Quantify Technology Ltd ABN 25 113 326 524

Appendix 4E - Preliminary Final Report For the Year Ended 30 June 2020

1. The reporting period is from 1 July 2019 to 30 June 2020. The previous corresponding period is 1 July 2018 to 30 June 2019.
2. Results for announcement to the market.

				$
2.1	Revenue from ordinary activities	up 286.4% to	$	468,989
2.2	(Loss) from ordinary activities after tax	up 108% to		(10,814,465)
2.3	Net (loss) for the period	up 108% to		(10,814,465)

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)	$	0.0001
9.2	Previous corresponding period ($ / share)	$	0.0007

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 preliminary 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	$	(0.67)
Previous corresponding period – basic		(0.54)
Current period – diluted		(0.67)
Previous corresponding period – diluted		(0.54)

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

14.3 Significant features of operating performance — Refer to attached preliminary 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 preliminary results

14.6 Other factors affecting disclosed results — Refer to attached preliminary 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 2020

QUANTIFY

CONTENTS

CORPORATE DIRECTORY

Directors

Executive Director

Brett Savill

Non-Executive Directors

Peter Rossdeutscher
Gary Castledine

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 2020 Annual Report to you on behalf of the Board of Quantify Technology Holdings Limited ("Quantify" or the "Company").

In my report for the 2019 Financial Year we looked 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. 2020 has continued this trend albeit under very tough circumstances notably in the second half of the year with the COVID pandemic leading to rising unemployment, lockdowns, and a significant reduction in the number of new dwellings being built across Australia. This tough year culminated in the recall of one of the Company's products.

Neverthless, the high spots were the deal with Fokused Group to be the exclusive distributor in Western Australia; as well as signing up new agreements with Dilcara and 3PG alongside a new order from the Stable Group.

Two capital raises in the year mean the Company went into the pandemic with reserves of cash. Neverthless, Quantify continues to control its cost base closely with staff working reduced hours and a range of other measures in place to preserve shareholders' funds.

Mark Lapins, the founder and former CEO of Quantify, stepped down from his role on the board, in March 2020.

Having noted that, the management team and board are convinced that smart home automation is a strong and growing market, and in tough times it is even more critical for builders and vendors to add value to their properties.

In other words, we believe the next 12 months is set to be an exciting period and I thank shareholders for their ongoing support and patience as we look forward to a successful 2021 Financial Year.

Peter Rossdeutscher
Chairman

CHIEF EXECUTIVE OFFICER'S REPORT

Dear Shareholders,

The 2020 Financial Year has been a difficult one for the business. At the beginning of the period we completed a $2.5m capital raise with the assistance of Pinnacle Corporate Finance Pty Ltd and RM Corporate Finance Pty Ltd. In January, the Company announced a further $1.75m rights issue.

The Company also announced 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 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 installation of Quantify devices in NDIS apartments for Sana Living in Western Australia were announced later on in the year.

Quantify finalised a Spokesperson and Media Agreement with award-winning West Australian interior designer Natalee Bowen and her company, Indah Island Pty Ltd. This agreement complements the Company's positioning with the television program, Ready Set Reno, due to feature Natalee's home. We were also lucky enough to appear on Channel Seven's Better Homes and Gardens.

The Company signed Intelligent Home as a distributor. Intelligent Home have completed over 50,000 installations in Perth, making them one of the largest smart wiring, home and building technology providers in Australia. They currently work with 8 of the 10 largest builders in Western Australia. Intelligent Home Director Brenton Morris and General Manager Paul Turnor lead a team of over 100 experts with a proven track record of strong sales and long-term client relationships.

In September, the Company announced it had been awarded a patent in the US, whilst a new device, the Blind Controller, received Global Certification.

The Company signed up ASI-Electrics as a distributor in Victoria, signed an MOU with Energy Trade and announced that it had integrated Google's intelligent voice technology into its devices. The Company signed up Fokused as its West Australian stockist with a commitment to order $250,000 in the first year. A Heads of Agreement was signed with Blaq Projects, another with ACT-based 3 Property Group and a final one with Dilcara, with a new order being secured with Stable Group.

In July 2020, the Company discovered problems with a component in the Blind Controller and was forced to recall all the devices in the field. This led to it being notified by Blaq Projects that it wished to remove all devices from the initial developments.

FINANCIAL RESULTS

- Quantify reported a net loss after tax of $10,814,465 for the year ended FY2020 (FY2019: $5,206,756).
- FY2020 loss before interest, tax, depreciation and amortisation (EBITDA) was $2,041,212 (FY2019: $4,808,652).
- As at 30 June 2020, the Group had $694,803 cash on hand (FY2019: $795,190). Subsequent to the year-end, the company was due to receive R&D rebates totalling $1,059,747 (FY2019: $1,742,692).

EBITDA is a non-IFRS measure. The information is unaudited but is extracted from the audited financial statements. Management uses EBITDA to understand cash flows within the Group.

OUTLOOK AND CLOSING WORDS

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 an established global leader in the home automation market.

Brett Savill
CEO

REVIEW OF OPERATIONS

QUANTIFY SUCCESSFULLY DELIVERS ITS FIRST TWO INSTALLATIONS IN SYDNEY FOR FY2020

In July 2019, Quantify completed the installation of its devices in Kyle Bay and Oatley, both luxury homes in south Sydney. The installation was undertaken by Quantify's Sydney-based electrical contractor partner, Cambridge Electrical Services.

The two projects represent the first sales that have been delivered since Quantify signed the exclusive agreement with Harvey Norman Commercial Division, and represent a further extension of the existing partnership with Cambridge Electrical Services.

The Kyle Bay home is a fully refurbished three-storey luxury modernised dwelling with water views. The second home is a new build located in Oatley, Sydney. Quantify's devices enable these homeowners to gain the benefits of home automation at a fraction of the cost of competing products. Benefits include the ability to layer "Touch, Tap and Talk", that is 'Touch' the Quantify devices which respond the same as a normal switch, 'Tap' control with an app, and 'Talk' to Amazon Alexa, to control devices through voice command.

FIRST FY2020 PROJECTS FLOWING THROUGH WEST AUSTRALIAN DISTRIBUTOR

In July 2019, Quantify announced that its first two Western Australian installation projects for FY2020 were to be completed by mid-August 2019.

They were the first projects delivered through Powerhouse Home Automation, and are both conversions of existing homes, rather than new builds, whilst still allowing the ability to layer "Touch, Tap and Talk". This represents a significant and important milestone for the Company, as the market for the nearly 10 million existing homes in Australia is significantly greater than the market for new builds.

MAJOR ORDER SIGNED WITH BLAQ PROJECTS

In November 2019, Quantify announced that its products will be exclusively installed in at least three major developments in Wollongong, New South Wales, under an agreement signed with Blaq Projects.

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

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

NEW ORDER WITH THE BURCHAM DEVELOPERS, THE STABLE GROUP

In December 2019, Quantify signed an agreement with Sydney's The Stable Group, which will see Quantify's products specified into 18 luxury townhouses in Sydney's northern beaches suburb of Newport.

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

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

MAJOR ORDER SIGNED WITH EAST COAST DEVELOPER, DILCARA

In April 2020, Quantify signed a heads of agreement with Dilcara to deliver devices into 36 high-end apartments and townhouses in Sydney, New South Wales.

The three-year Heads of Agreement ("HoA") targets an initial 36 high-end luxury apartments and townhouses, and the order is in excess of $450K (final figure to be confirmed as apartment final designs are not yet confirmed).

Under the HoA, Quantify will honour a three-year fixed pricing scheme, and Dilcara will install a turn-key solution, consisting primarily of Quantify devices, in addition to smart speakers and Wi-Fi.

QUANTIFY SIGNS WEST AUSTRALIA STOCKIST, FOKUSED PTY LTD

In November 2019, Quantify entered into an agreement with Fokused Pty Ltd, which saw Fokused become the Company's exclusive stocking distributor for Western Australia.

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

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

QUANTIFY DEVICES TO BE INSTALLED IN 10 NDIS APARTMENTS THROUGH WA STOCKING DISTRIBUTOR

In May 2020, Quantify's stocking distributor in Western Australia, Fokused, reached an agreement to install Quantify devices in ten NDIS apartments, which form part of the original stocking order. This represents the Company's first new roll out into the NDIS market since the installation for St John of God Accord.

Smart home automation is ideal for those less able to look after themselves. Scenes control multiple devices at one time, meaning less physical touching. Moreover, voice activation and apps mean the residents do not need to touch the devices at all. With less touching comes a lower risk of infection, both for residents and for those caring or visiting.

The development includes ten assisted living apartments under development to NDIS standards by Sana Living and certified by Optimal Living Therapy. Fokused, and its installer Limitless Automation, chose Control4 with Quantify qDimmers, qBlinds and qPower products. The Quantify smart switch complies with the NDIS standards and, with voice control via the Google Assistant or Amazon Alexa, is a perfect solution for hygienic device control.

MAJOR ACT PROJECTS SECURED, FOLLOWING DEAL WITH 3 PROPERTY GROUP

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

The Agreement targets an initial 53 townhouses across three separate developments, representing Quantify's first installation in the ACT.

3PG has a proven track record of providing innovative technology options to their purchasers across their projects in the thriving ACT market. The Agreement represents a prime opportunity for Quantify to step foot into the growing property market, which comes thanks to an expanding ACT population that is growing by 8K pa. To cater for new housing demand, the ACT residential land release program is targeting the release of 15.6K homes over four years.

QUANTIFY SIGN UP ASI ELECTRICS, ONE OF VICTORIA'S LEADING ELECTRICAL CONTRACTORS

In September 2019, Quantify signed up ASI Electrics as a distributor in Victoria.

ASI Electrics is one of Victoria's leading electrical contracting businesses, with over 200 direct employees, who have expertise in electrical design and installation, engineering and value enhanced solutions. Victoria is home to 26 percent of Australia's population, and represents approximately the same percentage of the new build market.

The agreement furthers Quantify's growth strategy, with the Company focused on signing up leading distributors and installers across Australia to capture a significant proportion of the $1.8B pa market that is expanding at 30% pa.

INTELLIGENT HOME SIGNED AS WA DISTRIBUTOR

In August 2019, the Company signed an agreement with Intelligent Home for the distribution of the Company's products in Western Australia.

Intelligent Home have completed over 50,000 installations in Perth, making them one of the largest smart wiring, home and building technology providers in Australia. They currently work with 8 of the 10 largest builders in Western Australia. The agreement with Intelligent Home, coupled with the agreements with Powerhouse Home Automation and Limitless Automation Pty Ltd, result in the Company now having three distributors actively selling Quantify's products in Western Australia.

INDAH ISLAND APPOINTED AS SPOKESPERSON AND MEDIA REPRESENTATIVE

During the year, Quantify entered into a Spokesperson and Media Agreement with award-winning West Australian interior designer Natalee Bowen and her Company, Indah Island Pty Ltd.

Under the 12-month agreement, Natalee will represent and promote the Company through both her own channels and media, as well as at industry events.

Indah Island Pty Ltd has been commissioned both in Australia and internationally, and has been featured in magazines globally, across social media, newspapers and television programs, such as Ready Set Reno, Open Homes Australia and Through the Front Gate, which was viewed by over 40 million people in the United States alone.

With an Instagram following of over 180,000, Natalee has worked alongside top New York architects and has recently completed work on the home of Australian media personality, Deborah Hutton.

The partnership will assist in building awareness for Quantify and its products within the industry, whilst also serving to educate opinion-formers, such as architects, designers, developers and electricians. Importantly, the partnership will accelerate Quantify's growth, with Indah Island Pty Ltd well positioned to help create demand for the Quantify product suite.

QUANTIFY INTEGRATES WITH SMART SPEAKER POWERHOUSE, GOOGLE

In October 2019, Quantify integrated the Google Assistant into its patented smart home products.

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

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

US PATENT GRANTED

During the year, Quantify was granted Patent protection for the Company's technology in the United States of America.

The patent protects Quantify's unique selling proposition, which enables the Company's products to evolve over time, without complete product replacement – dramatically reducing the lifetime cost of technology adoption. An advantage in mature technology markets, such as the U.S., is that this 'future-proofing' enables the Company's products to stand out from the competition, and has been recognised as a significant advantage by the U.S. companies that Quantify is already in discussions with.

The U.S. market is the largest smart home market in the world, with revenue of over US$27B in 2019, an annual growth rate of 13%, and expected to grow to around US$45B by 2023.

Combined with the ability to be retrofitted onto existing wiring, Quantify's products are well positioned for the U.S.

CORPORATE UPDATES

COMPLETED $1.75 MILLION CAPITAL RAISING AND ENTITLEMENT ISSUE

As announced on 16 January 2020 and 20 February 2020, Quantify successfully completed a $0.25 million capital raising, and its fully underwritten $1.5 million rights entitlement issue respectively.

The capital raising resulted in the placement of 62,500,000 ordinary fully paid shares and 62,500,000 free attaching options.

The rights entitlement resulted in the issuance of 388,011,351 shares and 388,011,351 free attaching options.

The successful completion of the capital raising and entitlement issue has provided the Company with sufficient funds to assist with the sales, marketing and commercialisation of its products, and to assist with working capital into FY2021.

REDUCTION IN OVERHEADS

In FY2020, Quantify undertook significant cost reductions and decreased its operating costs by $2.3 million to $4.4 million (FY2019: $6.7 million), and whilst the full effect of the cost reduction will be recognised in the following financial year, Quantify continues to pursue further cost reductions.

ABOUT QUANTIFY

Quantify 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's solution the platform of choice.

DIRECTORS' REPORT

The Board of Directors of Quantify Technology Holdings Limited submit their report for the year ended 30 June 2020.

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.

Peter does not have any directorships on any other listed companies, nor has in the past 3 years.

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.

Gary is currently a director of Vector Resources Ltd, since 24 February 2009, and has held no other directorships within the past 3 years.

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.

Brett does not have any directorships on any other listed companies, nor has in the past 3 years.

Mark Lapins – Non-Executive Director – resigned 17 March 2020

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.

Mark does not have any directorships on any other listed companies, nor has in the past 3 years.

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 Group for the financial year was $10,814,465 after income tax (FY2019: net loss after tax of $5,206,756).

REVIEW OF OPERATIONS

A review of the operations of the Group is outlined in the Review of Operations on page 6.

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 6.

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 14 July 2020, Quantify announced that it discovered a technical issue with one of its devices, the blind controller, and issued a recall notice. Blaq Projects, which had ordered the device for its development, determined the devices were not fit for purpose, and as such both paused the order and issued a return notice on the devices in the apartments where the devices had been installed. The Company agreed to reimburse Blaq for the devices, and any labour costs incurred. The cost of the recalled devices was $66,000, with labour costs estimated to be less than $45,000. The heads of agreement with Blaq remains in place, with their initial order having been put on hold. Quantify's products will be re-evaluated once they are deemed fit for purpose. The Company is working on solutions for the issues that led to the recall and is confident it can resolve them.

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 6.

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

At the date of this report, shares, options and performance shares granted to Directors of the Company and the entities it controlled are:

	Number		
Director	Ordinary Shares	Options	Performance Shares
Peter Rossdeutscher	20,000,000	20,000,000	20,000,000
Brett Savill	25,337,359	25,121,450	40,000,000
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 2020 and is included on page 15.

SHARE OPTIONS, PERFORMANCE SHARES AND PERFORMANCE RIGHTS

There were 1,009,290,830 unissued ordinary shares under option, 140,000,000 performance shares and 18,000,000 performance rights at the date of this report. Refer to Note 26 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:

	Meeting
	Board of Directors
Number of meetings held	9
Number of meetings attended:	
Peter Rossdeutscher	8
Brett Savill	9
Gary Castledine	8
Mark Lapins[1]	5

1. Mr Mark Lapins resigned as Non-Executive Director on 17 March 2020. He was eligible to attend 6 meetings.

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 auditor, HLB Mann Judd, to provide the Directors of the Company with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration is set out on page 30 and forms part of this Directors' report for the year ended 30 June 2020.

INDEMNITY AND INSURANCE OF AUDITOR

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

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[2]
Gary Castledine

[1] Designated the Chairman of the Board
[2] Resigned on 17 March 2020

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 for the year ended 30 June 2020.

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 2020 were:

EXECUTIVE DIRECTORS AND KEY MANAGEMENT PERSONNEL

Mr Brett Savill	Chief Executive Officer - appointed 1 October 2018

The following persons ceased to be key management personnel during FY2020:

Mr David Porter	Chief Technology Officer - resigned 23 October 2019

NON-EXECUTIVE DIRECTORS

Mr Peter Rossdeutscher	Non-Executive Director - appointed 9 October 2018
Mr Gary Castledine	Non-Executive Director - appointed 9 October 2018

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

Mr Mark Lapins	Non-Executive Director - resigned 17 March 2020

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 calibre 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 is available on the Quantify 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 2020 and 30 June 2019 is detailed in the Remuneration of KMP tables on page 20.

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 forfeited if a participant ceases employment during the service period.

IV. Use of remuneration consultants

No consultants were used in FY2020.

V. Details of contractual provisions for KMP

Name	Employing company	Contract Duration	Notice Period
Brett Savill	Quantify Technology Holdings Ltd	3 Years	6 months

1. Termination provisions for Executives on contracts – Quantify 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 2020, the Group had two 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	SBP Expense			
	Salary & Fees	Other Monetary Benefits	Super-annuation /	Leave Accrued	Performance Shares & Rights	Total	Share Based Payments Expense %	Performance Related %
YEAR ENDED 30 JUNE 2020								
EXECUTIVE DIRECTORS								
Brett Savill	$ 264,231	$ 60,000	$ 25,102	$ 20,595	$ 56,351	$ 426,279	27.3	27.3
NON-EXECUTIVE DIRECTORS								
Peter Rossdeutscher	$ 93,600	$ -	$ -	$ -	$ 28,176	$ 121,776	23.1	23.1
Mark Lapins [1]	98,100	-	-	-	19,250	117,350	16.4	16.4
Gary Castledine	61,200	-	-	-	28,176	89,376	31.5	31.5
OTHER KEY MANAGEMENT PERSONNEL								
David Porter [2]	$ 147,980	$ -	$ 11,181	$ 8,544	$ 1,892	$ 169,597	1.1	1.1
	$ 665,111	$ 60,000	$ 36,283	$ 29,139	$ 133,845	$ 924,378		

1. Mr Mark Lapins resigned as Non-Executive Director on 17 March 2020.
2. Mr David Porter resigned as Chief Technology Officer on 23 October 2019.

	Short-Term Benefits		Post Employment Benefits	Long Term Benefits	SBP Expense			
	Salary & Fees	Other Monetary Benefits	Super-annuation /	Leave Accrued	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.

6. EQUITY INSTRUMENTS HELD BY KMP

I. Bid Options

i. Bid Options

Prior to the reverse takeover which occurred during FY2017, Quantify 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 expired on 30 September 2019.

iii. Vesting of Bid Options

No bid options were issued during FY2020.

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.

All employee options expired during the year.

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 options were provided at no cost, were exercisable at $0.075 per option, and expired on 30 September 2019.

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 in prior years	No. expired in current year	No. exercised during year
David Porter	11 Oct 2017	511,900	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.

All KMP options had vested in the prior year. The KMP holding these options had departed Quantify prior to 30 June 2020.

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

Name	Vesting date	No. vested during year	No. vested in prior year	No. exercised during year
David Porter	12 Jan 2018	-	1,344,800	-

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.

As at 30 June 2020, the Performance Rights had expired in full.

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 2020, Tranche B expired and consequently the respective performance rights were cancelled. Tranche A expired in the prior year.

V. Performance Shares Grant

During the prior financial year, as part of the consideration for the acquisition of Quantify Technology Holdings 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 that held office as at 30 June 2020.

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	-	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

No KMP remained employed with Quantify who were holders of the Performance Shares.

VI. Director Performance Shares

During the prior 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 Shares valuation assumptions

The Director performance valuation assumptions relating to the grant of performance shares 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 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 B	Tranche C	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 FY2020	20,000,000	-	-	20,000,000
Unvested at FY2020	-	20,000,000	40,000,000	60,000,000

VII. Employee Performance Shares

During the prior 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 Shares valuation assumptions

The Employee performance valuation assumptions relating to the grant of performance shares 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 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

No KMP remained employed with Quantify who were holders of the Performance Shares.

VIII. Performance shares and options holdings

	Holdings						
	Balance at 30 June 2019	Acquired / (disposed)	Lapsed / Expired	Other movements [1]	Balance at 30 June 2020	Vested and Exercisable	Unvested
Directors							
Peter Rossdeutscher							
Performance Shares	20,000,000	-	-	-	20,000,000	5,000,000	15,000,000
Options	-	20,000,000	-	-	20,000,000	20,000,000	-
Brett Savill							
Performance Shares	40,000,000	-	-	-	40,000,000	10,000,000	30,000,000
Options	-	25,121,450	-	-	25,121,450	25,121,450	-
Mark Lapins							
Options	5,119,000	-	(5,119,000)	-	-	-	-
Performance Rights	2,083,333	-	(2,083,333)	-	-	-	-
Performance Shares	40,350,751	-	(13,450,250)	(26,900,501)	-	-	-
Gary Castledine							
Performance Shares	20,000,000	-	-	-	20,000,000	5,000,000	15,000,000
Executives							
David Porter							
Options	1,856,700	-	-	(1,856,700)	-	-	-
Performance Shares	3,550,237	-	-	(3,550,237)	-	-	-
Fletcher Joyce							
Options	937,909	-	-	(937,909)	-	-	-
Performance Shares	3,000,000	-	-	(3,000,000)	-	-	-

1. Denotes the rights held by Mr Mark Lapins, Mr David Porter and Mr Fletcher Joyce at the time of their resignations on 17 March 2020, 23 October 2019 and 7 May 2020 respectively.

IX. Shareholdings

	Share holdings				
	Balance at 30 June 2019	Granted as Remuneration	Acquired / (disposed)	Other movements [1]	Balance at 30 June 2020
Directors					
Peter Rossdeutscher	-	-	20,000,000	-	20,000,000
Brett Savill	215,909		25,121,450	-	25,337,359
Mark Lapins	142,079,001	-	-	(142,079,001)	-
Gary Castledine	1,935,743	-	-	-	1,935,743
Executives					
David Porter	1,528,350	-	-	(1,528,350)	-
Fletcher Joyce	3,500,000	-	-	(3,500,000)	-

1. Denotes the shares held by Mr Mark Lapins, Mr David Porter and Mr Fletcher Joyce at the time of their resignations on 17 March 2020, 23 October 2019 and 7 May 2020 respectively.

7. OTHER RELATED MATTERS

I. 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 2020.

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

This report is made in accordance with a resolution of the board of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

Brett Savill
On behalf of the Board.
31 August 2020

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 Limited for the year ended 30 June 2020, 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
31 August 2020

L Di Giallonardo
Partner

hlb.com.au

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

FINANCIAL REPORT

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	Consolidated 2020	2019
Revenue			
Revenue	3	$ 468,989	$ 121,371
Cost of Sales		(360,497)	(93,294)
Gross profit		$ 108,492	$ 28,077
Income			
Grant income	4	$ 1,035,047	$ 1,570,895
Other income	4	99,290	156,379
Expenses			
Operating expenses	5	$ (4,373,936)	$ (6,714,153)
Financing costs	5	(111,532)	(115,898)
Depreciation and amortisation	5	(2,185,131)	(132,056)
Impairment of capitalised intangibles	5	(6,475,347)	-
Reversal of Listing premium expense	5	1,088,652	-
(Loss) before income tax		$ (10,814,465)	$ (5,206,756)
Income tax expense		$ -	$ -
(Loss) after tax		$ (10,814,465)	$ (5,206,756)
Other comprehensive income (OCI)			
Other comprehensive income		$ -	$ -
Other comprehensive income net of tax for the period		$ -	$ -
Total comprehensive loss for the year		$ (10,814,465)	$ (5,206,756)
Loss per share (cents per share)			
- basic loss per share	6	(0.67)	(0.54)
- diluted loss per share	6	(0.67)	(0.54)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

	Notes	Consolidated 2020	2019
Assets			
Current Assets			
Cash and cash equivalents	8	$ 694,803	$ 795,190
Trade and other receivables	12	1,137,746	1,881,776
Prepayments		5,037	5,321
Total		$ 1,837,586	$ 2,682,287
Non - Current Assets			
Property, plant and equipment	19	$ 128,343	$ 165,473
Intangible assets	20	125,316	7,946,865
Right of Use asset	16	226,128	-
Total		$ 479,787	$ 8,112,338
Total Assets		$ 2,317,373	$ 10,794,625
Liabilities			
Current Liabilities			
Trade and other payables	13	$ (845,088)	$ (942,483)
Interest-bearing loans and borrowings	9	(776,400)	(1,057,919)
Provisions	14	(154,486)	(170,187)
Lease liability	17	(109,822)	-
Total		$ (1,885,796)	$ (2,170,589)
Non - Current Liabilities			
Lease liability	17	$ (126,225)	$ -
Total		$ (126,225)	$ -
Total Liabilities		$ (2,012,021)	$ (2,170,589)
Net Assets		$ 305,352	$ 8,624,036
Equity			
Contributed equity	10	$ 34,694,074	$ 31,696,873
Unissued Share Capital		60,000	750,000
Reserves	11	1,699,117	2,622,371
Accumulated losses		(36,147,839)	(26,445,208)
Equity attributable to owners of the parent		$ 305,352	$ 8,624,036

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 2020

	Issued Capital	Unissued Capital	Consolidated Share-Based Payment Reserve	Accumulated Losses	Total
Balance at 1 July 2018	$ 27,889,850	$ -	$ 2,429,291	$ (21,621,785)	$ 8,697,356
Comprehensive Income					
(Loss) after income tax expense 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
Transfer to Issued Capital for issued shares	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 - listed options expense	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	-	750,000	-	-	750,000
Transfer to accumulated losses	-	-	(383,333)	383,333	-
Total	$ 3,807,023	$ 750,000	$ 193,080	$ 383,333	$ 5,133,436
Balance at 1 July 2019	$ 31,696,873	$ 750,000	$ 2,622,371	$ (26,445,208)	$ 8,624,036
Adjustment from adoption of AASB 16[2]	-	-	-	(21,279)	(21,279)
Balance at 1 July 2019 - restated	$ 31,696,873	$ 750,000	$ 2,622,371	$ (26,466,487)	$ 8,602,757
Comprehensive Income					
Loss for the period	$ -	$ -	$ -	$ (10,814,465)	$ (10,814,465)
Total Comprehensive (loss) for the period	$ -	$ -	$ -	$ (10,814,465)	$ (10,814,465)
Other equity transactions					
Shares issued as part of capital raising	$ 3,528,284	$ -	$ -	$ -	$ 3,528,284
Transfer to Issued Capital for issued shares	750,000	(750,000)	-	-	-
Transaction costs relating to issue of shares	(461,261)	-	152,744	-	(308,517)
Share-based payment - settlement of advisor costs	154,000	-	-	-	154,000
Share-based payment - Employee Option Plan	-	-	47,152	-	47,152
Share-based payment - Employee Share Scheme	-	-	2,057	-	2,057
Share-based payment - Unissued Director shares[1]	-	60,000	-	-	60,000
Share-based payment - Director Performance rights	-	-	112,702	-	112,702
Share-based payment - Performance rights	-	-	177,285	-	177,285
Transfer to Issued Capital for exercised Performance	105,000	-	(105,000)	-	-
Share-based payment - Employee Share Scheme	9,830	-	(9,830)	-	-
Listing premium reversal[3]	(1,088,652)	-	-	-	(1,088,652)
Reversal of unvested Consultant options	-	-	(167,251)	-	(167,251)
Transfer to accumulated losses[4]	-	-	(1,133,113)	1,133,113	-
Total	$ 2,997,201	$ (690,000)	$ (923,254)	$ 1,133,113	$ 2,517,060
Equity at 30 June 2020	$ 34,694,074	$ 60,000	$ 1,699,117	$ (36,147,839)	$ 305,352

1. Shares which were unissued but due to the CEO as part of executive agreement bonus provision.
2. As a result of the adoption of AASB 16 Leases during the current year, the opening accumulated losses balance has been restated in line with the requirements of the new accounting standard.
3. During the financial year, performance shares which were issed at the time of the reverse takeover were deemed to be unlikely to vest. The expense was previously recognised as a Listing Expense in FY2017. Due to the reassessment of the unlikely probability of the performance shares vesting, the attributable expense of $1.089 million was reversed through the P&L.
4. During the financial year, 56,856,636 options expired. As such, the amount of $1.133 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 2020

	Notes	Consolidated 2020	2019
Cash flows from operating activities			
Receipts from customers		$ 400,313	$ 121,371
Payments to suppliers and employees		(4,170,696)	(5,874,648)
Interest received		1,242	3,324
Interest paid		(82,865)	(115,898)
Other tax receipts		1,742,692	1,707,531
Net cash used in operating activities	8	$ (2,109,314)	$ (4,158,320)
Cash flows from investing activities			
Purchase of property, plant and equipment		$ (28,072)	$ (37,446)
Development costs of intangible assets	20	(658,184)	(590,689)
Net cash used in investing activities		$ (686,256)	$ (628,135)
Cash flows from financing activities			
Proceeds from issue of shares		$ 3,468,284	$ 3,993,635
Proceeds from unissued shares		-	750,000
Transaction costs related to issues of securities		(308,516)	(228,612)
Proceeds from borrowings		737,499	2,440,649
Repayment of borrowings		(1,028,004)	(1,751,238)
Payment of debt issue costs		(2,796)	(73,500)
Repayment of lease liabilities		(171,284)	-
Net cash from financing activities		$ 2,695,183	$ 5,130,934
Net increase / (decrease) in cash and cash equivalents		$ (100,387)	$ 344,479
Cash and cash equivalents at beginning year		$ 795,190	$ 450,711
Cash and cash equivalents at the end of year		$ 694,803	$ 795,190

The Condensed 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 2020 was authorised for issue in accordance with a resolution of the Directors on 31 August 2020. 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 within the Internet of Things ("IoT") market, the assessment of new investment opportunities, and product commercialisation.

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. 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 2020

In the year ended 30 June 2020, 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. Those which have a material impact on the Group are set out below.

AASB 16 Leases
The Group has applied AASB 16 from 1 July 2019 using the modified retrospective approach, with no restatement of comparative information. The impact on the accounting policies, financial performance and financial position of the Group from the adoption of AASB 16 is detailed below.

<u>Change in accounting policy</u>
AASB 16 Leases supersedes AASB 117 Leases. The Group has adopted AASB 16 from 1 July 2019 which has resulted in changes in the classification, measurement and recognition of leases. The changes result in almost all leases where the Group is the lessee being recognised on the Statement of Financial Position and removes the former distinction between 'operating and 'finance' leases. The new standard requires recognition of a right-of-use asset (the leased item) and a financial liability (to pay rentals). The exceptions are short-term leases and leases of low value assets.

The Group has adopted AASB 16 using the modified retrospective approach under which the reclassifications and the adjustments arising from the new leasing rules are recognised in the opening Condensed Statement of Financial Position on 1 July 2019. Under this approach, the comparatives have not been restated.

The Group leases its head office premise. Prior to 1 July 2019, the lease was classified as an operating lease. Payments made towards the operating lease were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 July 2019, where the Company is a lessee, the Group recognises a right-of-use asset and a corresponding liability at the date which the lease asset is available for use by the Group (i.e. commencement date). Each lease payment is allocated between the liability and the finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a consistent period rate of interest on the remaining balance of the liability for each period.

The lease liability is initially measured at the present value of the lease payments that are not paid at commencement date, discounted using the rate implied in the lease. If this rate is not readily determinable, the Group uses its incremental borrowing rate.

Lease payments included in the initial measurement if the lease liability consist of:

- Fixed lease payments less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at commencement date;
- Any amounts expected to be payable by the Group under residual value guarantees;
- The exercise price of purchase options, if the Group is reasonably certain to exercise the options; and
- Termination penalties of the lease term reflects the exercise of an option to terminate the lease.

Extension options are included in a number of property leases across the Group. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if, at commencement date, it is reasonably certain that the options will be exercised.

Subsequent to initial recognition, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The lease liability is remeasured (with a corresponding adjustment to the right-of-use asset) whenever there us a change in the lease term (including assessments relating to extension and termination options), lease payments due to changes in an index or rate, or expected payments under guaranteed residual values.

Right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before commencement date, less any lease incentives received and any initial direct costs. These right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Where the terms of a lease require the Group to restore the underlying asset, or the Group has an obligation to dismantle and remove a leased asset, a provision is recognised and measured in accordance with AASB 137. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

Right-of-use assets are depreciated on a straight-line basis over the term of the lease (or the useful life of the leased asset if this is shorter). Depreciation starts on commencement date of the lease.

Where leases have a term of less than 12 months or relate to low value assets, the Group has applied the optional exemptions to not capitalise these leases and instead account for the lease expense on a straight-line basis over the lease term.

Impact on adoption of AASB 16

On adoption of AASB 16, the Group recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of AASB 117. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 July 2019. The weighted average lessee's incremental borrowing rate applied to lease liabilities on 1 July 2019 was 14%.

On initial application right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised In the Statement of Financial Position as at 30 June 2019.

In the Condensed Statement of Cash Flows, the Group has recognised cash payments for the principal portion of the lease liability within financing activities, cash payments for the interest portion of the lease liability as interest paid within operating activities and short-term lease payments and payments for lease of low-value assets within operating activities.

The adoption of AASB 16 resulted in the recognition of a right-of-use asset of $226,128 and lease liabilities of $236,047 in respect of all operating leases, other than short-term leases and leases of low-value assets, as at 30 June 2020.

The net impact on accumulated losses on 1 July 2019 was $21,279.

Reconciliation of operating lease commitments previously disclosed and lease liabilities on 1 July 2019:

		1-Jul-19
Recognised on 1 July 2019 on adoption of AASB 16	$	228,872
Remeasurement - lease term extension		(11,890)
Principal repayments		(38,678)
Lease liabilities as at 1 July 2019	$	178,304

Other than the above, there is no material impact of the new and revised Standards and Interpretations on the Group.

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 2020. 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.

V. Going concern

Notwithstanding the fact that the Group incurred an operating loss of $10,814,465 for the year ended 30 June 2020, and a net cash outflow from operating activities amount to $2,109,314, the Directors are of the opinion that the Company is a going concern for the following reasons:

- An R&D refund of $1,059,747 was due to be received subsequent to year-end (secured against the interest-bearing loans and borrowings, of $776,400 as at 30 June 2020); and
- the Group can undertake fund raisings to secure additional sources of funds where required.

Should these fund raisings not be completed, there is a material uncertainty that may cast significant doubt as to whether the Company will be able to continue as a going concern and whether it would be able 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 2020.

CONTENTS

NOTE 3. REVENUE

	2020		2019	
REVENUE				
Revenue from contracts with customers	$	468,989	$	121,371
Total	$	468,989	$	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 2020, 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.

NOTE 4. OTHER INCOME

	2020		2019	
OTHER INCOME				
Research & Development grant income	$	1,035,047	$	1,570,895
Other income		99,290		156,379
Total	$	1,134,337	$	1,727,274

I. Recognition & measurement

Government grant income

Government grant income includes the following grants:

- Research & Development grant; and
- Cashflow boost grant, (in 2020).

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

	2020	2019
OPERATING EXPENSES		
Administration and corporate	$ (1,095,647)	$ (1,087,456)
Marketing expenses	(139,906)	(115,400)
Occupancy costs	(59,324)	(326,236)
Travel	(83,142)	(170,047)
Allowance for credit losses	(68,676)	-
Total	$ (1,446,695)	$ (1,699,139)
Employee benefits		
Wages and salaries	$ (2,340,873)	$ (4,036,011)
Superannuation	(171,621)	(346,405)
Share-based payments expense	(291,945)	(618,414)
Workers' compensation costs	(12,702)	(8,589)
Annual leave expenses	(110,100)	(3,595)
Other employee benefits expenses	-	(2,000)
Total	$ (2,927,241)	$ (5,015,014)
Total Operating expenses	$ (4,373,936)	$ (6,714,153)
DEPRECIATION & AMORTISATION		
Depreciation and amortisation		
Depreciation	$ (205,445)	$ (110,717)
Amortisation	(1,979,686)	(21,339)
Total	$ (2,185,131)	$ (132,056)
IMPAIRMENT CHARGE		
Impairment		
Impairment of intangible assets	$ (6,475,347)	$ -
Total	$ (6,475,347)	$ -
LISTING EXPENSE REVERSAL		
Reversal of Listing premium expense on reverse acquisition	$ 1,088,652	$ -
Total	$ 1,088,652	$ -
FINANCE COSTS		
Interest expense to unrelated parties	$ (91,851)	$ (115,898)
Interest expense on lease liabilities	(19,681)	-
Total	$ (111,532)	$ (115,898)
AUDITOR'S REMUNERATION		
Amounts received or due and receivable by HLB Mann Judd for:		
An audit or review of the financial report of the entity and any other entity in the Group	$ 51,138	$ 42,330
Total	$ 51,138	$ 42,330

l. **Measurement**

Depreciation and amortisation

Refer to accounting policies for depreciation disclosed in Note 19, and to accounting policies related to amortisation of intangible assets in Note 20.

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

		2020		2019
Net loss for the year	$	(10,814,465)	$	(5,206,756)
Weighted average number of share on issue		1,616,828,336		967,038,321
Basic and diluted loss per share (cents per share)		(0.67)		(0.54)

Loss 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

	2020	2019
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	$ 382,431	$ 180,560
(Decrease) / increase in deferred tax liabilities	(382,431)	(180,560)
Total	$ -	$ -
Statement of Changes in Equity (not recognised)		
Deferred income tax:	$ 61,276	$ -
Total	$ 61,276	$ -
NUMERICAL RECONCILIATION OF INCOME TAX BENEFIT TO PRIMA FACIE TAX PAYABLE		
Loss from continuing operations before income tax expense	$ (10,814,465)	$ (5,206,756)
Tax at the Australian tax rate of 27.5%	$ (2,973,978)	$ (1,431,858)
Share-based payments	$ 80,285	$ 158,514
Non-deductible items	4,556	3,376
R&D non-deductible expenditure	654,340	993,095
Non-assessable amounts	(610,981)	(432,670)
DTA and DTL not recognised	2,845,778	709,543
Total Adjustments	$ 2,973,978	$ 1,431,858
Income tax (expense) / benefit	$ -	$ -
Unrecognised deferred tax assets		
Losses for which DTA not recognised	$ 4,312,014	$ 3,500,977
Other deferred tax assets and liabilities not recognised	1,971,803	394,678
Less: DTL recognised	(37,275)	(419,707)
Potential tax benefit at 27.5%	$ 6,246,542	$ 3,475,948

	2020	2019
UNRECOGNISED TAX LOSSES - TEMPORARY DIFFERENCES		
Unused tax losses for which no deferred tax assets have been recognised:		
Australian losses	$ 15,680,051	$ 12,730,827
Potential tax benefit at 27.5%	$ 4,312,014	$ 3,500,977

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.

	2020	2019
OTHER UNRECOGNISED DEFERRED TAX ASSETS AND LIABILITIES		
Deferred tax assets		
Provisions	$ 76,718	$ 46,802
Accruals	157	30,675
Borrowing costs	-	5,375
Undeducted s.40-880 costs (P&L)	117,849	288,862
Undeducted s.40-880 costs (equity)	61,276	-
PPE	4,903	4,481
Intangibles	1,522,042	18,483
Capitalised development costs	188,858	-
Tax losses	4,312,014	3,500,977
DTA not recognised	(6,246,542)	(3,475,948)
Total	$ 37,275	$ 419,707
Deferred tax liabilities		
Other temporary differences	$ -	$ -
DTL's recognised	37,275	419,707
Property Plant & Equipment & IP	-	-
Total	$ 37,275	$ 419,707
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% (2019: 27.5%) for the year ended 30 June 2020.
The corporate tax rate for eligible companies will reduce from 27.5% to 25% by 30 June 2022 providing certain turnover thresholds and other criteria are met. Deferred tax assets and liabilities are required to be measured at the tax rate that is expected to apply in the future income year when the asset is realised, or the liability is settled.

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.

CASH, DEBT AND CAPITAL

This section addresses the cash, debt and capital positions of the Group for the year ended 30 June 2020.

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 Group is 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.

	2020	2019
Cash and cash equivalents		
Australian variable rate interest	$ 694,803	$ 795,190
Interest-bearing loans and borrowings		
Australian variable rate interest	$ (776,400)	$ (1,057,919)
NET EXPOSURE	$ (81,597)	$ (262,729)

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 FY2020 observations.

	2020		2019	
POST TAX GAIN / (LOSS)				
AUD				
+0.25% (25 basis points)	$	(204)	$	(657)
-0.25% (25 basis points)	$	204	$	657

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 Notes 9, 13 and 17), including interest payments are as follows:

	Carrying Amount	Years to maturity 0 - 1	> 1	Contractual Cash Flows
BALANCE 30 JUNE 2020				
Trade & other payables	$ (845,088)	$ (845,088)	$ -	$ (845,088)
Interest-bearing loans and borrowings	(776,400)	(776,400)	-	(776,400)
Lease liability	(236,047)	(109,822)	(126,225)	(272,000)
Total	$ (1,857,535)	$ (1,731,310)	$ (126,225)	$ (1,893,488)
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)

The Group had $776,400 in external debt as at 30 June 2020 (FY2019: $1,057,919), in relation to prefunded R&D spend and which will be repaid through the R&D refund. The Group also had $694,803 (FY2019: $795,190) in cash and cash equivalents, which can be used to meet its liquidity needs.

NOTE 8. CASH AND CASH EQUIVALENTS

		2020		2019
CURRENT				
Cash at bank and in hand	$	694,803	$	45,190
Restricted cash[1]		-		750,000
TOTAL CASH PER CASH FLOW STATEMENT	$	694,803	$	795,190

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 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

		2020		2019
NET LOSS	$	(10,814,465)	$	(5,206,756)
ADJUSTMENTS FOR:				
Depreciation	$	2,185,131	$	132,056
Share based payments		291,945		618,414
Impairment		6,475,347		-
Non-cash settlements		154,000		-
Listing expense reversal		(1,088,652)		-
Capitalised R&D offset		24,700		171,797
CHANGES IN ASSETS AND LIABILITIES				
(Increase) / decrease in debtors	$	744,030	$	(101,606)
(Increase) / decrease in prepayments		284		(2,921)
(Decrease) / increase in trade creditors		(65,933)		269,263
(Decrease) / increase in provisions		(15,701)		(38,567)
TOTAL ADJUSTMENTS	$	8,705,151	$	1,048,436
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	$	(2,109,314)	$	(4,158,320)

IV. Changes in liabilities arising from financing activities

	Cuda	Bridging loan	Convertible note	R&D pre-funding	Lease liability	Other	Total
BALANCE 1 JULY 2019	$ -	$ -	$ -	$ 1,057,919	$ -	$ -	$ 1,057,919
Restatement for AASB 16	$ -	$ -	$ -	$ -	$ 178,304	$ -	$ 178,304
Interest incurred	-	-	-	91,851	19,681	-	111,532
Loans drawn-down	-	-	-	734,423	-	-	734,423
Debt issue costs incurred from draw-down	-	-	-	3,076	-	-	3,076
Loans repaid	-	-	-	(1,110,869)	-	-	(1,110,869)
Remeasurement of leases	-	-	-	-	209,346	-	209,346
Net cash used in financing activities	-	-	-	-	(171,284)	-	(171,284)
Total	$ -	$ -	$ -	$ (281,519)	$ 236,047	$ -	$ (45,472)
BALANCE 30 JUNE 2020	$ -	$ -	$ -	$ 776,400	$ 236,047	$ -	$ 1,012,447

	Cuda	Bridging loan	Convertible note	R&D pre-funding	Lease liability	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

NOTE 9. INTEREST-BEARING LOANS AND BORROWINGS

	2020	2019
CURRENT		
Borrowings - third party[1]	$ (776,400)	$ (1,057,919)
Total	$ (776,400)	$ (1,057,919)

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.

NOTE 10. CONTRIBUTED EQUITY

	Shares		$	
	2020	2019	2020	2019
ORDINARY SHARES ON ISSUE				
Ordinary shares issued and fully paid	2,008,549,744	980,990,717	$ 34,694,074	$ 31,696,873

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

I. Movements in ordinary share capital

	Shares		$	
	2020	2019	2020	2019
ORDINARY SHARES ON ISSUE				
At start of period	980,990,717	549,127,233	$ 31,696,873	$ 27,889,850
Shares issued during the year	909,757,277	424,363,484	$ 4,278,284	$ 4,243,635
Settlement of advisor costs	57,800,000	1,500,000	$ 154,000	$ 15,000
Issue of shares - employees	23,999,997	6,000,000	114,830	42,000
Transaction costs relating to issue of shares	36,001,753	-	(461,261)	(493,612)
Reversal of Listing Expense	-	-	(1,088,652)	-
At end of period	2,008,549,744	980,990,717	$ 34,694,074	$ 31,696,873

The movement in ordinary shares during the year ended 30 June 2020 is comprised of the following transactions.

- In July 2019, 170,000,000 shares were issued as part of the $1.0 million rights entitlement issuance, at $0.005 per share. The balance of the capital raising, 40,000,000 shares to raise $200,000 was subject to shareholder approval, and approved in August 2019.
- In August 2019, 279,247,679 shares were issued as part of the $1.5 million rights entitlement issuance, at $0.005 per share.
- In August 2019, 6,000,000 shares were issued in satisfaction of advisor fees for financing.
- In August 2020, 12,800,000 shares were issued in satisfaction of selling and marketing fees.
- In September 2019, 2,999,997 shares were issued employees in the company pursuant to the Quantify Technology Share Plan.
- In January 2020, 62,500,000 shares were issued as part of the $0.25 million capital raising, at $0.004 per share.
- In February 2020, 373,009,598 shares were issued as part of the $1.5 million rights entitlement issuance, at $0.004 per share.
- In February 2020, 15,001,753 shares were issued in satisfaction of advisor fees for financing.
- In April 2020, 21,000,000 shares were issued to employees in lieu of salaries and wages pursuant to the Quantify Technology Share Plan.
- In April 2020, 45,000,000 shares were issued in satisfaction of selling and marketing consulting fees.

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

	2020	2019
RESERVES		
Options reserve	$ 656,856	$ 1,382,984
Share rights reserve	506,487	514,260
Performance rights reserve	383,030	368,877
Listed options reserve	152,744	356,250
	$ 1,699,117	$ 2,622,371
MOVEMENT IN RESERVES		
Opening balance	$ 2,622,371	$ 2,429,291
Movement for year - vesting of share based payments	377,110	576,413
Reversals during year - unvested Contractor options	(167,251)	-
Transfers to Accumulated Losses	(1,133,113)	(383,333)
Total	$ 1,699,117	$ 2,622,371

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 26 for further details of share-based payment plans for the Group.

Dividends

No dividends were paid or proposed during the year ended 30 June 2020 (FY2019: 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 2020, 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

	2020	2019
CURRENT		
Trade and other amounts owing by unrelated entities	$ 77,999	$ 139,084
R&D Government refund	1,059,747	1,742,692
TOTAL	$ 1,137,746	$ 1,881,776

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 2020 and 30 June 2019 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

$116,856 in trade receivables were deemed unlikely to be recovered as at 30 June 2020 (FY2019: nil).

IV. Ageing analysis of current trade and other receivables at 30 June 2020

	Days											
	0-30		31-60		61-90		90+		Impaired		Total	
2020	$	1,254,602	$	-	$	-	$	-	$	(116,856)	$	1,137,746
2019	$	1,881,776	$	-	$	-	$	-	$	-	$	1,881,776

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

		2020		2019
CURRENT				
Trade payables	$	(694,245)	$	(532,730)
PAYG withheld		(38,319)		(147,064)
Superannuation payable		(38,390)		(103,970)
Accrued expenses		(60,571)		(96,538)
Other		(13,563)		(62,181)
TOTAL	$	(845,088)	$	(942,483)

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 2019	$ (170,187)	$ (170,187)
Arising during the year	$ (221,986)	$ (221,986)
Utilised	250,959	250,959
Reversed	(13,272)	(13,272)
Total	$ 15,701	$ 15,701
BALANCE 30 JUNE 2020	$ (154,486)	$ (154,486)

	Employee Benefits	Total
BALANCE 30 JUNE 2019		
Current	$ (170,187)	$ (170,187)
Non-Current	-	-
Total	$ (170,187)	$ (170,187)
BALANCE 30 JUNE 2020		
Current	$ (154,486)	$ (154,486)
Non-Current	-	-
Total	$ (154,486)	$ (154,486)

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.

NOTE 16. RIGHT OF USE ASSETS

	2020	2019
NON-CURRENT		
Land and buildings - right-of-use	$ 644,185	$ -
Less: Accumulated depreciation	(418,057)	-
TOTAL	$ 226,128	$ -

I. Recognition and measurement

The consolidated entity leases land and buildings for its offices, warehouses and retail outlets under agreements of between five to fifteen years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The consolidated entity also leases plant and equipment under agreements of between three to seven years.

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

NOTE 17. LEASE LIABILITY

	2020	2019
CURRENT		
Lease liability	$ (109,822)	$ -
Total	$ (109,822)	$ -
NON-CURRENT		
Lease liability	$ (126,225)	$ -
Total	$ (126,225)	$ -
TOTAL	$ (236,047)	$ -

I. Recognition and measurement

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Refer to Note 18 for further information on financial instruments.

NOTE 18. FAIR VALUE MEASUREMENTS

I. Financial assets and financial liabilities

The Group holds the following financial instruments:

	Notes	2020	2019
FINANCIAL ASSETS			
Cash and cash equivalents	8	$ 694,803	$ 795,190
Trade and other receivables	12	1,137,746	1,881,776
		$ 1,832,549	$ 2,676,966
FINANCIAL LIABILITIES			
Trade and other payables	13	$ (845,088)	$ (942,483)
Interest-bearing loans and borrowings	9	(776,400)	(1,057,919)
		$ (1,621,488)	$ (2,000,402)

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 19. PROPERTY, PLANT AND EQUIPMENT

I. Reconciliation of movement for the year

	Computers & Software	Furniture & Fittings	Leasehold Imrpovements	Total
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 1 JULY 2019	$ 120,523	$ 35,919	$ 9,031	$ 165,473
Additions	$ 27,233	$ 839	$ -	$ 28,072
Depreciation charge for the year	(51,498)	(5,515)	(8,189)	(65,202)
Total	$ (24,265)	$ (4,676)	$ (8,189)	$ (37,130)
BALANCE 30 JUNE 2020	$ 96,258	$ 31,243	$ 842	$ 128,343

II. Net carrying amount

	Computers & Software	Furniture & Fittings	Leasehold Imrpovements	Total
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
BALANCE 30 JUNE 2020				
Gross carrying amount at cost	$ 389,784	$ 56,053	$ 28,867	$ 474,704
Accumulated Depreciation & Impairment	(293,526)	(24,810)	(28,025)	(346,361)
Net Carrying Amount	$ 96,258	$ 31,243	$ 842	$ 128,343

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 20. INTANGIBLE ASSETS

I. Reconciliation of movement for the year

	Development	Patents & Trademarks	Total
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
Additions	$ 559,938	$ 98,246	$ 658,184
R&D grant offset	(24,700)	-	(24,700)
Amortisation	(1,908,173)	(71,513)	(1,979,686)
Impairment	(5,446,650)	(1,028,697)	(6,475,347)
Total	$ (6,819,585)	$ (1,001,964)	$ (7,821,549)
BALANCE 30 JUNE 2020	$ -	$ 125,316	$ 125,316

II. Net carrying amount

	Development	Patents & Trademarks	Total
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
BALANCE 30 JUNE 2020			
Gross carrying amount at cost	$ 7,354,823	$ 1,310,116	$ 8,664,939
Accumulated Amortisation & Impairment	(7,354,823)	(1,184,800)	(8,539,623)
Net Carrying Amount	$ -	$ 125,316	$ 125,316

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 five year cash projections from financial budgets that are approved by senior management. The assumptions are management's most reasonable expectations of future sales and recovery of the capitalised balance.

The following key assumptions were used in the discounted cash flow model for the capitalised intangibles:

- 15% pre-tax discount rate (FY2019: 15%);
- 5% long-term growth in revenues per annum (FY2019: 10%)
- 20% long-term decrease in R&D refund (FY2019: 20%)
- 5% long-term increase in overhead expenditure (FY2019: 10%)

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.

During the year, the Company has been significantly exposed to the impact of COVID-19, resulting in a material decrease in actual sales against what had been forecast. Whilst the forecast sales have decreased substantially, management believes a projected 5% long-term growth is prudent and justified, based on the general slowing in the market and the remediation work required on the qBlind.

R&D has decreased against the prior year, as a result of significant cost-cutting which occurred during the year. Going forward, the expectation is that whilst employee numbers will remain the same, a reduced cost allocation to R&D will occur with the release of commercialised products, and a greater focus be placed towards support, whereby increasing overhead expenditure by 5% across the long-term.

Based on the global events during 2020 and the material impact it has had on the Company, and when factoring in the above assumptions, and sensitivities to changes in assumptions, the estimated recoverable amount of the intangible asset is significantly less than the carrying value of the assets, which has resulted in an impairment charge of $6,475,347 being applied. The balance of $125,316 relates to capitalised patents which have been granted.

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 21. 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 are as follows. No commitments have been disclosed at 30 June 2020 due to the application of AASB 16.

	2020	2019
OPERATING LEASE AGREEMENTS		
Within one year	$ -	$ 196,176
After one year but not more than five years	-	32,696
Total	$ -	$ 228,872

II. Other contingent liabilities excluded from the above include:

The Company has no contingent liabilities as at 30 June 2020.

NOTE 22. SUBSEQUENT EVENTS

On 14 July 2020, Quantify announced that it discovered a technical issue with one of its devices, the blind controller, and issued a recall notice. Blaq Projects, which had ordered the device for its development, determined the devices were not fit for purpose, and as such both paused the order and issued a return notice on the devices in the apartments where the devices had been installed. The Company agreed to reimburse Blaq for the devices, and any labour costs incurred. The cost of the recalled devices was $66,000, with labour costs estimated to be less than $45,000. The heads of agreement with Blaq remains in replace, with their initial order having been put on hold. Quantify Technology's products will be re-evaluated once they are deemed fit for purpose. The Company is working on solutions for the issues that led to the recall and is confident it can resolve them.

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 23. 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.

Company	Country of Incorporation	Equity Interest 2020	Equity Interest 2019
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 24. 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 the Company's previous CEO and Director, Mark Lapins. The facility was repaid in full in the prior year.

Interest was incurred at a rate of the Reserve Bank Cash Rate + 7.00%, and is payable quarterly in arrears. The Company had repaid all principal and interest during the prior year.

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 2020 and 30 June 2019:

Key management personnel of the Group		Interest and facilitation fees expense	Amounts borrowed from related parties	Principal repaid to related parties
Cuda Developments	Jun-20	$ -	$ -	$ -
	Jun-19	$ -	$ -	$ 333,333
TWL Discretionary Trust	Jun-20	$ -	$ -	$ -
	Jun-19	$ (56,500)	$ (250,000)	$ 250,000

As at 30 June 2020, there were no loans outstanding to related parties (FY2019: nil).

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

NOTE 25. KEY MANAGEMENT PERSONNEL COMPENSATION

	2020	2019
Short-term employee benefits	$ 725,111	$ 1,129,832
Post-employment benefits	36,283	87,818
Long term benefits	29,139	67,873
Share-based payment	133,845	343,070
Total	$ 924,378	$ 1,628,593

Detailed remuneration disclosures are provided in the Remuneration Report commencing on page 15.

NOTE 26. SHARE-BASED PAYMENTS

OPTIONS

Grant	Balance at start of the year	Options issued during the year	Number Exercised	Expired / Lapsed	Balance at end of year	Tranche 1 Expiry date
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	
FY2020						
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
Listed options	-	995,759,030	-	-	995,759,030	31 Aug 2021
Total	114,015,591	995,759,030	-	(100,483,791)	1,009,290,830	

I. 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 expired on 30 September 2019, and there was no vesting period.

VALUATION OF ADVISOR OPTIONS

Exercise price	$0.090
Expiry date	30-Sep-19
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:

	2020		2019	
	Number	WAEP	Number	WAEP
Outstanding at the beginning of the year	**8,747,626**	**$ 0.090**	**8,747,626**	**$ 0.090**
Expired during the year	(8,747,626)	$ (0.090)	-	-
Outstanding at the end of the year	**-**	**$ -**	**8,747,626**	**$ 0.090**
Exercisable at the end of the year	-		8,747,626	

ADVISOR OPTIONS EXERCISED DURING THE YEAR

No advisor options were exercised during the year.

II. 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 expired on 30 September 2019, and there was 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.

MOVEMENTS IN BID OPTIONS

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

	2020		2019	
	Number	WAEP	Number	WAEP
Outstanding at the beginning of the year	61,325,622	$ 0.075	61,325,622	$ 0.075
Expired during the year	(61,325,622)	$ (0.075)	-	-
Outstanding at the end of the year	-	$ -	61,325,622	$ 0.075
Exercisable at the end of the year	-		61,325,622	

BID OPTIONS EXERCISED DURING THE YEAR

No bid options were exercised during the year.

III. 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 expired on 30 September 2019, and there was 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:

	2020			2019		
	Number	WAEP		Number	WAEP	
Outstanding at the beginning of the year	5,000,000	$	0.075	5,000,000	$	0.075
Expired during the year	(5,000,000)	$	(0.075)	-		-
Outstanding at the end of the year	-	$	-	5,000,000	$	0.075
Exercisable at the end of the year	-			5,000,000		

BROKER OPTIONS EXERCISED DURING THE YEAR

No broker options were exercised during the year.

IV. 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 expired 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:

	2020		2019	
	Number	WAEP	Number	WAEP
Outstanding at the beginning of the year	6,910,543	$ 0.075	6,910,543	$ 0.075
Expired during the year	(6,910,543)	$ (0.075)	-	-
Outstanding at the end of the year	-	$ -	6,910,543	$ 0.075
Exercisable at the end of the year	-		6,910,543	

EMPLOYEE OPTIONS EXERCISED DURING THE YEAR

No employee options were exercised during the year.

V. 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	$461,693
Amount expensed in current year	$4,578
Amount to be expensed in future years	$ -

MOVEMENTS IN EMPLOYEE OPTIONS

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

	2020		2019	
	Number	WAEP	Number	WAEP
Outstanding at the beginning of the year	13,531,800	$ 0.075	13,531,800	$ 0.075
Issued during year	-	$ -	-	$ -
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	13,531,800	$ 0.075	13,531,800	$ 0.075
Exercisable at the end of the year	13,531,800		12,693,612	

EMPLOYEE OPTIONS EXERCISED DURING THE YEAR

No employee options were exercised during the year.

VI. 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 expired 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	$236,177
Amount expensed in current year	$42,575
Amount to be expensed in future years	$ -

MOVEMENT IN CONSULTANT OPTIONS

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

	2020		2019	
	Number	WAEP	Number	WAEP
Outstanding at the beginning of the year	6,000,000	$ 0.100	6,000,000	$ 0.100
Expired during the year	(6,000,000)	$ (0.100)	-	-
Outstanding at the end of the year	-	$ -	6,000,000	$ 0.100
Exercisable at the end of the year	-		2,400,000	

CONSULTANT OPTIONS EXERCISED DURING THE YEAR

No consultant options were exercised during the year.

VII. 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 expired on 30 September 2019.
The options had no 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:

	2020		2019	
	Number	WAEP	Number	WAEP
Outstanding at the beginning of the year	12,500,000	$ 0.075	12,500,000	$ 0.075
Expired during the year	(12,500,000)	$ (0.075)	-	-
Outstanding at the end of the year	-	$ -	12,500,000	$ 0.075
Exercisable at the end of the year	-		12,500,000	

COPPER COAST OPTIONS EXERCISED DURING THE YEAR

No copper coast options were exercised during the year.

VIII. LISTED OPTIONS – AUG-19

During FY2020, Quantify Technology completed a capital raising for $2.5 million. One free attaching option was issued for each share as part of the capital raising.
Certain advisor fees were paid through issuing shares and attaching options with the same terms as the capital raising, amounting to 68 million options.

The options were issued at a fair value of $0.0021 each with an exercise price of $0.010 each. These listed options expire on 13 August 2021. The options have no vesting conditions attached.

VALUATION OF LISTED OPTIONS – AUG-19

Exercise price	$0.010
Expiry date	13-Aug-21
Risk-free rate	0.73%
Volatility	110%
Value per option	$0.0021
Number of options	68,449,866
Total value of options	$141,074
Amount expensed in prior years	$141,074
Amount expensed in current year	$ -
Amount to be expensed in future years	$ -

MOVEMENT IN LISTED OPTIONS – AUG-19

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

	2020	
	Number	WAEP
Outstanding at the beginning of the period	-	$ -
Issued during year	68,449,866	$ 0.0100
Outstanding at the end of the period	**68,449,866**	**$ 0.0100**
Exercisable at the end of the period	68,449,866	

LISTED OPTIONS – AUG-19 EXERCISED DURING THE YEAR

No listed options were exercised during the year.

IX. LISTED OPTIONS – FEB-20

During FY2020, Quantify Technology completed a second capital raising for $1.492 million. One free attaching option was issued for each share as part of the capital raising.
Certain advisor fees were paid through issuing shares and attaching options with the same terms as the capital raising, amounting to 15 million options.

The options were issued at a fair value of $0.0008 each with an exercise price of $0.008 each. These listed options expire on 26 February 2022. The options have no vesting conditions attached.

VALUATION OF LISTED OPTIONS – FEB-20

Exercise price	$0.008
Expiry date	26-Feb-22
Risk-free rate	0.64%
Volatility	110%
Value per option	$0.0008
Number of options	15,000,000
Total value of options	$11,670
Amount expensed in prior years	$11,670
Amount expensed in current year	$ -
Amount to be expensed in future years	$ -

MOVEMENT IN LISTED OPTIONS – FEB-20

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

	2020	
	Number	WAEP
Outstanding at the beginning of the period	-	$ -
Issued during year	15,000,000	$ 0.0080
Outstanding at the end of the period	**15,000,000**	**$ 0.0080**
Exercisable at the end of the period	15,000,000	

LISTED OPTIONS – FEB-20 EXERCISED DURING THE YEAR

No listed 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
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
Director Performance shares	-	80,000,000	-	-	80,000,000	30 Nov 2023
Employee Performance rights	-	18,000,000	-	-	18,000,000	30 Nov 2023
Total	**132,500,000**	**98,000,000**	-	**(38,333,334)**	**192,166,666**	
FY2020						
Performance rights	4,166,666	-	-	(4,166,666)	-	30 Nov 2016
Performance shares	90,000,000	-	-	(30,000,000)	60,000,000	30 Jun 2018
Director Performance shares	80,000,000	-	-	-	80,000,000	30 Nov 2023
Employee Performance rights	18,000,000	-	-	-	18,000,000	30 Nov 2023
Total	**192,166,666**	-	-	**(34,166,666)**	**158,000,000**	

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 $38,500, for the year ended 30 June 2020 (FY2019: $186,070).

During the year, Tranche B lapsed. As at 30 June 2020, no 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	-	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 2020, 60,000,000 unvested performance shares remained.

It was determined, given the decreasing time until expiry, that the likelihood of vesting is less than 50% for all remaining performance shares. As such, the original impact of the expense was reversed. As the expense was initially part of the merger implementation and therefore a component of the listing expense incurred at the time of the merger, a reversal to the listing expense was applied. Refer to Note 5 for further information.

The initial cost of the performance shares was part of the consideration paid for the reverse takeover, in FY2017. As such, the expense was recognised as a listing expense. The impact of the reversal of the performance shares resulted in a $1.089 million reversal to the listing expense, which has been recognised in the P&L – refer Note 5.

III. DIRECTOR PERFORMANCE SHARES

During the prior 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 Shares valuation assumptions

The Director performance valuation assumptions relating to the grant of performance shares 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 AT GRANT DATE:			
Fair value per performance shares	$0.008	$0.008	$0.007
Share price at grant date	$0.008	$0.008	$0.008
Director Performance Shares	20,000,000	20,000,000	40,000,000
Number of vested shares	20,000,000	-	-
Number of unvested shares	-	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 shares were $112,702, for the year ended 30 June 2020 (FY2019: $225,281). During the year, Tranche A vested. As at 30 June 2020, 60,000,000 unvested performance shares remained.

IV. EMPLOYEE PERFORMANCE RIGHTS

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

i. Employee Performance Rights criteria

The vesting conditions of the performance rights 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 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 $33,785, for the year ended 30 June 2020 (FY2019: $11,262).

SHARE-BASED PAYMENT EXPENSES

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

	2020	2019
Employee options	$ 120,099	$ (146,027)
Director Performance shares	(112,702)	(225,281)
Performance rights	(177,285)	(197,332)
Advisor share based payments	(60,000)	-
Share rights	(2,057)	-
Director bonus shares	(60,000)	-
Employee Share Scheme	-	(42,000)
Total	$ (291,945)	$ (610,640)

NOTE 27. PARENT ENTITY

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

	2020	2019
BALANCE SHEET		
Assets		
Current	$ 838,266	$ 1,258,040
Non - Current	-	-
Total assets	$ 838,266	$ 1,258,040
Liabilities		
Current	$ (570,872)	$ (1,595,885)
Total liabilities	$ (570,872)	$ (1,595,885)
Net Assets / (Liabilities)	$ 267,394	$ (337,845)
Equity		
Contributed equity	$ (86,586,103)	$ (83,200,079)
Employee benefits reserve	(6,534,797)	(6,147,857)
Retained earnings	92,853,506	89,685,781
Total	$ (267,394)	$ 337,845
INCOME		
Net Loss after tax	$ (3,167,724)	$ (5,731,339)
Total Comprehensive Loss	(3,167,724)	(5,731,339)

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

DIRECTORS' DECLARATION

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

- The accompanying financial statements and notes of the Group are in accordance with the Corporations Act 2001, including:
    - Giving a true and fair view of the Group's financial position at 30 June 2020 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 Company 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 year ended 30 June 2020.

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

Brett Savill
On behalf of the Board.
31 August 2020

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 2020, 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 2020 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 that a material uncertainty exists 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*, we have determined the matters described below to be the key audit matters to be communicated in our report.

hlb.com.au

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 intangible assets (Refer to Note 20 (V))	
Description An impairment assessment was conducted by management as at balance date in relation to the carrying value of the Group's intangible assets. The impairment assessment was conducted in accordance with AASB 136 *Impairment of Assets*. The carrying value of the Group's intangible assets 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. The result of this assessment was that an impairment expense of $6,475,347 was recorded at balance date. We considered this area to be a key audit matter due to the materiality of the intangible assets balance, its importance to 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 the following: - 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 2020, 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.

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 2020.

In our opinion, the Remuneration Report of Quantify Technology Holdings Limited for the year ended 30 June 2020 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

Perth, Western Australia
31 August 2020

Giallonardo

L D Giallonardo
Partner

SHAREHOLDER INFORMATION

The following information was extracted from the Company's register at 19 August 2020.

TOP 20 SHAREHOLDERS

Position	Holder Name	Holding	% IC
1	BIG AL INVESTMENTS PTY LIMITED	141,709,625	7.06%
2	CUDA DEVELOPMENT CORPORATION PTY LTD	80,000,000	3.98%
3	ZW 2 PTY LTD	47,531,631	2.37%
4	CS THIRD NOMINEES PTY LIMITED<HSBC CUST NOM AU LTD 13 A/C>	30,090,116	1.50%
5	BNP PARIBAS NOMINEES PTY LTD<IB AU NOMS RETAILCLIENT DRP>	26,076,608	1.30%
6	JANE ELIZABETH MARY SAVILL<SAVILL FAMILY A/C>	25,337,359	1.26%
7	PARRY CAPITAL MANAGEMENT LTD<PARRY SPEC SIT SP FUND A/C>	25,169,652	1.25%
8	CARPE DIEM ASSET MANAGEMENT PTY LTD<LOWE FAMILY A/C>	20,833,333	1.04%
9	CAROLINE KAFROUNI	20,000,000	1.00%
9	MR PETER ALAN ROSSDEUTSCHER &DR EVELYN DE SILVA-ROSSDEUT	20,000,000	1.00%
10	CS FOURTH NOMINEES PTY LIMITED<HSBC CUST NOM AU LTD 11 A/C>	19,000,000	0.95%
11	STATE ONE CAPITAL GROUP P/L <CJZ - CSABA A/C>	16,037,348	0.80%
12	GUINA NOMINEES PTY LTD<BYASS SUPER FUND A/C>	15,497,500	0.77%
13	MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LIMITED <NO 1 ACCOUNT>	15,349,147	0.76%
14	SOLEQUEST PTY LTD	15,169,652	0.76%
15	MEDITERRANEAN INVESTMENTS (AUST) PTY LTD <MEDITERRANEAN INVESTMNT A/C>	15,000,000	0.75%
15	MR GREGORY JAMES HANSEN	15,000,000	0.75%
16	DOMAEVO PTY LTD<THE JCS A/C NO2>	14,000,678	0.70%
17	INDAH ISLAND PTY LTD<THE BOWLIFE TRUST>	14,000,000	0.70%
18	MR PETER ANTHONY FAM	12,800,000	0.64%
19	THE REALLY USEFUL IDEAS COMPANY PTY LTD	12,500,000	0.62%
19	LYDC INVESTMENTS PTY LTD<LYDC INVESTMENT A/C>	12,500,000	0.62%
20	MR RUI ZHANG	12,328,196	0.61%
	Total	**625,930,845**	**31.16%**
	Total issued capital - selected security class(es)	**2,008,549,744**	**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	2,327	438,388	0.02%
1,001 - 5,000	208	412,608	0.02%
5,001 - 10,000	113	816,499	0.04%
10,001 - 100,000	635	29,667,750	1.48%
100,001 - 9,999,999,999	1,329	1,977,214,499	98.44%
Totals	4,612	2,008,549,744	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/