



# Buddy

## **INTERIM FINANCIAL REPORT**

for the Half year ended 31 December 2017

**BUDDY PLATFORM LIMITED**  
**ACN: 121 184 316**

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This financial report covers the Buddy Platform Limited Group, consisting of Buddy Platform Limited and its subsidiaries. The financial report is presented in Australian dollars.

**BUDDY PLATFORM LIMITED**  
**ACN: 121 184 316**

## Corporate Information

**Directors:**

Richard Borenstein  
*Non-Executive Chairman*

David McLauchlan  
*CEO & Executive Director*

Ananda Kathiravelu  
*Non-Executive Director*

Alexander Gounares  
*Non-Executive Director*

John van Ruth  
*Non-Executive Director*

**Lawyers:**

DLA Piper  
Level 31, Central Park  
152-158 St Georges Terrace  
Perth, WA 6000

**Auditors:**

Nexia Perth Audit Services Pty Ltd  
Level 3  
88 William Street  
PERTH WA 6000

**Bankers:**

Westpac Banking Corporation  
108 Stirling Highway  
Nedlands WA 6009

Commonwealth Bank  
100 King William Street  
Adelaide SA 50002

**Website:**

[www.buddy.com](http://www.buddy.com)

**Registered & Principal Office:**

Level 2, 333 King William Street  
Adelaide, SA 5000

**Postal Address:**

Level 2, 333 King William Street  
Adelaide, SA 5000

**Seattle Office:**

217 Pine Street Suite 700  
Seattle, Washington 98101  
USA  
Telephone: +1 206 745 9112

**Home Stock Exchange:**

Australian Securities Exchange Limited  
Level 40  
Central Park  
152-158 St George's Terrace  
PERTH WA 6000

**ASX Code:**

BUD (Ordinary Shares)

**Share Registry:**

Link Market Services Limited  
Level 4, 152 St Georges Terrace  
PERTH WA 6000

**BUDDY PLATFORM LIMITED**  
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## Directors' Report

The Directors have pleasure in submitting their report on the Group, being the Company and its controlled entities, for the 6 months ended 31 December 2017. In order to comply with the provisions of the Corporations Act 2001, the Directors' report is as follows:

### **DIRECTORS**

The names and details of Directors in office at any time during the period were:

Richard Borenstein	Non Executive Chairman
David McLauchlan	CEO & Executive Director
Alexander Gounares	Non Executive Director
John van Ruth	Non Executive Director
Ananda Kathiravelu	Non Executive Director

Directors have been in office since the start of the period to the date of this report.

### **PRINCIPAL ACTIVITIES**

Buddy Platform Limited ("Buddy" or the "Group") provides one of the world's first data aggregation, management and control platforms for the IoT and connected devices. Buddy advances the Quantified Economy by providing the critical infrastructure by which businesses and organizations can, in real time, access and analyse the data generated by connected devices and unlock the economic opportunities delivered by this data. Buddy Platform users represent a wide variety of industries, including airlines, agriculture, automotive, consumer electronics, robotics, software development, telecommunications, and transportation.

### **RESULTS**

The net loss attributable to members of the parent entity for the period ended 31 December 2017 amounted to \$7,047,817 (2016: \$5,954,940).

### **OPERATING AND FINANCIAL REVIEW**

Total revenues were \$1.3 million with service revenues of \$834 thousand and a Research and Development rebate of \$457 thousand. This compares to total revenues of \$270 thousand for the same period in the prior year, with service revenues of \$222 thousand and finance income of \$48 thousand.

After deducting total expenses of \$8.4 million, the Company recorded a loss for the period of \$7.0 million. In the prior year, total expenses were \$6.2 million resulting in a loss of \$6.0 million for the same period in the prior year.

Basic and diluted loss per share of \$0.008 compared to \$0.007 for the same period in the prior year.

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Total equity was \$30.1 million with total assets of \$31.0 million and liabilities of \$830 thousand. At 31 December 2016, equity was \$11.4 million. At 30 June 2017 there was \$7.5 million in assets and \$865 thousand in liabilities. Cash and cash equivalents comprised the majority of assets at \$28.4 million at 31 December 2017 compared to \$6.1 million as at 30 June 2017.

During the six-months ending 31 December 2017, the company generated net proceeds from financing activities of \$26.9 million. This included \$23 million from the issuance of shares and \$5.4 million from the exercise of options less \$1.5 million in transactions costs.

Net cash used in operating activities was \$4.5 million compared to \$3.9 million in the same period in the prior year. This includes cash receipts of \$1.3 million of which \$825 thousand was cash received from customers with the remainder coming from \$36 thousand of interest received and \$457 thousand of research and development rebates. For the same period, prior year cash receipts were \$169 thousand of which \$121 thousand were from customers and \$48 thousand was interest received.

Net cash used in investing activities – for the purchase of property, plant and equipment, was \$100k versus \$52k for the same period in the prior year.

**BUDDY PLATFORM LIMITED**  
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**SUBSEQUENT EVENTS**

No other matter or circumstance has arisen since 31 December 2017 that has significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity, in subsequent financial years.

**LIKELY DEVELOPMENTS**

Other than as disclosed elsewhere in this report, there are no likely developments in the operations of the Group that were not finalised at the date of this report. Further information as to likely developments in the operations of the Group and Company and likely results of those operations would in the opinion of the Directors, be likely to result in unreasonable prejudice to the Group.

**AUDITORS INDEPENDENCE DECLARATION**

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* for the 6 months ended 31 December 2017 has been received and can be found on page 5.

**AUDITOR**

Nexia Perth Audit Services Pty Ltd continues in office in accordance with section 327 of the Corporation Act 2001.

Signed in accordance with a resolution of the Directors made pursuant to Section 306(3) of the *Corporations Act 2001*.



David McLauchlan  
CEO, Executive Director  
Dated 28 February 2018  
Seattle

**Auditor's independence declaration under section 307C of the Corporations Act 2001**

To the directors of Buddy Platform Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2017, there have been:

- (i) no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

NPAS

**Nexia Perth Audit Services Pty Ltd**

Amar Nathwani

**Amar Nathwani**

Director

Perth 28 February 2018

**BUDDY PLATFORM LIMITED**  
**ACN: 121 184 316**

Condensed Consolidated Statement of Profit or Loss and Other  
Comprehensive Income  
For the Half-year ended 31 December 2017

		<b>Consolidated</b>	
		<b>Buddy Platform Limited Half year ended 31 December 2017</b>	<b>Buddy Platform Limited Half year ended 31 December 2016</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
Service revenue		834,519	222,531
Finance income		36,079	48,770
Research & development Rebate		457,489	-
Cost of sales		(658,534)	(40,297)
Advertising & marketing		(284,924)	(372,907)
Financial, administration, insurance and compliance costs		(948,676)	(1,003,305)
Depreciation		(81,956)	(33,451)
Employee benefits expense		(2,597,032)	(1,986,656)
Research & development		(662,311)	(934,073)
Share based payments	2	(2,786,930)	(1,214,865)
Travel		(355,541)	(254,946)
Impairment of available for sale assets		-	(385,741)
		<hr/>	<hr/>
Loss before income tax expense		(7,047,817)	(5,954,940)
Income tax benefit		-	-
		<hr/>	<hr/>
<b>Loss for the period</b>		<b>(7,047,817)</b>	<b>(5,954,940)</b>
		<hr/>	<hr/>
Other Comprehensive Income / (Loss):			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Revaluation of financial assets at fair value	3	930,537	(45,603)
Foreign currency translation differences for foreign operations		(20,867)	17,169
Other comprehensive Income / (Loss) for the period, net of tax		<hr/>	<hr/>
Total Comprehensive Income / (Loss) for the period		<b>(6,138,147)</b>	<b>(5, 983,374)</b>
		<hr/>	<hr/>
Total Comprehensive Income / (Loss) attributable to:			
Owners of the parent		(6,138,147)	(5,983,374)
Non-controlling interest		-	-
		<hr/>	<hr/>
Basic & Diluted Profit / (Loss) per share - cents per share		(0.008)	(0.007)

The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.



**BUDDY PLATFORM LIMITED**  
**ACN: 121 184 316**

Condensed Consolidated Statement of Financial Position  
As at 31 December 2017

	Note	Consolidated	
		31 Dec 2017	30 June 2017
		\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		28,402,828	6,121,603
Trade and other receivables		500,586	531,943
Inventory		377,784	106,643
<b>Total current assets</b>		<b>29,281,198</b>	<b>6,760,189</b>
<b>Non-current assets</b>			
Property, plant & equipment		332,560	314,380
Investments	3	1,361,437	430,900
<b>Total Non-Current Assets</b>		<b>1,693,997</b>	<b>745,280</b>
<b>TOTAL ASSETS</b>		<b>30,975,195</b>	<b>7,505,469</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		737,202	792,387
Provisions		92,435	73,307
<b>Total Current Liabilities</b>		<b>829,637</b>	<b>865,694</b>
<b>TOTAL LIABILITIES</b>		<b>829,637</b>	<b>865,694</b>
<b>NET ASSETS</b>		<b>30,145,558</b>	<b>6,639,775</b>
<b>EQUITY</b>			
Share capital	2	58,947,674	32,090,674
Reserves		27,062,545	23,365,945
Accumulated losses		(55,864,661)	(48,816,844)
Equity attributable to owners of the parent		<b>30,145,558</b>	<b>6,639,775</b>
<b>TOTAL EQUITY</b>		<b>30,145,558</b>	<b>6,639,775</b>

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

**BUDDY PLATFORM LIMITED**  
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Condensed Consolidated Statement of Changes in Equity  
For the half year ended 31 December 2017

<b>Consolidated 2017</b>	<b>Issued Capital \$</b>	<b>Option Reserve \$</b>	<b>Foreign Currency Translation Reserve \$</b>	<b>Available for Sale Reserve \$</b>	<b>Accumulated Losses \$</b>	<b>Total Equity \$</b>
Total equity at 30 June 2017	<b>32,090,674</b>	<b>23,484,528</b>	<b>(118,583)</b>	<b>-</b>	<b>(48,816,844)</b>	<b>6,639,775</b>
<b>Total Comprehensive Profit / (Loss) for the period</b>						
Total Loss for the half year to 31 December 2017	-	-	-	-	(7,047,817)	(7,047,817)
Other Comprehensive Income/(Loss)	-	-	(20,867)	930,537	-	909,670
<b>Total Comprehensive Loss for the period</b>						<b>(6,138,147)</b>
<b>Transactions with equity holders:</b>						
Shares issued during the period:						
Options converted during the period	5,375,000	-	-	-	-	5,375,000
Shares issued pursuant to capital raising	23,000,000	-	-	-	-	23,000,000
Costs of capital raising	(1,518,000)	-	-	-	-	(1,518,000)
Share based payments	-	2,786,930	-	-	-	2,786,930
Total equity at 31 December 2017	<b>58,947,674</b>	<b>26,271,458</b>	<b>(139,450)</b>	<b>930,537</b>	<b>(55,864,661)</b>	<b>30,145,558</b>

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**BUDDY PLATFORM LIMITED**  
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Condensed Consolidated Statement of Changes in Equity (continued)  
For the half year ended 31 December 2017

<b>Consolidated 2016</b>	<b>Issued Capital \$</b>	<b>Option Reserve \$</b>	<b>Foreign Currency Translation Reserve \$</b>	<b>Available for Sale Reserve \$</b>	<b>Accumulated Losses \$</b>	<b>Total Equity \$</b>
Total equity at 30 June 2016	<b>27,994,674</b>	<b>16,036,314</b>	<b>(125,321)</b>	<b>45,603</b>	<b>(31,870,349)</b>	<b>12,080,921</b>
<b>Total Comprehensive Profit / (Loss) for the period</b>						
Total Loss for the half year to 31 December 2016	-	-	-	-	(5,954,940)	(5,954,940)
Other Comprehensive Loss	-	-	17,169	(45,603)	-	(28,434)
<b>Total Comprehensive Loss for the period</b>						<b>(5,983,374)</b>
<b>Transactions with equity holders:</b>						
Shares issued during the period:						
Shares issued pursuant to capital raising	4,500,000	-	-	-	-	4,500,000
Costs of capital raising	(404,000)	-	-	-	-	(404,000)
Share based payments	-	1,214,865	-	-	-	1,214,865
Total equity at 31 December 2016	<b>32,090,674</b>	<b>17,251,179</b>	<b>(108,152)</b>	-	<b>(37,825,289)</b>	<b>11,408,412</b>

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**BUDDY PLATFORM LIMITED**  
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Condensed Consolidated Statement of Cash Flows  
For the half year ended 31 December 2017

		<b>Consolidated</b>	
		<b>Buddy Platform Limited 31 December 2017</b>	<b>Buddy Platform Limited 31 December 2016</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
<i>Cash flows from operating activities</i>			
Interest received		36,079	48,481
Cash received from customers		824,303	120,867
Research and Development Rebate		457,489	-
Payments for research & development		(655,961)	(876,240)
Payments to suppliers and employees		(5,116,682)	(3,220,671)
<b>Net cash used in operating activities</b>		<b>(4,454,772)</b>	<b>(3,927,563)</b>
<i>Cash flows from investing activities</i>			
Payments for plant & equipment		(100,136)	(52,140)
<b>Net cash used in investing activities</b>		<b>(100,136)</b>	<b>(52,140)</b>
<i>Cash flows from financing activities</i>			
Proceeds from the issue of shares	2	23,000,000	4,500,000
Proceeds from conversion of options	2	5,375,000	-
Capital raising costs	2	(1,518,000)	(404,000)
<b>Net cash provided by financing activities</b>		<b>26,857,000</b>	<b>4,096,000</b>
Net increase in cash and cash equivalents		22,302,092	116,297
Cash and cash equivalents opening balance		6,121,603	10,835,739
Effects of exchange rate changes on the balances of cash held in foreign currencies		(20,867)	17,169
<b>Cash and cash equivalents at the end of the period</b>		<b>28,402,828</b>	<b>10,969,205</b>

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

**BUDDY PLATFORM LIMITED**  
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Notes to the Financial Statements  
For the half year ended 31 December 2017

**NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**STATEMENT OF COMPLIANCE**

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting*, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with IAS 34 *Interim Financial Reporting*. The interim financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in a full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2017 and any public announcements made by the Company during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001* and the ASX Listing Rules.

This consolidated interim financial report was approved by the Board of Directors on 28 February 2018.

**BASIS OF PREPARATION**

The interim financial report has been prepared on a historical cost basis except for the investments in other Companies which are measured and reported at fair value. Cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

**SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY ESTIMATES**

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are disclosed in the relevant notes.

**NEW ACCOUNTING STANDARDS**

The following new standards are not yet effective for the half year ended 31 December 2017, may impact the Group, and have not been applied in preparing these financial statements

**AASB 9 Financial Instruments**

AASB 9 *Financial Instruments* includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the project to replace AASB 139 *Financial Instruments: Recognition and Measurement*. AASB 9 will become mandatory for the Group from 1 July 2018. Retrospective application is generally required, although there are exceptions. The Group has classes of financial instruments the accounting treatment of which may be impacted. The Group is currently assessing the impact of this standard.

**BUDDY PLATFORM LIMITED**  
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Notes to the Financial Statements (continued)  
For the half year ended 31 December 2017

**AASB 15 Revenue from Contracts with Customers**

AASB 15 *Revenue from Contracts with Customers* contains a single model that applies to contracts with Customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract based five-step analysis of transactions to determine whether, how much and when revenue is recognised. AASB 15 will become mandatory for the Group from 1 July 2018. A choice of retrospective application, or as of the application date using the "cumulative effect approach" is available. AASB 15 may have a material impact on the Group's financial statements. The Group is in the process of assessing the impact of this standard across the different revenue contracts it has with its customers and partners.

**AASB 16 Leases**

AASB 16 *Leases* removes the lease classification test for lessees and requires most leases (including operating leases) to be brought onto the balance sheet. AASB 16 will become mandatory from 1 July 2018, with early adoption permitted when AASB 15 Revenue from Contracts with Customers is adopted at the same time. The Group does have operating leases as at 31 December 2017. And AASB 16 may have a material impact on the Group's financial report. The Group is currently assessing the impact of this standard.

**NOTE 2 - ISSUED CAPITAL & RESERVES**

**CONSOLIDATED AND PARENT ENTITY 2017**

**(a) Issued and Paid Up Capital**

Fully paid ordinary shares

	#	\$
<b>Ordinary Shares</b>		
	<b>1,081,226,201</b>	<b>58,947,674</b>

**(b) Movements in fully paid shares on issue**

Opening balance as at 1 July 2017  
Shares issued pursuant to capital raising  
Performance Shares Converted  
Performance Rights converted to ordinary shares  
Shares issued on conversion of options  
Employee Incentive Performance Rights (EIPR) Converted  
Costs of capital raising

	872,739,954	32,090,674
	115,000,000	23,000,000
	31,833,333	-
	811,144	-
	52,500,000	5,375,000
	8,341,670	-
	-	(1,518,000)
	<b>1,081,226,101</b>	<b>58,947,674</b>

**Balance as at 31 December 2017**

**(b) Movement in share option reserve**

<b>Balance at 1 July 2017</b>	<b>\$23,484,528</b>
Share Based payments expense for the period	\$2,786,930
<b>Closing Balance at 31 December 2017</b>	<b>\$26,271,458</b>

**BUDDY PLATFORM LIMITED**  
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Notes to the Financial Statements

(continued)

For the half year ended 31 December 2017

Note 2 - **ISSUED CAPITAL & RESERVES**

**(Continued)**

**The share based payments for the period to 31 December 2017 consist of the following:**

<b>Period</b>	<b>Expense \$</b>
Performance rights, EIPR's and Performance shares issued prior 30 June 2017	1,017,432
EIPR's issued between 1 July 2017 to 31 December 2017	1,769,498
<b>Total</b>	<b>2,786,930</b>

**(c) Movement in Number of Options and Performance Rights for the period 31 December 2017**

<b>Employee Incentive Performance Rights (EIPR)</b>	<b>31 December 2017</b>
Opening Balance 1 July 2017	<b>34,062,917</b>
EIPR's granted during the period	25,206,000
EIPR converted to ordinary shares	(8,341,670)
Closing balance at 31 December 2017	<b>50,927,247</b>

<b>Performance Rights</b>	<b>31 December 2017</b>
Opening Balance 1 July 2017	<b>8,274,603</b>
Performance rights converted to ordinary shares	(811,144)
Closing balance at 31 December 2017	<b>7,463,459</b>

<b>Performance Shares</b>	<b>31 December 2017</b>
Opening Balance 1 July 2017	<b>63,666,667</b>
Performance Shares converted to ordinary shares	(31,833,334)
Closing balance at 31 December 2017	<b>31,833,333</b>

<b>Share Options</b>	<b>31 December 2017</b>
Opening Balance 1 July 2017	<b>55,306,647</b>
Performance Shares converted to ordinary shares	(52,500,000)
Closing balance at 31 December 2017	<b>2,806,647</b>

**BUDDY PLATFORM LIMITED**  
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Notes to the Financial Statements (continued)  
For the half year ended 31 December 2017

**NOTE 3 – INVESTMENTS**

*Non-current*

	<b>Consolidated</b>	
	<b>Buddy Platform Limited 31 December 2017 \$</b>	<b>Buddy Platform Limited 30 June 2017 \$</b>
Available-for-sale financial assets carried at fair value <sup>(i)</sup> :		
• Listed shares	1,361,437	430,900
Total	<b>1,361,437</b>	<b>430,900</b>
Opening balance	430,900	1,134,753
Change in fair value through Other Comprehensive Income	930,537	(45,603)
Change in fair value through profit or loss <sup>(2)</sup>	-	(658,250)
<b>Closing balance of investment in associated entities</b>	<b>1,361,437</b>	<b>430,900</b>

- (i) Available-for-sale financial assets consist of investments in ordinary shares, and therefore have no fixed maturity date or coupon rate.
- (ii) Due to a significant drop in the value of the Company's investment in Weebit Nano Limited in the prior period, the movement in the fair value was impaired in the comparative period and reversed in the current period reflecting the increase in the investment's share price.

**NOTE 4– RELATED PARTY TRANSACTIONS**

Other related party transactions are in the form of short term employee benefits, post-employment benefits, share based payments and loans to subsidiaries.

**NOTE 5 – CONTINGENT LIABILITIES**

There has been no change in contingent assets or liabilities since the last annual reporting date.

**NOTE 6 – SUBSEQUENT EVENTS**

No other matter or circumstance has arisen since 31 December 2017 that has significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity, in subsequent financial years.

**NOTE 7 – SEGMENT NOTE**

Those charged with governance receive operating results for the Group as a whole, therefore the Group is deemed to be one operating segment.



**BUDDY PLATFORM LIMITED**  
**ACN: 121 184 316**

Directors' Declaration

In the opinion of the directors of Buddy Platform Limited ('the Company'):

1. The attached condensed consolidated interim financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
  - a. complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - b. giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2017 and of its performance for the period 1 July 2017 to 31 December 2017.
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the board



David McLauchlan  
CEO, Executive Director  
Dated 28 February 2018  
Seattle

## Independent Auditor's Review Report to the members of Buddy Platform Limited

### Conclusion

We have reviewed the accompanying interim financial report of Buddy Platform Limited and its controlled entities (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2017, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half year ended on that date, notes comprising a summary of accounting policies, other explanatory notes, and the directors' declaration of the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, nothing has come to our attention that causes us believe that the interim financial report of Buddy Platform Limited and its controlled entities is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2017 and of its performance for the half year ended 31 December 2017; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

### Directors' Responsibility for the Interim Financial Report

The directors of the Group are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards, including the Australian Accounting Interpretations, and the *Corporations Act 2001*. This responsibility includes: establishing and maintaining internal controls relevant to the preparation and fair presentation of the interim financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2017 and its performance for the interim ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Buddy Platform Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Independence**

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Buddy Platform Limited, would be in the same terms if given to the directors as at the time of this report.

NPAS

**Nexia Perth Audit Services Pty Ltd**

Amar Nathwani

**Amar Nathwani**

**Director**

Perth 28 February 2018