant date	FV per option at award date	FV of options at grant date
David Porter	511,900	3 Mar 2017	$ 0.035	$ 17,917

Name	Vesting date	No. vested during year	No. vested in prior years	No. exercised during year
David Porter	11 Oct 2017	-	511,900	-

III. Employee Options Grant – FY2018

i. Employee Options Grant

2,689,600 employee options were granted to KMP of Quantify in FY2018, under the Employee Option Plan.

These KMP were still employed by Quantify Technology at 30 June 2019, and all KMP options had vested at 30 June 2019.

ii. Measurement Periods

As the vesting conditions under the Plan Rules had been met by each KMP, the options issued to Mr David Porter vested in full at the grant date.

iii. Employee Option Performance Criteria

The employee options are subject to service-based criteria.

iv. Vesting of Options from the Employee Option Grant

The following options were provided at no cost, are exercisable at $0.075 per option, and expire on the earlier of their expiration date of 31 July 2020, or the termination of the KMP employment for any unvested option.

Name	Options granted	Grant date	FV per option at award date	FV of options at grant date
David Porter	1,344,800	12 Jan 2018	$ 0.033	$ 44,000
Fletcher Joyce	748,900	14 Sep 2018	$ 0.033	$ 24,503

Name	Vesting date	No. vested during year	No. vested in prior year	No. exercised during year
David Porter	12 Jan 2018	-	1,344,800	-
Fletcher Joyce	14 Sep 2018	93,612	655,288	-

IV. Performance Rights Grant

The Group issued 12,500,000 performance rights in total in two tranches to the former Chairman and the former CEO, under the Merger Implementation Agreement, as part of the prospectus for the reverse takeover during FY2017.

The performance rights held by KMP at 30 June 2019 were as follows:

	Performance Rights Granted		
	Tranche A	Tranche B	Total
Mark Lapins	4,166,667	2,083,333	6,250,000
Total	4,166,667	2,083,333	6,250,000

i. Performance Rights Valuation Assumptions

The performance rights are subject to the terms and conditions of the WHL performance rights plan, as outlined in Section 11 of the take-over prospectus.

The first tranche of the performance rights, Tranche A, will vest immediately upon the 20 day volume weighted average price (VWAP) increasing to $0.12 per share within 24 months of the 3 March 2017 (the Quotation Date).

The second tranche of the performance rights, Tranche B, will vest immediately upon the 20 day VWAP increasing to $0.24 per share within 36 months of the Quotation Date.

The performance valuation assumptions relating to the grant of performance rights to KMP are detailed below.

	Assumptions	
	Tranche A	Tranche B
HOADLEY BARRIER1 METHOD ASSUMPTIONS:		
Discount rate	1.81% p.a.	1.98% p.a.
Share price volatility	100% p.a.	100% p.a.
Grant date	3 March 2017	3 March 2017
Performance period (years)	2	3
FV OF RIGHTS AT GRANT DATE:		
Fair value per performance right	$0.046	$0.041
Share price at grant date	$0.060	$0.060

ii. Measurement Period

Tranche A had a 2 year measurement period, and Tranche B has a 3 year measurement period.

During the year ended 30 June 2019, Tranche A expired and consequently the respective performance rights were cancelled.

V. Performance Shares Grant

During the prior financial year, as part of the consideration for the acquisition of Quantify Technology Limited, WHL Limited issued four (4) tranches totalling 120,000,000 performance shares. Of these performance shares, 55,810,903 were issued to KMP of Quantify Technology that held office as at 30 June 2019.

i. Performance Shares criteria

The vesting conditions of the performance shares are as follows:

Tranche	No. granted	Grant date	Probability of vesting	Vesting conditions
A	30,000,000	3 Mar 2017	-	Accredited Australian testing of the AC Controller, and receiving $3 million in committed orders within 18 months of the grant date.
B	30,000,000	3 Mar 2017	< 50%	Accredited Australian testing of the wireless feature card, and receiving $5 million in committed orders within 30 months of the grant date.
C	30,000,000	3 Mar 2017	> 50%	$10 million in committed orders within 42 months of the grant date.
D	30,000,000	3 Mar 2017	> 50%	$15 million in committed orders within 54 months of the grant date.

ii. Performance Shares held by KMP

Performance shares (PS) held by KMP were as follows:

Name	No. granted	Probable to vest	FV per PS at award date	FV of PS at grant date
Mark Lapins	53,801,001	13,450,250	$ 0.060	$ 3,228,060
David Porter	733,650	183,413	0.060	44,019

VI. Director Performance Shares

During the financial year, the Company issued 80,000,000 performance shares to Brett Savill, Peter Rossdeutscher and Gary Castledine.

i. Performance Shares criteria

The vesting conditions of the performance shares are as follows:

- Tranche A: will vest immediately upon the Company securing a minimum of $3,900,000 in long-term funding prior to 31 December 2018.
- Tranche B: will vest immediately upon the Group generating $5,000,000 in accumulated revenue between 1 October 2018 and 30 September 2021.
- Tranche C: will vest immediately upon the Group achieving 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 a 20 consecutive trading day period during which the Group's shares have actually traded.

ii. Performance Rights valuation assumptions

The Director performance valuation assumptions relating to the grant of performance rights are detailed below:

	Assumptions		
	Tranche A	Tranche B	Tranche C
VALUATION ASSUMPTIONS:			
Discount rate	2.26% p.a.	2.26% p.a.	2.26% p.a.
Share price volatility	110% p.a.	110% p.a.	110% p.a.
Grant date	30-Nov-18	30-Nov-18	30-Nov-18
Performance period (years)	0.1	3.0	5
FV OF RIGHTS AT GRANT DATE:			
Fair value per performance right	$0.008	$0.008	$0.007
Share price at grant date	$0.008	$0.008	$0.008

iii. Measurement Period

Tranche A has a 1 month measurement period, Tranche B has a 3 year measurement period and Tranche C has a 5 year measurement period.

iv. Director Performance Shares held by KMP

Director Performance shares held by KMP were as follows:

	Tranche A	Tranche A	Tranche B	Total
Peter Rossdeutscher	5,000,000	5,000,000	10,000,000	20,000,000
Brett Savill	10,000,000	10,000,000	20,000,000	40,000,000
Gary Castledine	5,000,000	5,000,000	10,000,000	20,000,000
Total	20,000,000	20,000,000	40,000,000	80,000,000
Vested at FY2019	20,000,000	-	-	20,000,000
Unvested at FY2019	-	20,000,000	40,000,000	60,000,000

VII. Employee Performance Shares

During the financial year, the Company issued 18,000,000 performance shares to employees under the Performance Rights Plan.

i. Employee Performance Shares criteria

The vesting conditions of the performance shares are as follows:

- Tranche A: will vest immediately upon the Group generating $5,000,000 in accumulated revenue between 1 October 2018 and 30 September 2021.
- Tranche B: will vest immediately upon the Group achieving 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 a 20 consecutive trading day period during which the Group's shares have actually traded.

ii. Employee Performance Rights valuation assumptions

The Employee performance valuation assumptions relating to the grant of performance rights are detailed below:

	Assumptions	
	Tranche A	Tranche B
VALUATION ASSUMPTIONS:		
Discount rate	1.71% p.a.	1.71% p.a.
Share price volatility	110% p.a.	110% p.a.
Grant date	28-Feb-19	28-Feb-19
Performance period (years)	3.0	4.8
FV OF RIGHTS AT GRANT DATE:		
Fair value per performance right	$0.007	$0.005
Share price at grant date	$0.007	$0.007

iii. Measurement Period

Tranche A has a 3 year measurement period and Tranche B has a 5 year measurement period.

iv. Employee Performance Shares held by KMP

Employee Performance shares held by KMP were as follows:

	Tranche A	Tranche B	Total
David Porter	1,500,000	1,500,000	3,000,000
Fletcher Joyce	1,500,000	1,500,000	3,000,000
Total	3,000,000	3,000,000	6,000,000

VIII. Rights holdings

	Balance at 30 June 2018	Granted as Remuneration	Lapsed	Other movements [1]	Balance at 30 June 2019	Vested and Exercisable	Unvested
Directors							
Peter Rossdeutscher							
Performance Shares	-	20,000,000	-	-	20,000,000	-	20,000,000
Brett Savill							
Performance Shares	-	40,000,000	-	-	40,000,000	-	40,000,000
Mark Lapins							
Options	5,119,000	-	-	-	5,119,000	5,119,000	-
Performance Rights	6,250,000	-	(4,166,667)	-	2,083,333	-	2,083,333
Performance Shares	53,801,001	-	(13,450,250)	-	40,350,751	-	40,350,751
Gary Castledine							
Performance Shares	-	20,000,000	-	-	20,000,000	-	-
Lee Christensen							
Options	319,938	-	-	(319,938)	-	-	-
Performance Shares	305,688	-	-	(305,688)	-	-	-
Alex Paior							
Options	21,023,661	-	-	(21,023,661)	-	-	-
Executives							
David Porter							
Options	1,856,700	-	-	-	1,856,700	1,856,700	-
Performance Shares	733,650	3,000,000	(183,413)	-	3,550,237	-	3,550,237
Fletcher Joyce							
Options	937,909	-	-	-	937,909	937,909	-
Performance Shares	-	3,000,000	-	-	3,000,000	-	3,000,000
Timothy Leahy							
Options	3,392,293	-	-	(3,392,293)	-	-	-
Performance Shares	970,564	-	-	(970,564)	-	-	-

1. Denotes the rights held by Mr Lee Christensen and Mr Alex Paoir at the time of resignation on 1 October 2018, and the rights held by Mr Timothy Leahy at the time of his resignation on 12 October 2018.

IX. Shareholdings

	Balance at 30 June 2018	Granted as Remuneration	Acquired / (disposed)	Other movements [1]	Balance at 30 June 2019
Directors					
Peter Rossdeutscher	-	-	-	-	-
Brett Savill	125,000		90,909	-	215,909
Mark Lapins	142,079,001	-	-	-	142,079,001
Gary Castledine	1,935,743	-	-	-	1,935,743
Lee Christensen	636,813	-	-	(636,813)	-
Executives					
David Porter	1,528,350	-	-	-	1,528,350
Fletcher Joyce	-	3,000,000	500,000	-	3,500,000
Timothy Leahy	2,036,229	-	-	(2,036,229)	-

1. Denotes the shares held by Mr Lee Christensen at the time of his resignation on 1 October 2018, and the shares held by Mr Timothy Leahy at the time of his resignation on 12 October 2018.

7. OTHER RELATED MATTERS

I. Board composition

Following a review of the size, structure and composition of the Board, and with inputs from investors and other independent advisors, the Board of Directors has undertaken a restructure. On 9 October 2018 Mr Peter Rossdeutscher was appointed as Chairman, and Mr Gary Castledine was appointed to the Board of Directors on 9 October 2018. Mr Lee Christensen and Mr Alex Paior resigned as Directors on 1 October 2018.

II. Aggregate amounts in respect of loans made to KMP

There were no loans to Directors or other key management personnel at any time during the year ended 30 June 2019.

Other than compensation and transactions concerning shares and performance rights as discussed in other sections of the Remuneration Report, and as noted above, there were no other transaction involving key management personnel.

End of Remuneration Report

HLB MANN JUDD
ADVISORY AND ACCOUNTING

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Quantify Technology Holdings Ltd for the year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
30 August 2019

M R Ohm
Partner

FINANCIAL REPORT

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2019

	Notes	Consolidated 2019		Consolidated 2018	
Revenue					
Revenue	3	$	121,371	$	-
Cost of Sales			(93,294)		-
Gross profit		$	28,077	$	-
Income					
Grant income	4	$	1,570,895	$	1,403,341
Other income	4		156,379		44,804
Expenses					
Operating expenses	5	$	(6,846,209)	$	(8,192,108)
Financing costs	5		(115,898)		(46,616)
(Loss) before income tax		$	(5,206,756)	$	(6,790,579)
Income tax expense		$	-	$	-
(Loss) after tax		$	(5,206,756)	$	(6,790,579)
Other comprehensive income (OCI)					
Other comprehensive income		$	-	$	-
Other comprehensive income net of tax for the period		$	-	$	-
Total comprehensive loss for the year		$	(5,206,756)	$	(6,790,579)
Loss per share (cents per share)					
- basic loss per share	6		(0.01)		(0.01)
- diluted loss per share	6		(0.01)		(0.01)

The Consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	Notes	Consolidated 2019	Consolidated 2018
Assets			
Current Assets			
Cash and cash equivalents	8	$ 795,190	$ 450,711
Trade and other receivables	12	1,881,776	1,729,432
Prepayments		5,321	2,400
Total		$ 2,682,287	$ 2,182,543
Non - Current Assets			
Trade and other receivables	12	$ -	$ 50,738
Property, plant and equipment	17	165,473	238,744
Intangible assets	18	7,946,865	7,549,312
Total		$ 8,112,338	$ 7,838,794
Total Assets		$ 10,794,625	$ 10,021,337
Liabilities			
Current Liabilities			
Trade and other payables	13	$ (942,483)	$ (746,719)
Interest-bearing loans and borrowings	9	(1,057,919)	(350,603)
Provisions	14	(170,187)	(208,754)
Total		$ (2,170,589)	$ (1,306,076)
Non - Current Liabilities			
Interest-bearing loans and borrowings	9	$ -	$ (17,905)
Total		$ -	$ (17,905)
Total Liabilities		$ (2,170,589)	$ (1,323,981)
Net Assets		$ 8,624,036	$ 8,697,356
Equity			
Contributed equity	10	$ 31,696,873	$ 27,889,850
Unissued Share Capital	8	750,000	-
Reserves	11	2,622,371	2,429,291
Accumulated losses		(26,445,208)	(21,621,785)
Equity attributable to owners of the parent		$ 8,624,036	$ 8,697,356

The Consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2019

	Issued Capital	Unissued Capital	Consolidated Share-Based Payment Reserve	Accumulated Losses	Total
Balance at 1 July 2017	$ 22,970,330	$ -	$ 1,257,789	$ (14,831,206)	$ 9,396,913
Comprehensive Income					
(Loss) after income tax expense for the period	$ -	$ -	$ -	$ (6,790,579)	$ (6,790,579)
Total Comprehensive (loss) for the period	$ -	$ -	$ -	$ (6,790,579)	$ (6,790,579)
Other equity transactions					
Issue of shares - working capital	$ 5,000,000	$ -	$ -	$ -	$ 5,000,000
Transaction costs relating to issue of shares	(300,000)	-	-	-	(300,000)
Settlement of advisor costs	79,520	-	-	-	79,520
Issue of shares - employees	140,000	-	-	-	140,000
Share-based payment - Employee Option Plan	-	-	525,998	-	525,998
Share-based payment - employee share 1	-	-	40,695	-	40,695
Share-based payment - performance rights	-	-	248,559	-	248,559
Share based payment - contract options	-	-	356,250	-	356,250
Total	$ 4,919,520	$ -	$ 1,171,502	$ -	$ 6,091,022
Balance at 1 July 2018	$ 27,889,850	$ -	$ 2,429,291	$ (21,621,785)	$ 8,697,356
Comprehensive Income					
Loss for the period	$ -	$ -	$ -	$ (5,206,756)	$ (5,206,756)
Total Comprehensive (loss) for the period	$ -	$ -	$ -	$ (5,206,756)	$ (5,206,756)
Other equity transactions					
Shares issued as part of capital raising	$ 4,243,635	$ -	$ -	$ -	$ 4,243,635
Shares issued to employees	42,000	-	-	-	42,000
Transaction costs relating to issue of shares	(493,612)	-	-	-	(493,612)
Share-based payment - Employee Option Plan	-	-	146,027	-	146,027
Share-based payment - Employee Share Scheme	-	-	7,773	-	7,773
Share-based payment - settlement of advisor costs	15,000	-	-	-	15,000
Share-based payment - Director Performance rights	-	-	225,281	-	225,281
Share-based payment - Performance rights	-	-	197,332	-	197,332
Shares received for unissued share capital[1]	-	750,000	-	-	750,000
Transfer to retained earnings [2]	-	-	(383,333)	383,333	-
Total	$ 3,807,023	$ 750,000	$ 193,080	$ 383,333	$ 5,133,436
Equity at 30 June 2019	$ 31,696,873	$ 750,000	$ 2,622,371	$ (26,445,208)	$ 8,624,036

1. As part of the capital raising, $0.750 million of the $1.000 million had been received at bank as at 30 June 2019. The capital raising was subsequently completed on 3 July 2019, and the shares issued.
2. During the financial year, 4,166,667 Performance Rights lapsed as the performance criteria was not met. As such, the amount of $0.383 million which was previously recognised in Share-Based Payment Reserve has been transferred to Accumulated Losses.

The Consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2019

	Notes	Consolidated 2019	Consolidated 2018
Cash flows from operating activities			
Receipts from customers		$ 121,371	$ -
Payments to suppliers and employees		(5,874,647)	(6,716,564)
Interest received		3,324	45,960
Interest paid	5	(115,898)	(46,616)
Other tax receipts / (payments)		1,707,531	975,083
Net cash used in operating activities		$ (4,158,319)	$ (5,742,137)
Cash flows from investing activities			
Purchase of property, plant and equipment	17	$ (37,446)	$ (197,325)
Development costs of intangible assets	18	(590,689)	(1,155,321)
Net cash used in investing activities		$ (628,135)	$ (1,352,646)
Cash flows from financing activities			
Proceeds from issue of shares		$ 3,993,635	$ 5,000,000
Proceeds from unissued shares		750,000	-
Transaction costs related to issues of securities		(228,612)	(300,000)
Proceeds from borrowings		2,440,649	-
Repayment of borrowings		(1,751,238)	(36,427)
Payment of debt issue costs		(73,500)	-
Net cash from financing activities		$ 5,130,934	$ 4,663,573
Net increase / (decrease) in cash and cash equivalents		$ 344,479	$ (2,431,210)
Cash and cash equivalents			
Cash and cash equivalents at beginning of period	8	$ 450,711	$ 2,887,736
Net foreign exchange differences		-	(5,815)
Net increase in cash and cash equivalents		344,479	(2,431,210)
Cash and cash equivalents at the end of period		$ 795,190	$ 450,711

The Consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. BASIS OF PREPARATION

The financial report of the Quantify Technology Limited group of companies (the "Group") for the year ended 30 June 2019 was authorised for issue in accordance with a resolution of the Directors on 30 August 2019. These financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the *Corporations Act 2001*, Accounting Standards and Interpretations and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements for the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

The financial statements have been prepared on a historical cost basis. Historical cost is based on the fair values of the consideration given in exchange for goods and services.

The Company is a listed public Company, incorporated in Australia and operating in Australia. The principal activities of the Group during the year were research and development into the Internet of Things ("IoT") market, and the assessment of new investment opportunities.

The accounting policies have been consistently applied to all years presented unless otherwise stated.

The financial report is presented in Australian dollars.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

I. Statement of compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

II. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement in with the investee; and
- has the ability to its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above.

- When the Company has less than a majority of the voting rights of an investee, it has the power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights are sufficient to give it power, including:
- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholder meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Changes in the Group's ownership interest in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in subsidiaries. Any difference between the amount paid by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between:

- The aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- The previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by the applicable AASBs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

III. Standards and Interpretations applicable to 30 June 2019

In the year ended 30 June 2019, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current annual reporting period. The Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no material change is necessary to Group accounting policies.

AASB 9 Financial Instruments

AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement and makes changes to a number of areas including classification of financial instruments, measurements, impairment of financial assets and hedge accounting model. The Group has adopted AASB 9 from 1 July 2018.

The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest.

A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value.

All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI').

Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch.

For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity.

New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

The Group has applied AASB 9 retrospectively with the effect of initially applying this standard recognised at the date of initial application, being 1 July 2018 and has elected not to restate comparative information accordingly, the information presented for 30 June 2018 has not been restated.

The Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Group accounting policies.

AASB 15 Revenue from Contracts with Customers

AASB 15 Revenue from Contracts with Customers AASB 15 replaces AASB 118 Revenue and AASB 111 Construction Contracts and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards.

The Group has adopted AASB 15 from 1 July 2018.

AASB 15 establishes a single comprehensive income for entities to use in accounting for revenue arising from contracts with customers.

AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised, including in respect of multiple element arrangements. The core principle of AASB 15 is that it requires identification of distinct performance obligations within a transaction and associated transaction price allocation to these obligations. Revenue is recognised upon satisfaction of these performance obligations, which occur when control of goods or services is transferred, rather than on transfer of risks or rewards. Revenue received for a contract that includes a variable amount is subject to revised conditions for recognition, whereby it must be highly probable that no significant reversal of the variable component may occur when the uncertainties around its measurement are removed.

The core principle of AASB 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

The Group has adopted AASB 15 using the modified retrospective method of adoption (without practical expedients) with the effect of initially applying this standard recognised at the date of initial application, being 1 July 2018. Accordingly, the information presented for 30 June 2018 has not been restated. The effect of the application of AASB 15 has been applied to all contracts at date of initial application.

The Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Group accounting policies.

IV. Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the year ended 30 June 2019. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies.

AASB 16 Leases

AASB 16 replaces AASB 117 Leases. AASB 16 removes the classification of leases as either operating leases of finance leasesfor the lessee – effectively treating all leases as finance leases. AASB 16 is applicable to annual reporting periods beginning on or after 1 July 2019.

Impact on operating leases

AASB 16 will change how the Group accounts for leases previously classified as operating leases under AASB 117, which were off-balance sheet. On initial application of AASB 16, for all leases (except as noted below), the Group will:

- Recognise right-of-use assets and lease liabilities in the consolidated statement of financial position, initially measured at the present value of the future lease payments.
- Recognise depreciation of right-of-use assets and interest on lease liabilities in the consolidated statement of profit or loss.
- Separate the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the consolidated cash flow statement.

Lease incentives (e.g. rent-free period) will be recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under AASB 117 they resulted in the recognition of a lease liability incentive, amortised as a reduction of rental expenses on a straight-line basis.

Under AASB 16, right-of-use assets will be tested for impairment in accordance with AASB 136 Impairment of Assets. This will replace the previous requirement to recognise a provision for onerous lease contracts.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as personal computers and office furniture), the Group will opt to recognise a lease expense on a straight-line basis as permitted by AASB 16.
The Group has elected not to early adopt AASB 16 and have not quantified the material effect of application of future periods.

Refer to Note 19 for further information on the Group's commitments and contingencies.

V. Going concern

Notwithstanding the fact that the Group incurred an operating loss of $5,206,756 for the year ended 30 June 2019, and a net cash outflow from operating activities amount to $4,158,319, the Directors are of the opinion that the Company is a going concern for the following reasons:

- An R&D refund of $1,742,692 was due to be received subsequent to year-end; and
- the Group received favourable responses in undertaking additional sources of funds, which are expected to be completed in H1 FY2020.

Should these fund raisings not be completed, there is a material uncertainty that may cast significant doubt as to whether the Company will be available to realise its assets and extinguish its liabilities in the normal course of business.

EARNINGS FOR THE YEAR

This section addresses both the financial performance and the taxation position of the Group for the year ended 30 June 2019.

CONTENTS

NOTE 3. REVENUE

	2019		2018	
REVENUE				
Revenue from contracts with customers	$	121,371	$	-
Total	$	121,371	$	-

I. Recognition & measurement

Revenue is recognised when or as the Group transfers control of products or provides services to a customer at the amount to which the Group expects to be entitled.

If the consideration includes a variable component, the expected consideration is adjusted for the estimated impact of the variable component at the point of recognition and re-estimated at every reporting period.

- Revenue from sale of hardware

  Revenue from the sale of its devices is recognised at a point in time when control of the product is transferred to the customer, which is typically on delivery.

- Other operating revenue

  Revenue earned from configuration is recognised over time as the services are rendered.

II. Significant accounting judgements and estimates

Revenue from contracts with customers

Judgment is required to determine the point at which the customer obtains control of the devices. Factors including transfer of legal title, transfer of significant risks and rewards of ownership and the existence of a present right to payment for the devices typically result in control transferring on delivery of the devices at the customer's site or warehouse.

The transaction price at the date control passes for sales made is based on the contractually agreed price.

Progress of performance obligations for services revenue recognised over time is measured using the output method which most accurately measures the progress towards satisfaction of the performance obligation of the services provided. The performance obligations for services rendered include the successful configuration of installed devices.

For the year ended 30 June 2019, the Group recognised revenue solely through the sale and delivery of the device to the customer. Management believes that recognising sales revenue at the point of delivery best depicts how the nature, amount, and timing of the Group's revenue and cash flows.

The nature of contracts or performance obligations categorised within sales revenue type includes the successful delivery of devices to the customers' location. The sales contracts in this category include contracts with single performance obligations, as noted above.

As the Company had never previouisly disclosed a revenue policy, there is no change in accounting policy from the adoption of AASB 15.

NOTE 4. OTHER INCOME

		2019		2018
OTHER INCOME				
Research & Development grant income	$	1,570,895	$	1,331,182
Export Market Development grant		-		72,159
Other income [1]		156,379		44,804
Total	$	1,727,274	$	1,448,145

1. Includes $150k in a long-standing cash call payable, relating to WHL Energy's joint venture activities. The amount is no longer due, and has been written back.

I. Recognition & measurement

Government grant income

Government grant income includes the following grants:

- Research & Development grant; and
- Export Market Development grant.

Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.
Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate. Where Government grants relate to the compensation of costs which are capitalised as an intangible asset, the grants are recognised directly against the capitalised intangible asset to the maximum amount received under the Government grant.

II. Significant accounting judgements and estimates

Government grants

The Group engages in research and development and overseas marketing activities with regards to its IoT designs. Certain judgements are required in assessing whether the grant has been recognised in accordance with the Group's accounting policies.
Management has made judgements regarding which expenditure is classified as eligible for the grant, including assessing activities to determine whether they are conducted for the purposes of generating new knowledge, and whose outcome cannot be known or determined in advance or, in the case of the Export Market Development grant, that the expenditure is incurred in appropriate international marketing activities.

NOTE 5. EXPENSES

	2019	2018
OPERATING EXPENSES		
Administration and corporate	$ (1,087,456)	$ (1,885,510)
Marketing expenses	(115,400)	(153,027)
Occupancy costs	(326,236)	(315,441)
Travel	(170,047)	(137,305)
Total	$ (1,699,139)	$ (2,491,283)
Depreciation and amortisation		
Depreciation	$ (110,717)	$ (115,531)
Amortisation	(21,339)	(63,251)
Total	$ (132,056)	$ (178,782)
Employee benefits		
Wages and salaries	$ (4,036,011)	$ (3,749,555)
Superannuation	(346,405)	(339,064)
Share-based payments expense	(618,414)	(1,311,502)
Workers' compensation costs	(8,589)	(7,257)
Annual leave expenses	(3,595)	(112,756)
Other employee benefits expenses	(2,000)	(1,909)
Total	$ (5,015,014)	$ (5,522,043)
Total Operating expenses	$ (6,846,209)	$ (8,192,108)

	2019	2018
FINANCE COSTS		
Interest expense to unrelated parties	$ (115,898)	$ (46,616)
Total	$ (115,898)	$ (46,616)

AUDITOR'S REMUNERATION

Amounts received or due and receivable by HLB Mann Judd for:

	2019	2018
An audit or review of the financial report of the entity and any other entity in the Group	$ 42,330	$ 45,500
Other services in relation to the entity and any other entity in the Group	-	1,905
Total	$ 42,330	$ 47,405

l. **Measurement**

Depreciation and amortisation

Refer to accounting policies for depreciation disclosed in Note 17, and to accounting policies related to amortisation of intangible assets in Note 18.

Employee benefits

Refer to accounting policies for employee benefits in Note 14.

Finance costs

Finance costs include interest payments on other costs that the Group incurs in connection with the borrowing of funds.
All finance costs are expensed in the period they occur.

NOTE 6. EARNINGS PER SHARE

	2019	2018
Net loss for the year	$ (5,206,756)	$ (6,790,579)
Weighted average number of share on issue	967,038,321	470,979,518
Basic and diluted loss per share (cents per share)	(0.01)	(0.01)

Losses per share is calculated as net loss attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

As the Group is loss making, there is no dilutive effect of the issued securities.

There have been no transactions involving ordinary shares subsequent to the reporting date and prior to the date of completion of these financial statements.

NOTE 7. INCOME TAX

	2019		2018	
INCOME TAX EXPENSE				
Income tax expense				
Current tax	$	-	$	-
Deferred tax		-		-
	$	-	$	-
Deferred income tax (revenue) / expense included in income tax expense comprises:				
Decrease / (increase) in deferred tax assets	$	180,560	$	(376,349)
(Decrease) / increase in deferred tax liabilities		(180,560)		376,349
Total	$	-	$	-
Statement of Changes in Equity (not recognised)				
Deferred income tax:	$	-	$	(82,500)
Total	$	-	$	(82,500)
NUMERICAL RECONCILIATION OF INCOME TAX BENEFIT TO PRIMA FACIE TAX PAYABLE				
Loss from continuing operations before income tax expense	$	(5,206,756)	$	(6,790,579)
Tax at the Australian tax rate of 27.5%	$	(1,431,858)	$	(1,867,409)
Share-based payments	$	158,514	$	360,663
Non-deductible items		3,376		20,943
R&D non-deductible expenditure		993,095		841,552
Non-assessable amounts		(432,670)		(373,556)
DTA and DTL not recognised		709,543		1,017,807
Total Adjustments	$	1,431,858	$	1,867,409
Income tax (expense) / benefit	$	-	$	-
Unrecognised deferred tax assets				
Losses for which DTA not recognised	$	3,500,977	$	2,585,291
Other deferred tax assets and liabilities not recognised		394,678		576,466
Less: DTL recognised		(419,707)		(600,267)
Potential tax benefit at 27.5%	$	3,475,948	$	2,561,490

	2019	2018
UNRECOGNISED TAX LOSSES - TEMPORARY DIFFERENCES		
Unused tax losses for which no deferred tax assets have been recognised:		
Australian losses	$ 12,730,827	$ 9,401,058
Potential tax benefit at 27.5%	$ 3,500,977	$ 2,585,291

Carry forward tax losses were incurred by the Group's Australian entities. Deferred tax assets have not been recognised in respect these losses as the likelihood of their use in the future is low, and tax losses deductible temporary differences do not expire under the current tax legislation.

	2019	2018
OTHER UNRECOGNISED DEFERRED TAX ASSETS AND LIABILITIES		
Deferred tax assets		
Provisions	$ 46,802	$ 57,407
Accruals	30,675	43,465
Borrowing costs	5,375	11,527
Undeducted s.40-880 costs	288,862	449,747
PPE	4,481	506
Intangibles	18,483	13,814
Tax losses	3,500,977	2,585,291
DTA not recognised	(3,475,948)	(2,561,490)
Total	$ 419,707	$ 600,267
Deferred tax liabilities		
Other temporary differences	$ -	$ -
DTL's recognised	419,707	600,267
Property Plant & Equipment & IP	-	-
Total	$ 419,707	$ 600,267
Net deferred tax asset / (liability)	$ -	$ -

CORPORATE TAX RATE

In accordance with the new tax legislation, Quantify Technology Holdings Ltd and its Australian subsidiaries are subject to a Corporate Tax Rate of 27.5% (2018: 27.5%) for the year ended 2019.

I. Recognition and measurement

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

II. Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

DEBT AND CAPITAL

This section addresses the cash, debt and capital positions of the Group for the year ended 30 June 2019.

CONTENTS

KEY RISKS

i. Capital management

The Group's policy is to maintain a strong and flexible capital base to provide investor, creditor and market confidence to sustain future development of the business. The Group monitors the return on capital, which the Group defines as total shareholders' equity attributable to members of Quantify Technology Limited. The Board determines the level of dividends to shareholders.

The Group monitors statement of financial position strength and flexibility using cash flow forecast analysis and detailed budgeting processes.

There were no changes in the Group's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting.

Neither the Group nor any of its subsidiaries are subject to externally imposed capital requirements.

II. Interest rate risk exposure

The Company and the Group are exposed to interest rate risk as entities in the Group invest funds at both fixed and floating interest rates.

Interest rate risk management is undertaken by the Group in order to reduce the potential volatility towards its financial position due to these fluctuations in prevailing market interest rates.

The Group's exposure to market interest rates relates primarily to the Group's investment in cash funds.

The Group constantly analyses its interest rate exposure. Consideration is given to potential renewals of existing term deposit positions, and alternative financing structures.

The Group had the following variable rate cash and borrowings outstanding at the end of the reporting period.

	2019	2018
Cash and cash equivalents		
Australian variable rate interest	$ 795,190	$ 450,711
Interest-bearing loans and borrowings		
Australian variable rate interest	$ (1,057,919)	$ (350,603)
NET EXPOSURE	$ (262,729)	$ 100,108

Profit or loss is sensitive to higher / lower interest income from Australian dollar designated cash and cash equivalents as a result of changes in interest rates. There would be no material impact on other components of equity as a result of changes in interest rates, nor on USD denominated cash and cash equivalent balances.

The sensitivity analysis below shows the impact on post tax profit had a 25 basis point movement in interest rates occurred. 25 basis points was deemed to be a reasonable level of volatility based on FY2019 observations.

	2019	2018
POST TAX GAIN / (LOSS)		
AUD		
+0.25% (25 basis points)	$ (657)	$ 250
-0.25% (25 basis points)	$ 657	$ (250)

III. Interest rate risk strategies, policies and procedures

Cash and potential debt are forecasted and monitored on a monthly basis in order to forecast and monitor the interest rate risk.

IV. Liquidity risk

The liquidity position of the Group is managed to ensure sufficient liquid funds are available to meet financial commitments in a timely and cost-effective manner.

The Group's policy is to continually review the Group's liquidity position including cash flow forecasts to determine the forecast liquidity position and maintain appropriate liquidity levels.

The contractual maturities of financial liabilities (see Note 13), including interest payments are as follows:

	Carrying Amount	Years to maturity 0 - 1	> 1	Contractual Cash Flows
BALANCE 30 JUNE 2019				
Trade & other payables	$ (942,483)	$ (942,483)	$ -	$ (942,483)
Interest-bearing loans and borrowings	(1,057,919)	(1,057,919)	-	(1,057,919)
Total	$ (2,000,402)	$ (2,000,402)	$ -	$ (2,000,402)
BALANCE 30 JUNE 2018				
Trade & other payables	$ (746,719)	$ (746,719)	$ -	$ (746,719)
Interest-bearing loans and borrowings	(368,508)	(368,508)	-	(368,508)
Total	$ (1,115,227)	$ (1,115,227)	$ -	$ (1,115,227)

The Group had $1,057,919 in external debt as at 30 June 2019 (FY2018: $350,603), in relation to prefunded R&D spend and which will be repaid through the R&D refund. The Group also had $795,190 (FY2018: $450,711) in cash and cash equivalents, which can be used to meet its liquidity needs.

NOTE 8. CASH AND CASH EQUIVALENTS

		2019		2018
CURRENT				
Cash at bank and in hand	$	45,190	$	450,711
Restricted cash[1]		750,000		-
TOTAL CASH PER CASH FLOW STATEMENT	$	795,190	$	450,711

1. Restricted cash includes capital raising funds received, for which share capital was not yet issued as at 30 June 2019. The shares were issued on 3 July 2019.

I. Recognition and measurement

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.
Cash and cash equivalents for the purposes of the Consolidated statement of cash flows consists of cash and cash equivalents as defined above, net of cash held as a guarantee.

II. Foreign currency risk

As a result of cash predominantly denominated in Australian Dollars, the Group is not materially exposed to currency risk.

III. Reconciliation of net profit after tax to net cash flows from operations

		2019		2018
NET LOSS	$	(5,206,756)	$	(6,790,579)
ADJUSTMENTS FOR:				
Depreciation	$	132,056	$	178,782
Share based payments		618,414		1,311,502
Non-cash settlements		-		79,520
Capitalised R&D offset		171,797		376,349
Foreign exchange		-		5,815
CHANGES IN ASSETS AND LIABILITIES				
(Increase) / decrease in debtors	$	(101,606)	$	(703,100)
(Increase) / decrease in prepayments		(2,921)		6,090
(Decrease) / increase in trade creditors		269,264		(330,180)
(Decrease) / increase in interest-bearing loans and borrowings		-		46,616
(Decrease) / increase in provisions		(38,567)		77,049
TOTAL ADJUSTMENTS	$	1,048,437	$	1,048,442
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	$	(4,158,319)	$	(5,742,137)

IV. Changes in liabilities arising from financing activities

	Cuda	Bridging loan	Convertible note	R&D pre-funding	Other	Total
BALANCE 1 JULY 2018	$ 350,603	$ -	$ -	$ -	$ 17,905	$ 368,508
Interest incurred	$ 21,091	$ -	$ 1,603	$ 92,216	$ -	$ 114,910
Loans drawn-down	-	187,850	300,000	1,859,303	-	2,347,153
Debt issue costs incurred from draw-down	-	62,150	-	73,500	-	135,650
Loans repaid	(371,694)	(187,850)	(301,603)	(893,600)	-	(1,754,747)
Loans extinguished	-	-	-	-	(17,905)	(17,905)
Debt issue costs repaid	-	(62,150)	-	(73,500)	-	(135,650)
Total	$ (350,603)	$ -	$ -	$ 1,057,919	$ (17,905)	$ 689,411
BALANCE 30 JUNE 2019	$ -	$ -	$ -	$ 1,057,919	$ -	$ 1,057,919

	Cuda	Other	Total
BALANCE 1 JULY 2017	$ 340,476	$ 17,905	$ 358,381
Interest incurred	$ 56,743	$ -	$ 56,743
Loans repaid	(46,616)	-	(46,616)
Total	$ 10,127	$ -	$ 10,127
BALANCE 30 JUNE 2018	$ 350,603	$ 17,905	$ 368,508

NOTE 9. INTEREST-BEARING LOANS AND BORROWINGS

	2019	2018
CURRENT		
Borrowings - third party[1]	$ (1,057,919)	$ -
Borrowings - related party (refer Note 22)	-	(350,603)
Total	$ (1,057,919)	$ (350,603)
NON-CURRENT		
Advanced from a related party	$ -	$ (17,905)
Total	$ -	$ (17,905)

1. Third party borrowings relate to pre-funded R&D. The debt is a short-term facility, secured against the refund from the Government only, and is repayable immediately upon receipt of the funds. The facility incurs interest at a rate of 15% p.a.

I. Recognition and measurement

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost.

Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised.

II. Fair value of borrowings

The fair values of all classes of borrowings are not materially different to their carrying amounts since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

No accounting policy changes were made as a result of the adoption of AASB 9.

NOTE 10. CONTRIBUTED EQUITY

	Shares		$	
	2019	2018	2019	2018
ORDINARY SHARES ON ISSUE				
Ordinary shares issued and fully paid	980,990,717	549,127,233	$ 31,696,873	$ 27,889,850

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

I. Movements in ordinary share capital

	Shares		$	
	2019	2018	2019	2018
ORDINARY SHARES ON ISSUE				
At start of period	549,127,233	423,043,526	$ 27,889,850	$ 22,970,330
Shares issued during the year	424,363,484	89,337,333	$ 4,243,635	$ 5,000,000
Exercise of Founder Performance Shares	-	30,000,000	-	-
Settlement of advisor costs	1,500,000	2,466,384	$ 15,000	$ 79,520
Issue of shares - employees	6,000,000	4,279,990	42,000	140,000
Transaction costs relating to issue of shares	-	-	(493,612)	(300,000)
At end of period	980,990,717	549,127,233	$ 31,696,873	$ 27,889,850

The movement in ordinary shares during year ended 30 June 2019 is comprised of the following transactions.

- In November 2018, 399,363,484 shares were issued as part of the $4 million rights entitlement issuance, at $0.01 per share.
- In November 2018, 25,000,000 shares were issued as part of the capital raising fees for the entitlement issuance, which completed during October 2019.
- In November 2018, 1,500,000 shares were issued in satisfaction of advisor fees for financing.
- In May 2019, 6,000,000 shares were issued to employees in the company pursuant to the Quantify Technology Share Plan.

II. Recognition and measurement

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds of the new shares or options.
Ordinary shares have no par value and the company does not have a limited amount of authorised capital.
Fully paid ordinary shares carry one vote per share and carry the right to dividends.

NOTE 11. RESERVES

	2019	2018
RESERVES		
Options reserve	$ 1,382,984	$ 1,593,208
Share rights reserve	514,260	506,487
Performance rights reserve	368,877	329,596
Contract options	356,250	-
	$ 2,622,371	$ 2,429,291
MOVEMENT IN RESERVES		
Opening balance	$ 2,429,291	$ 1,257,789
Movement for year	576,413	1,171,502
Transfers to Accumulated Losses	(383,333)	-
Total	$ 2,622,371	$ 2,429,291

I. Nature & purpose of reserves

Options / Share rights / Performance rights reserves

These reserves are used to record the value of equity benefits provided to employees and Directors as part of their remuneration. Refer to Note 24 for further details of share-based payment plans for the Group.

Dividends

No dividends were paid or proposed during the year ended 30 June 2019 (FY2018: nil).

OTHER ASSETS AND LIABILITIES

This section addresses all other assets and liabilities for the year.

CONTENTS

KEY RISKS

i. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

As at 30 June 2019, the Group's receivables are significantly held with either the Australian Government, or with tier one Australian banks. These are both considered to be low concentrations of credit risk.

NOTE 12. TRADE AND OTHER RECEIVABLES

	2019	2018
CURRENT		
Trade and other amounts owing by unrelated entities	$ 139,084	$ 21,901
R&D Government refund	1,742,692	1,707,531
Total	$ 1,881,776	$ 1,729,432
NON-CURRENT		
Trade amounts owing by unrelated entities	$ -	$ 50,738
Total	$ -	$ 50,738
TOTAL	$ 1,881,776	$ 1,780,170

I. Recognition and measurement

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within periods up to 30 days.

II. Expected credit losses

The Group applies the AASB 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.

In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due and also according to the geographical location of customers.

The expected loss rates are based on the payment profile for sales over the past 48 months before 30 June 2019 and 30 June 2018 respectively as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding.

The Group has identified the gross domestic product (GDP) and unemployment rate of Australia, in which the customers are domiciled, to be the most relevant factors and according adjusts historical loss rates for expected changes in these factors. However given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

Trade receivables are written off when there is no reasonable expectation of recovery. Failure to make payments within 180 days from the invoice date and failure to engage with the Group on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery.

III. Allowance for expected credit losses

No trade receivables were substantially overdue as at 30 June 2019, therefore there were no expected credit losses recognised (FY2018: nil).

IV. Ageing analysis of current trade and other receivables at 30 June 2019

	Days					
	0-30	31-60	61-90	90+	Impaired	Total
2019	$ 1,881,776	$ -	$ -	$ -	$ -	$ 1,881,776
2018	$ 1,729,432	$ -	$ -	$ -	$ -	$ 1,729,432

Receivable balances are monitored on an ongoing basis.
The full trade and other receivables balance is deemed to be recoverable within the next 12 months.
Any trade and other receivable which is aged greater than 30 days is considered to be overdue.

V. Fair values of current trade and other receivables

The carrying amount of the receivables is assumed to be the same as their fair value due to their short term nature.

NOTE 13. TRADE AND OTHER PAYABLES

		2019		2018
CURRENT				
Trade payables	$	(532,730)	$	(447,333)
PAYG withheld		(147,064)		(116,842)
Superannuation payable		(103,970)		(95,733)
Accrued expenses		(96,538)		(64,274)
Other		(62,181)		(22,537)
Total	$	(942,483)	$	(746,719)
TOTAL	$	(942,483)	$	(746,719)

I. Recognition and measurement

Trade and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

II. Fair value of trade and other payables

The carrying amounts of trade and other payables are assumed to be the same as their fair values, due to their short-term nature.

NOTE 14. PROVISIONS

	Employee Benefits	Total
BALANCE 1 JULY 2018	$ (208,754)	$ (208,754)
Arising during the year	$ (218,656)	$ (218,656)
Utilised	218,847	218,847
Reversed	38,376	38,376
Total	$ 38,567	$ 38,567
BALANCE 30 JUNE 2019	$ (170,187)	$ (170,187)

	Employee Benefits	Total
BALANCE 30 JUNE 2018		
Current	$ (208,754)	$ (208,754)
Non-Current	-	-
Total	$ (208,754)	$ (208,754)
BALANCE 30 JUNE 2019		
Current	$ (170,187)	$ (170,187)
Non-Current	-	-
Total	$ (170,187)	$ (170,187)

I. Recognition and measurement

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value or management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

II. Wages, salaries and annual leave

Liabilities accruing to employees in respect of wages and salaries, annual leave and long service leave expected to be settled within 12 months of the balance date are recognised in other payables in respect of employees' services up to the balance date. They are measured at the amounts expected to be paid when the liabilities are settled.

Liabilities accruing to employees in respect of wages and salaries, annual leave and long service leave not expected to be settled within 12 months of the balance date are recognised in non-current other payables in respect of employees' services up to the balance date. They are measured as the present value of the estimated future outflows to be made by the Group.

NOTE 15. SEGMENT REPORTING

I. Identification of reportable segments

AASB 8 "Operating Segments" requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker in order to allocate resources to the segment and to assess its performance.
The Group's operating segments have been determined with reference to the monthly management accounts used by the Chief Operating Decision maker to make decisions regarding the Group's operations and allocation of working capital. Due to the size and nature of the Group, the Board as a whole has been determined as the Chief Operating Decision Maker.

II. Reportable segments

Based on the quantitative thresholds included in AASB 8, there is only one reportable segment, being manufacturing and one geographical segment, namely Australia.

III. Presentation of segment

The revenues and results of this segment are those of the Group as a whole and are set out in the consolidated statement of comprehensive income and the assets and liabilities of the Group as a whole are set out in the consolidated statement of financial position.

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NOTE 16. FAIR VALUE MEASUREMENTS

I. Financial assets and financial liabilities

The Group holds the following financial instruments:

	Notes	2019	2018
FINANCIAL ASSETS			
Cash and cash equivalents	8	$ 795,190	$ 450,711
Trade and other receivables	12	1,881,776	1,780,170
		$ 2,676,966	$ 2,230,881
FINANCIAL LIABILITIES			
Trade and other payables	13	$ (942,483)	$ (746,719)
Interest-bearing loans and borrowings	9	(1,057,919)	(368,508)
		$ (2,000,402)	$ (1,115,227)

The Group's exposure to various risks associated with the financial instruments is discussed against each financial instrument note. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial asset mentioned above.
The assets and liabilities are held at amortised cost, and their fair values are described in the associated note referenced in the table above.

II. Impairment – financial assets

AASB 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaced AASB 139's 'incurred loss model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Level 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Level 2').
- 'Level 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.
Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.
All impairment losses are recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. The reversal is recognised in profit or loss for financial assets measured at amortised cost.
Impairment testing of trade receivables is described in Note 12.

DEVELOPMENT AND GROWTH ASSETS

This section addresses the primary research and development activities undertaken by the Group, and the associated hardware and software equipment assisting in the Company's growth.

CONTENTS

NOTE 17. PROPERTY, PLANT AND EQUIPMENT

I. Reconciliation of movement for the year

		Computers & Software		Furniture & Fittings		Leasehold Imrpovements		Total
BALANCE 1 JULY 2017	$	126,823	$	30,127	$	-	$	156,950
Additions	$	151,495	$	16,963	$	28,867	$	197,325
Depreciation charge for the year		(101,088)		(6,874)		(7,569)		(115,531)
Total	$	50,407	$	10,089	$	21,298	$	81,794
BALANCE 1 JULY 2018	$	177,230	$	40,216	$	21,298	$	238,744
Additions	$	34,332	$	3,114	$	-	$	37,446
Depreciation charge for the year		(91,039)		(7,411)		(12,267)		(110,717)
Total	$	(56,707)	$	(4,297)	$	(12,267)	$	(73,271)
BALANCE 30 JUNE 2019	$	120,523	$	35,919	$	9,031	$	165,473

II. Net carrying amount

		Computers & Software		Furniture & Fittings		Leasehold Imrpovements		Total
BALANCE 30 JUNE 2018								
Gross carrying amount at cost	$	328,219	$	52,100	$	28,867	$	409,186
Accumulated Depreciation & Impairment		(150,989)		(11,884)		(7,569)		(170,442)
Net Carrying Amount	$	177,230	$	40,216	$	21,298	$	238,744
BALANCE 30 JUNE 2019								
Gross carrying amount at cost	$	362,551	$	55,214	$	28,867	$	446,632
Accumulated Depreciation & Impairment		(242,028)		(19,295)		(19,836)		(281,159)
Net Carrying Amount	$	120,523	$	35,919	$	9,031	$	165,473

III. Recognition and measurement

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

IV. De-recognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.
Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

V. Key judgements and accounting estimates

Impairment of non-financial assets

The carrying values of plant and equipment are reviewed for impairment at each balance date, with the recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to approximate fair value.

An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience and the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful life are made when considered necessary.
Depreciation is calculated on a diminishing value basis over the estimated useful life of the assets as follows:

- Computers and equipment 2 – 5 years
- Furniture and fittings 5 – 10 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

NOTE 18. INTANGIBLE ASSETS

I. Reconciliation of movement for the year

	Development	Patents & Trademarks	Total
BALANCE 1 JULY 2017	$ 6,065,350	$ 768,241	$ 6,833,591
Additions	$ 902,829	$ 252,492	$ 1,155,321
R&D grant offset	(376,349)	-	(376,349)
Amortisation	-	(63,251)	(63,251)
Total	$ 526,480	$ 189,241	$ 715,721
BALANCE 1 JULY 2018	$ 6,591,830	$ 957,482	$ 7,549,312
Additions	$ 399,552	$ 191,137	$ 590,689
R&D grant offset	(171,797)	-	(171,797)
Amortisation	-	(21,339)	(21,339)
Total	$ 227,755	$ 169,798	$ 397,553
BALANCE 30 JUNE 2019	$ 6,819,585	$ 1,127,280	$ 7,946,865

II. Net carrying amount

	Development	Patents & Trademarks	Total
BALANCE 30 JUNE 2018			
Gross carrying amount at cost	$ 6,591,830	$ 1,020,733	$ 7,612,563
Accumulated Amortisation & Impairment	-	(63,251)	(63,251)
Net Carrying Amount	$ 6,591,830	$ 957,482	$ 7,549,312
BALANCE 30 JUNE 2019			
Gross carrying amount at cost	$ 6,819,585	$ 1,211,870	$ 8,031,455
Accumulated Amortisation & Impairment	-	(84,590)	(84,590)
Net Carrying Amount	$ 6,819,585	$ 1,127,280	$ 7,946,865

III. Recognition and measurement

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

IV. De-recognition and disposal

An item of capitalised research and development expenditure is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

V. Key judgements and accounting estimates

Impairment of non-financial assets

The Group assesses at each balance date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience and the expected lives of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful life are made when considered necessary.

Recoverable amount of the intangible assets

The recoverable amount of the intangible research and development assets is determined based on value in use calculations, using six year cash projections from financial budgets that are approved by senior management. As the Company is still largely within its research and development phase, the assumptions are management's most reasonable expectations of future sales and recovery of the capitalised balance.

The Company's discount rate applied to the value in use calculation is derived from the Group's weighted average cost of capital. The discount rate presents the current market assessment of the risks specific to the Company's operations, taking into consideration the time value of money and individual risks of the underlying assets that have not beein incorporated in the cash flow estimates. The discount rate assumption for its value in use model was 15%.

Based on these assumptions, and sensitivities to changes in assumptions, the estimated recoverable amount of the intangible asset is significantly greater than the carrying value of the assets. No reasonably foreseeable changes in any of the key assumptions are likely to result in an impairment loss.

OTHER ITEMS

This section addresses all items required under Australian Accounting Standards and per the Corporations Act 2001, not previously disclosed in any other section within the financial statements.

CONTENTS

NOTE 19. COMMITMENTS AND CONTINGENCIES

I. Commitments and contingencies

The Group entities may have potential financial liabilities that could arise from historical commercial contracts. No material losses are anticipated in respect of any of those contingencies. The fair value disclosed (if any) is the Directors' best estimate of amounts that would be payable by the Group to settle those financial liabilities.
Future minimum rentals payable under non-cancellable leases as at 30 June 2019 are as follows.

	2019	2018
OPERATING LEASE AGREEMENTS		
Within one year	$ 196,176	$ 202,950
After one year but not more than five years	32,696	271,155
Total	$ 228,872	$ 474,105

II. Other contingent liabilities excluded from the above include:

The Company has no contingent liabilities as at 30 June 2019.

NOTE 20. SUBSEQUENT EVENTS

On 3 July 2019, the Group completed the first tranche of the capital raising, successfully raising $1,000,000 before transaction costs.
The second tranche of the capital raising commenced during July 2019, and was successfully completed on 20 August 2019, raising a further $1,426,238 before transaction costs.

Aside from the above, there has not been any other matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

NOTE 21. PARENT INTERESTS IN SUBSIDIARIES

The consolidated financial statements include the financial statements of Quantify Technology Holdings Limited and the subsidiaries listed in the following table.

		Equity Interest	
Company	Country of Incorporation	2019	2018
Quantify Technology Pty Ltd	Australia	100%	100%
Quantify Technology Australia Pty Ltd	Australia	100%	100%
PetroQuest International Seychelles Limited	Seychelles	100%	100%
PetroQuest International Incorporated	USA	100%	100%
Indian Ocean Petroleum Holdings Pty Limited	Australia	100%	100%

NOTE 22. RELATED PARTY DISCLOSURE

As part of the acquistion of WHL Energy Ltd, the Group was required to reimburse Cuda Developments for all past expenditure incurred in developing Quantify's intellectual property. Cuda Developments is a related party to CEO and Director Mark Lapins. The facility has been repaid, as at 30 June 2019.

Interest was incurred at a rate of the Reserve Bank Cash Rate + 7.00%, and is payable quarterly in arrears. As at 30 June 2019, the Company had repaid all principal and interest.

The following table provides the total amount of transactions that have been entered into with related parties, and repayments made, during the six months ended 30 June 2019 and 30 June 2018:

Key management personnel of the Group		Interest and facilitation fees expense	Amounts borrowed from related parties	Principal repaid to related parties
Cuda Developments	Jun-19	$ -	$ -	$ 333,333
	Jun-18	$ (46,616)	$ -	$ -
TWL Discretionary Trust	Jun-19	$ (56,500)	$ (250,000)	$ 250,000
	Jun-18	$ -	$ -	$ -

The following table provides the balance of the loans outstanding to related parties as at 30 June 2019 and 30 June 2018:

Key management personnel of the Group		Principal owed to related parties
Cuda Developments	Jun-19	$ -
	Jun-18	$ (333,333)

On 27 September 2018, Quantify Technology received and accepted a $736,000 purchase order for its qDevice, to be delivered to Wallaroo Shores. Wallaroo Shores is a project which is being developed by Copper Coast Investment Pty Ltd ("Copper Coast"). At the time the purchase order was received, Alex Paior was a Director for both Quantify Technology and Copper Coast. As at 31 December 2018, the project had not yet commenced, and no transactions between Quantify Technology and Copper Coast had occurred.

No other related party transactions occurred with the consolidated entity, other than the remuneration of Directors and Key Management Personnel and the matters disclosed in this report.

NOTE 23. KEY MANAGEMENT PERSONNEL COMPENSATION

	2019	2018
Short-term employee benefits	$ 1,129,832	$ 1,076,011
Post-employment benefits	87,818	72,455
Long term benefits	67,873	57,941
Termination payments	-	130,000
Share-based payment	343,070	388,362
Total	$ 1,628,593	$ 1,724,769

Detailed remuneration disclosures are provided in the Remuneration Report commencing on page 17.

NOTE 24. SHARE-BASED PAYMENTS

OPTIONS

Grant	Balance at start of the year	Options issued during the year	Number Exercised	Forfeited / Lapsed	Balance at end of year	Tranche 1 Expiry date
FY2018						
WHL listed options	7,329,965	-	-	(7,329,965)	-	30 Jun 2018
WHL unlisted options	232,539	-	-	(232,539)	-	3 Dec 2017
WHL unlisted options	4,216,905	-	-	-	4,216,905	31 Jul 2018
Advisor options	8,747,626	-	-	-	8,747,626	30 Sep 2019
Bid options	61,325,622	-	-	-	61,325,622	30 Sep 2019
Broker options	5,000,000	-	-	-	5,000,000	30 Sep 2019
EOP - FY2017	6,910,543	-	-	-	6,910,543	30 Sep 2019
EOP - FY2018	-	13,531,800	-	-	13,531,800	31 Jul 2020
Consultant options	2,000,000	4,000,000	-	-	6,000,000	4 Apr 2020
Contract options	-	12,500,000	-	-	12,500,000	30 Sep 2019
Total	**95,763,200**	**30,031,800**	-	**(7,562,504)**	**118,232,496**	
FY2019						
WHL unlisted options	4,216,905	-	-	(4,216,905)	-	31 Jul 2018
Advisor options	8,747,626	-	-	-	8,747,626	30 Sep 2019
Bid options	61,325,622	-	-	-	61,325,622	30 Sep 2019
Broker options	5,000,000	-	-	-	5,000,000	30 Sep 2019
EOP - FY2017	6,910,543	-	-	-	6,910,543	30 Sep 2019
EOP - FY2018	13,531,800	-	-	-	13,531,800	31 Jul 2020
Consultant options	6,000,000	-	-	-	6,000,000	4 Apr 2020
Contract options	12,500,000		-	-	12,500,000	30 Sep 2019
Total	**118,232,496**	-	-	**(4,216,905)**	**114,015,591**	

l. WHL OPTIONS

As part of the reverse takeover of WHL Energy Ltd, Quantify Technology assumed all outstanding securities which were part of the listed entity. These included the following:

- WHL listed options – expiring 30 June 2018
- WHL unlisted options 1 – expiring 3 December 2017
- WHL unlisted options 2 – expiring 31 July 2018

Two tranches of WHL options expired during the year (WHL listed options and WHL unlisted options 1).

During FY2019 all remaining options lapsed, and as at 30 June 2019, no WHL options remained outstanding.

MOVEMENTS

Option movements as held by Quantify Technology Holdings Ltd., are as follows:

	2019		2018	
	Number	WAEP	Number	WAEP
Outstanding - start of year	4,216,905	$ -	11,779,409	$ 0.333
Issued during year	-	$ -	-	$ -
Forfeited during year	-	-	(7,562,504)	(0.52)
Expired during year	(4,216,905)	-	-	-
Outstanding - end of year	-	$ -	4,216,905	$ -

EXERCISED

No WHL options were exercised during the year.

SHARE-BASED PAYMENT EXPENSE

These options were fully vested in prior years, and have been fully expensed in those prior years.

II. ADVISOR OPTIONS

As part of the reverse takeover of WHL Ltd, 8,747,626 options were issued to Quantify corporate advisors. The purpose of the advisor options was to remunerate the Quantify Technology advisors for the provision of corporate advisory services as part of the merger.

The options were issued at a fair value of $0.032 each with an exercise price of $0.09 each on a post-consolidation basis. These advisor options expire on 30 September 2019, and there is no vesting period.

VALUATION OF ADVISOR OPTIONS

Exercise price	$0.090
Expiry date	03-Mar-20
Risk-free rate	1.63%
Volatility	100%
Value per option	$0.032
Number of options	8,747,626
Total value of options	$283,233
Amount expensed in prior years	$283,233
Amount expensed in current year	$ -
Amount to be expensed in future years	$ -

MOVEMENTS IN ADVISOR OPTIONS

Option movements as held by Quantify Technology Holdings Ltd., are as follows:

	2019		2018	
	Number	WAEP	Number	WAEP
Outstanding - start of year	8,747,626	$ 0.090	8,747,626	$ 0.090
Issued during year	-	$ -	-	$ -
Exercised during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Outstanding - end of year	8,747,626	$ 0.090	8,747,626	$ 0.090
Exercisable - end of the year	8,747,626		8,747,626	

ADVISOR OPTIONS EXERCISED DURING THE YEAR

No advisor options were exercised during the year.

III. BID OPTIONS

Prior to the reverse takeover, Quantify Technology had 59,900,002 ordinary options on issue, which were issued at $0.075 with an expiration date of 31 May 2017. As part of the merger, 61,325,622 WHL Bid options were issued in consideration for the Quantify ordinary options.
The options were issued at a fair value of $0.035 each with an exercise price of $0.075 each on a post-consolidation basis. These bid options expire on 30 September 2019, and there is no vesting period.

VALUATION OF BID OPTIONS

Exercise price	$0.075
Expiry date	30-Sep-19
Risk-free rate	1.63%
Volatility	100%
Value per option	$0.035
Number of options	61,325,622
Total value of options	$2,131,788
Amount expensed in prior years	$2,131,788
Amount expensed in current year	$ -
Amount to be expensed in future years	$ -

As the bid options were used for recompliance capital, and were issued to the vendor, they have been considered as part of the consideration for the reverse acquisition. Refer to Note 5 for further information on the listing expense.

MOVEMENTS IN BID OPTIONS

Option movements as held by Quantify Technology Holdings Ltd., are as follows:

	2019		2018	
	Number	WAEP	Number	WAEP
Outstanding - start of year	61,325,622	$ 0.075	61,325,622	$ 0.075
Issued during year	-	$ -	-	$ -
Exercised during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Outstanding - end of year	61,325,622	$ 0.075	61,325,622	$ 0.075
Exercisable - end of the year	61,325,622		61,325,622	

BID OPTIONS EXERCISED DURING THE YEAR

No bid options were exercised during the year.

IV. BROKER OPTIONS

As part of the reverse takeover, the Company entered into an agreement with its lead manager on the equity raising. Under the terms of the mandate, the Company agreed to issue options equal to the size of the raising. As a result of the Company raising $5 million, it issued 5,000,000 Broker options to the lead manager.

The options were issued at a fair value of $0.035 each with an exercise price of $0.075 each on a post-consolidation basis. These broker options expire on 30 September 2019, and there is no vesting period.

VALUATION OF BROKER OPTIONS

Exercise price	$0.075
Expiry date	30-Sep-19
Risk-free rate	1.63%
Volatility	100%
Value per option	$0.035
Number of options	5,000,000
Total value of options	$173,809
Capital raising cost (2017 FY)	$173,809

As the broker options were issued to satisfy capital raising costs, the expense has been offset against share capital.

MOVEMENTS IN BROKER OPTIONS

Option movements as held by Quantify Technology Holdings Ltd., are as follows:

	2019			2018		
	Number		WAEP	Number		WAEP
Outstanding - start of year	5,000,000	$	0.075	5,000,000	$	0.075
Issued during year	-	$	-	-	$	-
Exercised during the year	-		-	-		-
Forfeited during the year	-		-	-		-
Outstanding - end of year	5,000,000	$	0.075	5,000,000	$	0.075
Exercisable - end of the year	5,000,000			5,000,000		

BROKER OPTIONS EXERCISED DURING THE YEAR

No broker options were exercised during the year.

V. EMPLOYEE OPTIONS

On 25 April 2016, Quantify Technology issued 6,750,000 employee options under its Employee Option Plan (EOP). These options were issued with a fair value of $0.044 each, and expire on 31 May 2017. The original vesting conditions were as follows:

- 50% will vest 12 months from the date of commencement of employment
- The balance will vest, on a quarterly basis over the following 12 month period.

As part of the reverse takeover which completed on 3 March 2017, 6,910,543 employee options were issued in replacement of the 6,750,000 Quantify EOP options.
The options were re-issued at a fair value of $0.035 each with an exercise price of $0.075 each on a post-consolidation basis. These employee options expire on 30 September 2019.
The re-issued options carried the same vesting conditions as the original options issued under Quantify Technology's EOP.

VALUATION OF EMPLOYEE OPTIONS

Exercise price	$0.075
Expiry date	30-Sep-19
Risk-free rate	1.63%
Volatility	100%
Value per option	$0.035
Number of options	6,910,543
Total value of options	$179,252
Amount expensed in prior years	$179,252
Amount expensed in current year	$ -
Amount to be expensed in future years	$ -

MOVEMENTS IN EMPLOYEE OPTIONS

Option movements as held by Quantify Technology Holdings Ltd., are as follows:

	2019			2018		
	Number	WAEP		Number	WAEP	
Outstanding - start of year	6,910,543	$	0.075	6,910,543	$	0.075
Issued during year	-	$	-	-	$	-
Outstanding - end of year	6,910,543	$	0.075	6,910,543	$	0.075
Exercisable - end of the year	6,910,543			6,910,543		

EMPLOYEE OPTIONS EXERCISED DURING THE YEAR

No employee options were exercised during the year.

VI. EMPLOYEE OPTIONS – FY2018

On 12 January 2018, Quantify Technology issued 13,531,800 employee options under its Employee Option Plan (EOP). These options were issued with a fair value of $0.033 each, and expire on 31 July 2020.

The original vesting conditions were as follows:

- 50% will vest 12 months from the date of commencement of employment
- The balance will vest, on a quarterly basis over the following 12 month period.

VALUATION OF EMPLOYEE OPTIONS

Exercise price	$0.075
Expiry date	31-Jul-20
Risk-free rate	2.07%
Volatility	100%
Value per option	$0.033
Number of options	13,531,800
Total value of options	$466,271
Amount expensed in prior years	$371,366
Amount expensed in current year	$90,327
Amount to be expensed in future years	$4,578

MOVEMENTS IN EMPLOYEE OPTIONS

Option movements as held by Quantify Technology Holdings Ltd., are as follows:

	2019		2018	
	Number	WAEP	Number	WAEP
Outstanding - start of year	13,531,800	$ 0.075	-	$ -
Issued during year	-	$ -	13,531,800	$ 0.075
Outstanding - end of year	13,531,800	$ 0.075	13,531,800	$ 0.075
Exercisable - end of the year	12,693,612		7,478,550	

EMPLOYEE OPTIONS EXERCISED DURING THE YEAR

No employee options were exercised during the year.

VII. CONSULTANT OPTIONS

During FY2018, Quantify Technology issued 2,000,000 options each to Peter Osmond and Peter Long, advisors who were appointed to the Company during FY2017.

The options were issued at a fair value of $0.046 each with an exercise price of $0.100 each on a post-consolidation basis. These consultant options expire on 4 April 2020.
The options carry the following vesting conditions:

# of options	Vesting conditions
400,000	No vesting conditions
400,000	Provision of 1 year of continuous service
1,200,000	Performance conditions involving procuring specific external agreements

VALUATION OF CONSULTANT OPTIONS

Exercise price	$0.100
Expiry date	04-Apr-20
Risk-free rate	1.63%
Volatility	100%
Value per option	$0.046
Number of options	6,000,000
Total value of options issued	$185,835
Total value of consultant options	$278,752
Amount expensed in prior years	$180,477
Amount expensed in current year	$55,700
Amount to be expensed in future years	$42,575

MOVEMENT IN CONSULTANT OPTIONS

Option movements as held by Quantify Technology Holdings Ltd., are as follows:

	2019			2018		
	Number	WAEP		Number	WAEP	
Outstanding - start of year	**6,000,000**	**$**	**0.100**	**2,000,000**	**$**	**-**
Issued during year	-	$	-	4,000,000	$	0.100
Outstanding - end of year	**6,000,000**	**$**	**0.100**	**6,000,000**	**$**	**0.100**
Exercisable - end of the year	2,400,000			2,400,000		

CONSULTANT OPTIONS EXERCISED DURING THE YEAR

No consultant options were exercised during the year.

VIII. COPPER COAST OPTIONS

During FY2018, Quantify Technology issued 12,500,000 options to Copper Coast Investment Pty Ltd. The options were issued in exchange for Copper Coast exclusively promoting and procuring the purchase and installation of Quantify Technology's products in buildings erected at Wallaroo Shores.

The options were issued at a fair value of $0.0285 each with an exercise price of $0.075 each on a post-consolidation basis. These consultant options expire on 30 September 2019.
The options had not vesting conditions attached.

VALUATION OF COPPER COAST OPTIONS

Exercise price	$0.075
Expiry date	30-Sep-19
Risk-free rate	1.75%
Volatility	100%
Value per option	$0.0285
Number of options	12,500,000
Total value of options	$356,250
Amount expensed in prior years	$356,250
Amount expensed in current year	$ -
Amount to be expensed in future years	$ -

MOVEMENT IN COPPER COAST OPTIONS

Option movements as held by Quantify Technology Holdings Ltd., are as follows:

	2019		2018	
	Number	WAEP	Number	WAEP
Outstanding - start of year	12,500,000	$ 0.075	-	$ -
Issued during year	-	$ -	12,500,000	$ 0.075
Exercised during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Outstanding - end of year	12,500,000	$ -	12,500,000	$ 0.075
Exercisable - end of the year	12,500,000		12,500,000	

COPPER COAST OPTIONS EXERCISED DURING THE YEAR

No copper coast options were exercised during the year.

SHARES & RIGHTS AWARDS

Grant	Balance at start of the year	Rights issued during the year [1]	Number Exercised	Forfeited / Lapsed	Balance at end of year	Vesting date
FY2018						
Performance rights	12,500,000	-	-	-	12,500,000	30 Nov 2016
Performance shares	120,000,000	-	-	-	120,000,000	30 Jun 2018
Founder Performance shares	30,000,000	-	(30,000,000)	-	-	3 Dec 2017
Share rights	13,755,150	-	-	-	13,755,150	31 Jul 2018
Total	**176,255,150**	-	**(30,000,000)**	-	**146,255,150**	
FY2019						
Performance rights	12,500,000	-	-	(8,333,334)	4,166,666	30 Nov 2016
Performance shares	120,000,000	-	-	(30,000,000)	90,000,000	30 Jun 2018
Share rights	13,755,150	2,999,997	-	-	16,755,147	31 Jul 2018
Director Performance rights	-	80,000,000	-	-	80,000,000	30 Nov 2023
Employee Performance rights	-	18,000,000	-	-	18,000,000	30 Nov 2023
Total	**146,255,150**	**100,999,997**	-	**(38,333,334)**	**208,921,813**	

1. All awards are issued at a zero exercise price.

Refer below for further information on each award.

I. PERFORMANCE RIGHTS

The Group issued 12,500,000 performance rights in two tranches to each of the Chairman and the CEO, under the Merger Implementation Agreement, as part of the prospectus for the reverse takeover.

Performance Rights valuation assumptions

The performance rights are subject to the terms and conditions of the WHL performance rights plan, as outlined in Section 11 of the reverse takeover prospectus.
The first tranche of the performance rights, Tranche A, will vest immediately upon the 20 day volume weighted average price (VWAP) increasing to $0.12 per share within 24 months of the 3 March 2017 (the Quotation Date).
The second tranche of the performance rights, Tranche B, will vest immediately upon the 20 day VWAP increasing to $0.24 per share within 36 months of the Quotation Date.
The performance valuation assumptions relating to the grant of performance rights are detailed below:

	Assumptions	
	Tranche A	Tranche B
HOADLEY BARRIER1 METHOD ASSUMPTIONS:		
Discount rate	1.81% p.a.	1.98% p.a.
Share price volatility	100% p.a.	100% p.a.
Grant date	3 March 2017	3 March 2017
Performance period (years)	2	3
Number of Rights awarded	8,333,334	4,166,666
FV OF RIGHTS AT GRANT DATE:		
Fair value per performance right	$0.046	$0.041
Share price at grant date	$0.060	$0.060

Measurement Period

Tranche A has a 2 year measurement period, and Tranche B has a 3 year measurement period.

Share-based Expense

Share-based payments expense relating to performance rights were $186,070, for the year ended 30 June 2019 (FY2018: $248,559).

During the year, Tranche A lapsed. As at 30 June 2019, 4,166,666 unvested performance rights remained.

II. PERFORMANCE SHARES

As part of the acquisition consideration for the acquisition of Quantify Technology Limited, WHL Limited issued four (4) tranches totalling 120,000,000 Performance Shares in recompliance capital.

Performance Shares criteria

Performance Shares were provided to KMP as part of the merger implementation, as follows.
The vesting conditions of the Performance Shares are as follows:

No. granted	Grant date	Probability of vesting	Vesting conditions
30,000,000	3 Mar 2017	-	Accredited Australian testing of the AC Controller, and receiving $3 million in committed orders within 18 months of the grant date.
30,000,000	3 Mar 2017	< 50%	Accredited Australian testing of the wireless feature card, and receiving $5 million in committed orders within 30 months of the grant date.
30,000,000	3 Mar 2017	> 50%	$10 million in committed orders within 42 months of the grant date.
30,000,000	3 Mar 2017	> 50%	$15 million in committed orders within 54 months of the grant date.

Where the probability of vesting is greater than 50%, it is considered likely to occur. Where the probability is not likely, the value of the performance shares is deemed to be nil.
As the performance shares were used for recompliance capital, and were issued to the vendor, they have been considered as part of the consideration for the reverse acquisition.

During the year, 30 million performance shares lapsed. As at 30 June 2019, 90,000,000 unvested performance shares remained.

III. DIRECTOR PERFORMANCE RIGHTS

During the financial year, the Company issued 80,000,000 performance shares to Brett Savill, Peter Rossdeutscher and Gary Castledine.

i. Performance Shares criteria

The vesting conditions of the performance shares are as follows:

- Tranche A: will vest immediately upon the Company securing a minimum of $3,900,000 in long-term funding prior to 31 December 2018.
- Tranche B: will vest immediately upon the Group generating $5,000,000 in accumulated revenue between 1 October 2018 and 30 September 2021.
- Tranche C: will vest immediately upon the Group achieving 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 a 20 consecutive trading day period during which the Group's shares have actually traded.

ii. Performance Rights valuation assumptions

The Director performance valuation assumptions relating to the grant of performance rights are detailed below:

	Assumptions		
	Tranche A	Tranche B	Tranche C
VALUATION ASSUMPTIONS:			
Discount rate	2.26% p.a.	2.26% p.a.	2.26% p.a.
Share price volatility	110% p.a.	110% p.a.	110% p.a.
Grant date	30-Nov-18	30-Nov-18	30-Nov-18
Performance period (years)	0.1	3.0	5
FV OF RIGHTS AT GRANT DATE:			
Fair value per performance right	$0.008	$0.008	$0.007
Share price at grant date	$0.008	$0.008	$0.008
Director Performance Rights	20,000,000	20,000,000	40,000,000
Number of vested rights	20,000,000	-	-
Number of unvested rights	-	20,000,000	40,000,000

iii. Measurement Period

Tranche A has a 1 month measurement period, Tranche B has a 3 year measurement period and Tranche C has a 5 year measurement period.

iv. Share-based Expense

Share-based payments expense relating to Director performance rights were $225,281, for the year ended 30 June 2019. During the year, Tranche A vested. As at 30 June 2019, 60,000,000 unvested performance rights remained.

IV. EMPLOYEE PERFORMANCE RIGHTS

During the financial year, the Company issued 18,000,000 performance shares to employees under the Performance Rights Plan.

i. Employee Performance Shares criteria

The vesting conditions of the performance shares are as follows:

- Tranche A: will vest immediately upon the Group generating $5,000,000 in accumulated revenue between 1 October 2018 and 30 September 2021.
- Tranche B: will vest immediately upon the Group achieving 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 a 20 consecutive trading day period during which the Group's shares have actually traded.

ii. Employee Performance Rights valuation assumptions

The Employee performance valuation assumptions relating to the grant of performance rights are detailed below:

	Assumptions	
	Tranche A	Tranche B
VALUATION ASSUMPTIONS:		
Discount rate	1.71% p.a.	1.71% p.a.
Share price volatility	110% p.a.	110% p.a.
Grant date	28-Feb-19	28-Feb-19
Performance period (years)	3.0	4.8
FV OF RIGHTS AT GRANT DATE:		
Fair value per performance right	$0.007	$0.005
Share price at grant date	$0.007	$0.007

iii. Measurement Period

Tranche A has a 3 year measurement period and Tranche B has a 5 year measurement period.

iv. Share-based Expense

Share-based payments expense relating to share rights were $11,262, for the year ended 30 June 2019.

V. QUANTIFY CLASS C SHARE PURCHASE

Quantify had originally issued 11,607,480 Class C Shares to its shareholders.
As part of the reverse takeover, which successfully concluded on 3 March 2017, the Quantify Class C shareholders holdings were acquired and re-issued at a rate of 1.0189 WHL share for every Quantify ordinary share. As a result, the 11,607,480 Class C shares were acquired, and 11,826,787 shares were re-issued to the shareholders.

Movement is reflected in contributed equity – refer to Note 10 for movement schedule.

VALUATION

Value per share	$0.060
Number of re-issued shares	11,826,787
Total value of shares	$709,607
Share-based payment expense	$709,607

Share-based Expense

The re-issue of shares has been fully expensed in prior years.

SHARE-BASED PAYMENT EXPENSES

The expense recognised for share-based payments during the year is shown in the table below:

	2019	2018
Employee options	$ (146,027)	$ (525,998)
Director Performance rights	(225,281)	-
Performance rights	(197,332)	(248,559)
Employee Share Scheme	(42,000)	(140,000)
Contract options	-	(356,250)
Share rights	-	(40,695)
Total	$ (610,640)	$ (1,311,502)

NOTE 25. PARENT ENTITY

Information relating to Quantify Technology Limited, the Parent entity, is detailed below:

	2019	2018
BALANCE SHEET		
Assets		
Current	$ 1,258,040	$ 557,378
Non - Current	-	50,738
Total assets	$ 1,258,040	$ 608,116
Liabilities		
Current	$ (1,595,885)	$ (285,587)
Total liabilities	$ (1,595,885)	$ (285,587)
Net Assets	$ (337,845)	$ 322,529
Equity		
Contributed equity	$ (83,200,079)	$ (78,705,528)
Employee benefits reserve	(6,147,857)	(5,571,443)
Retained earnings	89,685,781	83,954,442
Total	$ 337,845	$ (322,529)
INCOME		
Net Profit / (Loss) after tax	$ (5,731,339)	$ (8,475,090)
Total Comprehensive Income	(5,731,339)	(8,475,090)

The financial information for the parent entity, Quantify Technology Holdings Ltd, has been prepared on the same basis as the consolidated financial statements.

DIRECTORS' DECLARATION

In the opinion of the Directors of Quantify Technology Limited (the "Group"):

- The accompanying financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
  - Giving a true and fair view of the Group's financial position at 30 June 2019 and of its performance for the year ended on that date; and
  - Complying with Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001.
- There are reasonable grounds to believe the Group will be able to pay its debts as and when they become due and payable.
- The financial statements and notes thereto are in accordance with International Financial Reporting Standards as disclosed in Note 2.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with sections 295A of the Corporations Act 2001 for the financial period ending 30 June 2019.

This declaration is signed in accordance with a resolution of the board of Directors.

Brett Savill
On behalf of the Board.
30 August 2019

HLB MANN JUDD
ADVISORY AND ACCOUNTING

INDEPENDENT AUDITOR'S REPORT
To the members of Quantify Technology Holdings Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Quantify Technology Holdings Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2(v) in the financial report, which indicates the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described below to be the key audit matters to be communicated in our report.

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HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849
T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Key Audit Matter	How our audit addressed the key audit matter
Impairment of intellectual property (Refer to Note 18(v))	
Description An impairment assessment was conducted by management as at balance date in relation to the carrying value of the Group's intellectual property. The total carrying value of these intangible assets is $7.9 million as at 30 June 2019. The impairment assessment was conducted under AASB 136 *Impairment of Assets*. The carrying value of the Group's intellectual property is recognised within a cash-generating unit. The Group performed an impairment assessment over this cash-generating unit using a value-in-use model to determine recoverable amount. We considered this area to be a key audit matter due to the materiality of the intellectual property balance, its importance for the users' understanding of the financial report as a whole and because management's assessment of the value-in-use of the cash generating unit involves judgement about the future results of the business.	*Audit Approach* Our procedures included but were not limited to: - Obtaining an understanding of the key controls associated with the preparation of the value-in-use model used to assess the recoverable amount; - Critically evaluating management's methodology in the value-in-use model and the basis for key assumptions; - Comparing value-in-use to the carrying amount of assets comprising the cash-generating unit; - Considering whether the assets comprising the cash generating unit have been correctly allocated; and - Assessing the appropriateness of the disclosures included in the relevant notes to the financial report.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

HLB MANN JUDD
ADVISORY AND ACCOUNTING

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Quantify Technology Holdings Limited for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

M R Ohm
Partner

Perth, Western Australia
30 August 2019

SHAREHOLDER INFORMATION

The following information was extracted from the Company's register at 22 August 2019.

TOP 20 SHAREHOLDERS

Position	Holder Name	Holding	% IC
1	MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LIMITED <NO 1 ACCOUNT>	109,514,889	7.35%
2	CUDA DEVELOPMENT CORPORATION PTY LTD	100,000,000	6.72%
3	BIG AL INVESTMENTS PTY LIMITED	85,755,080	5.76%
4	CITICORP NOMINEES PTY LIMITED	52,926,880	3.55%
5	LAPINS HOLDINGS PTY LTD<LAPINS FAMILY A/C>	42,079,001	2.83%
6	DM CAPITAL MANAGEMENT PTY LTD<MCEVOY FAMILY A/C>	41,121,243	2.76%
7	BNP PARIBAS NOMINEES PTY LTD<IB AU NOMS RETAILCLIENT DRP>	29,002,045	1.95%
8	ZW 2 PTY LTD	27,032,101	1.82%
9	CARPE DIEM ASSET MANAGEMENT PTY LTD <LOWE FAMILY A/C>	20,833,333	1.40%
10	JANE ELIZABETH MARY SAVILL<SAVILL FAMILY A/C>	20,269,887	1.36%
11	MR PETER ALAN ROSSDEUTSCHER &DR EVELYN DE SILVA-ROSSDEUT	20,000,000	1.34%
11	PRIMSTON PTY LTD	20,000,000	1.34%
12	MR PAUL WEBSTER	18,100,000	1.22%
13	DOMAEVO PTY LTD <THE JCS A/C NO2>	14,000,678	0.94%
14	NATIONAL NOMINEES LIMITED<DB A/C>	13,388,362	0.90%
15	LYDC INVESTMENTS PTY LTD <LYDC INVESTMENT A/C>	12,500,000	0.84%
16	MR RUI ZHANG	12,328,196	0.83%
17	MR NICHOLAS PETER GORDON	12,151,611	0.82%
18	RDP PATERSON SUPERFUND PTY LTD<RDP PATERSON SUPERFUND A	11,250,000	0.76%
19	ROBERTS SF PTY LTD<RGR SUPERANNUATION FUND A/C>	11,000,000	0.74%
20	DR ROGER PATERSON <THE HINDLEY A/C>	10,883,459	0.73%
	Total	684,136,765	45.94%
	Total issued capital - selected security class(es)	1,489,038,396	100.00%

VOTING RIGHTS

All ordinary shares issued by Quantify Technology Ltd carry one vote per share without restriction.

DISTRIBUTION OF SHARES

Holding Ranges	Holders	Total Units	% Issued Share Capital
1 - 1,000	2,436	458,510	0.03%
1,001 - 5,000	222	442,357	0.03%
5,001 - 10,000	123	899,719	0.06%
10,001 - 100,000	678	30,841,480	2.07%
100,001 - 9,999,999,999	831	1,456,396,330	97.81%
Totals	4,290	1,489,038,396	100.00%

CORPORATE GOVERNANCE STATEMENT

The Company has elected to post its Corporate Governance Statement on its website in accordance with ASX Listing Rule 4.10.3. The Corporate Governance Statement can be found at the following URL: https://www.quantifytechnology.com/investors/corporate-governance-directory/