

ASX AND MEDIA RELEASE

24 March 2017

Q Technology Group Limited ("QTG") advises the forecast YTD financial result for the 9 months ended 31 March 2017, based on management accounts, will show sales revenues approximately 15% below the corresponding period last year and losses approximately 70% below the losses reported for the corresponding period last year.

This adverse variance is primarily due to the impact of an ongoing dispute with a supplier as previously advised in the Chairman's address at the AGM in November 2016 and the half yearly report in February 2017. The dispute has disrupted supplies of fast moving product which has impacted sales and profits at the end of Q2 and during Q3. In response to the lack of supply QSS has been working on substituting products from other suppliers and selling existing products off the shelf to support loyal customers. The substitute products have been sold at lower margins adversely impacting profitability.

QTG is now pleased to announce a new distribution agreement with Sunell which has for many years been the manufacturer of the existing QVS Alumia product range, is well known to QTG and has been a strong partner to the QTG business over many years. The distribution agreement which is exclusive for two years is to launch the Sunell brand of cameras and recorders in the Australian market, these new products will largely fill the gap created during Q2 and Q3 by the supplier dispute. Product launch occurred this week and the initial sales of this new product will occur during March 2017.

The 2017-18 product road map for QTG is strong with the Sunell appointment combined with ongoing support from major global manufacturers where we have renewed 12 month distribution agreements with existing high quality suppliers including FLIR, NUUO and Bosch. In addition, we have recently announced another exclusive distribution agreement with Senstar for the Australian market. Senstar is a leader in perimeter intrusion detection and fence technology used in correctional facilities, military, transport and other vertical market sectors.

These agreements will provide a strong foundation for improved revenue and margin results.

Rob Rosa
Managing Director and CEO

About Q Technology Group Limited

Q Technology Group Limited is based in Melbourne, Victoria. The Group has annualised revenues of approximately \$21 million as a leader in the supply and support of high quality CCTV, video switching, networking, alarm and access control products.

For more information on the Company please visit

<http://www.qtechnologygroup.com.au>

<http://www.qsecuritysystems.com.au>