



# ASX MARKET RELEASE

## Buddy Platform Limited – September Quarterly 4C Review (Q1FY19)

### 31 October 2018 – Adelaide, South Australia

Buddy Platform Limited (ASX: BUD) (“Buddy” or the “Company”), a leader in IoT and cloud-based solutions for making spaces smarter, has today released its Quarterly Appendix 4C filing for the September 2018 quarter (Q1FY19).

### SUMMARY

- Total customer revenues were a record A\$884k for the quarter reflecting increases of 16% over the prior quarter (Q4FY18) and 117% over the same period in the prior year (Q1FY18). These figures do not include any government rebates, incentives or finance income
  - This is particularly strong revenue growth, given a significant but temporary dip in Buddy Cloud revenues due to mid-quarter contract negotiations with our largest customer, Thor (a great result, which will yield a new contract and an expansion of the relationship – details below)
  - The Company sold more Buddy Ohms this quarter than all previous quarters combined
- Total customer cash receipts were a record A\$1.2M for the quarter reflecting increases of 311% over the prior quarter and 186% over the same period in the prior year
  - Investors are reminded that the last quarter (Q4FY18) closed with a larger than usual balance in receivables totaling A\$534k; this quarter they are low at only A\$277k
  - With this change excluded, customer cash receipts were still a record at A\$906k
- Gross operating expenses were A\$4.1M which is A\$439k or 10% less than prior quarter and in line with expectations
- Gross operating cash outflows were A\$4.7M due to the fact that additional customer cash receipts were used to pay down obligations and place further orders, thus exceeding prior-quarter estimated cash outflows by A\$543k or 13%
- Management advises that the Company remains on track for its prior guidance of achieving cash flow breakeven by end of CY2019
- Cash on hand at 30 September 2018 totalled A\$18.7M.

## **Q4 FY2018 FINANCIALS**

### **CASH RECEIPTS AND REVENUE**

For the quarter, total customer revenues were A\$884k reflecting an increase of 16% over the A\$761k recorded in the prior quarter (Q4FY18). Total customer cash receipts were A\$1.2M, which is up substantially quarter-over-quarter due to on-time payments of current quarter revenues as well as payments from the prior quarter's outstanding receivables. In addition, the Company received A\$70k of finance income.

The increases in customer revenue and customer cash receipts are due to a more than doubling of site sales and deployments of the Buddy Ohm suite of products, offset by a dip in Buddy Cloud revenues due to the interval between the conclusion of one Airstream statement of work (SoW), and the finalisation of negotiations for a new SoW (details below). While this has resulted in a short term gap in Buddy Cloud revenues, the return on investment has been significant with a new contract imminent, a multi-year product roadmap by the customer using Buddy Cloud, and opportunity to grow Buddy's royalty revenue stream as well. Overall, the Buddy Cloud business continues to grow and still contributes a majority of total Company revenue (Buddy Ohm's growth will result in this being an ever decreasing percentage).

The Company's expenses, even when including cost of goods sold (COGS) which was increasing, decreased to A\$4.1M from prior quarter's A\$4.6M as operating expenses are being managed towards achieving cashflow breakeven. The Company's cash outflows of A\$4.7M (vs. A\$4.2M for the prior quarter) were higher than estimated cash flows of A\$4.2M due to the fact that the Company used the strong inflow of customer cash receipts to pay down obligations and increase inventory.

Combining this quarter's revenue increases with this quarter's cost decreases, the Company continues to be on track to achieve cashflow breakeven by the end of CY2019, consistent with previous management guidance.

### **CASH POSITION AND HOLDINGS**

As of 30 September 2018, the Company had cash reserves of A\$18.7M and held nearly 22.7M shares in Weebit Nano (ASX:WBT).

## **OPERATIONAL COMMENTARY**

### **BUDDY OHM**

This quarter was the Company's best yet for Buddy Ohm sales, with more sites being sold into this quarter than in all previous quarters combined. Given seasonality and the hiatus many take over the European summer, this quarter out-performed expectations on a seasonal basis.

Management was pleased to see a trend emerging in both upsell attach rate (the number of customers who after three months, return to purchase more monitoring service) and spend, with both metrics up quarter on quarter. Upsell attach rate is now 35% of customers (up from 30% in Q4FY18) who spend 98% more (up from 78% in Q4FY18) on their subsequent purchases. Given the service-based recurring revenue model of Buddy Ohm, these are important metrics, and indicate that meaningful numbers of customers are sufficiently happy with their purchase that they'll upgrade and seek to capture more information about their building or space within months of their initial purchase.

\* Please note that all revenue figures listed are un-audited.

Furthermore – and providing additional support to the Company's core belief that with time and customer satisfaction, single site purchases of Buddy Ohm become multi-site purchases – we can report that an all-time high of 36% of all sites are now belonging to multi-site customers (up from 5% at the beginning of the quarter). The average number of sites belonging to a multi-site customer is also increasing meaningfully, more than doubling since July.

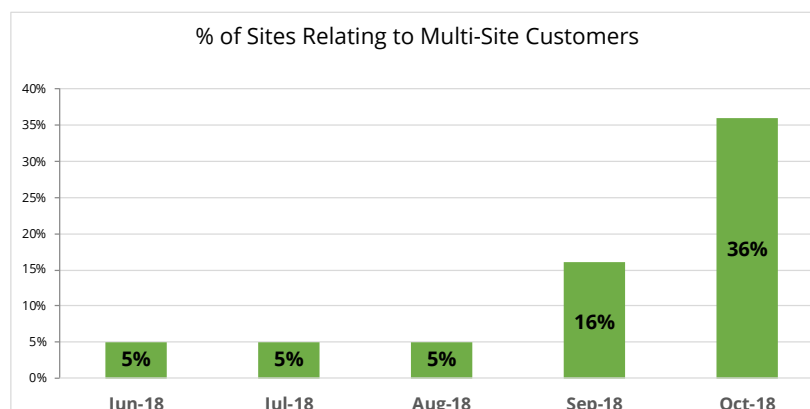


Figure 1. Multi-site customer growth is increasing in both depth and breadth

As the Company has reported previously, churn in the Buddy Ohm business is remarkably low – currently under half industry norms. While management is pleased with this result, it is still expected that churn gradually will trend back towards the “normal” range.

Over the course of this quarter, Buddy Ohm systems were sold into the broadest range of customers we've yet seen. We were pleased to sell Buddy Ohm into a ten location ski and mountain resort (monitoring, amongst other things, the energy consumption of the ski lifts), a prominent multi-building Los Angeles museum, more university campuses, a European plastics manufacturer, a government facility in Aruba, a salmon research facility in northern Wisconsin, multiple refrigeration and commercial cooling facilities, one of the most famous West End theatres in London (with potential for more), and even the first Telstra retail store in Victoria. We were especially pleased to win a deal to monitor energy consumption in a US\$70M, 263,000sqft athletic facility housing a 985,000 gallon Olympic-sized swimming pool, home to a US NCAA national champion team. This deal was won on merit – after Buddy Ohm identified cost and efficiency savings that fully covered the cost of the solution.

Increasingly, we're starting to see more sales of pilots (as distinct from trials). We use the term “pilot” to indicate when a customer purchases Buddy Ohm at retail prices/terms to deploy as an internal trial to that organisation. While they're paying retail pricing for their system(s), they are really making a small size purchase (one to three sites/facilities) in order to evaluate the product for a much larger deployment. Examples include a city council that has ordered product for three buildings in advance of a potential ninety buildings, or a retail chain that has ordered several sites worth of product in advance of a nationwide rollout if their internal pilot is successful. Specifically, our recently disclosed customer win in a newly built McDonald's restaurant in Australia (with a five year contract, this is actually our longest term Buddy Ohm deal) falls into this category. Following the successful deployment of our product for a quarter or two, there will exist the opportunity to deploy further units into other quick service restaurants within the same ownership group.

With respect to the Q4FY18 commentary, management is very pleased to report strong progress on the product stability and software platform work. Delays that were previously

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reported with respect to the release of “version two” have been resolved, and 100% of all new customers, and nearly all legacy customers are now comfortably on V2 and are reporting a higher quality experience. Installations are being reported as seamless, and in territories where installers don’t speak English (for example) our resellers are advising us of the success of our self-install model. We couldn’t be more pleased with the progress on this front from two quarters ago.

Furthermore, the install backlog referenced last quarter has been cleared (although, like our accounts receivable balance – as long as we’re selling product, we’ll always have some backlog – the trick is keeping it small). No customer or region is currently waiting for inventory, and those on the backlog are only awaiting product installs based on scheduling.

In all cases though, we’re getting very clear feedback from customers that they’d like to monitor more from inside their properties or spaces, and take data in from sensors beyond just the ones we make. To this end, we created the Works with Ohm (WWO) program to meet this specific need.

During the quarter, Buddy Ohm extended the Works with Ohm program to support interoperability with a range of new hardware. The Works with Ohm program is important to the business as it enables other devices to support our Buddy Ohm platform and creates a broader opportunity for the Buddy Ohm platform to be deployed across other monitoring devices.

As we intend to do regularly, we’ve added support for new meters and sensors to WWO this quarter. These include the addition of eleven new third party meters and sensors that mean Buddy Ohm can service larger footprint buildings or buildings with requirements that exceed the capabilities of Buddy’s own sensors. Many buildings have varied monitoring needs and it is Buddy’s aim to be able to make every space smart, meaning that it is imperative that Buddy Ohm must be able to operate with existing monitoring devices that may be in place. The eleven new meters and sensors were largely introduced to support major customer opportunities/bids with specific (although largely commonly found) hardware needs.

Furthermore, and perhaps even more importantly, the WWO program expanded to integrate products from leading smart light manufacturer, LIFX. Smart lighting – otherwise known as intelligent lighting – is fast becoming recognised as the primary sensor network for intelligent buildings. Thinking about it, this makes sense – the light socket is a near universal connection point, is powered, is located in nearly every room in every building in the world and is ideally positioned for measurement.

LIFX is the world’s second largest smart lighting manufacturer (second only to multi-billion dollar conglomerate Philips and their Hue product line), selling to customers in 116 countries around the world and doubling sales every one of the past four years. This year alone they’ll sell seven figures of lights, so they’re an extremely meaningful vendor in this space. LIFX’s smart lighting solutions contain a range of sensors and collect data relating to energy consumption, environment and usage. The smart data generated by LIFX’s lights, together with Buddy Ohm’s dashboards and data visualisations, will create new opportunities to deploy the Buddy Ohm solution across a broader range of customers and spaces. Also, Buddy will be able to bundle smart (and highly energy efficient) lighting with Buddy Ohm for customers seeking an immediate energy saving solution.

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Figure 2. Smart or intelligent lighting from LIFX when connected to Buddy Ohm will enable energy monitoring direct from lights, and Buddy Ohm + LIFX light bundles will deliver predictable cost savings from operating lights.

Clearly, the Buddy Ohm business thrives with more customers purchasing more monitoring from more sensor types. Investors should expect us to continue investing in growing the WWO program and increasing the range of sensor types that the Buddy Ohm solution is capable of processing data from. Since each monitored point accounts for an additional monthly charge, it is very much in the interests of the business and our ability to remain competitively differentiated, that we continue our investment in WWO and the partners with which we work to effect that program.

### **BUDDY CLOUD**

Our partnership with Thor Industries, Inc. (NYSE: THO) strengthened with the launch and then delivery of Thor subsidiary, Airstream's 2019 trailers that are using Buddy Cloud technology to enable their 'Smart Control Technology' solution. Buddy is entitled to a monthly fee payable per vehicle that is activated and Airstream is also expected to offer 'retro-fit kits' for its existing vehicles to be upgraded retroactively. The Smart Control Technology allows users to control and monitor systems and amenities from anywhere, making the vehicle a smart unit that its owner can be connected to even when they are far from it.

Airstream has been delighted with the solution that Buddy has built for their customers, and that is translating into a longer-term product roadmap, a desire to broaden their Smart Control Technology rollout and to further enhance its capabilities. On the back of this, following completion of our responsibilities under the most recent SoW executed with Thor (refer to the ASX announcement dated 20 March 2018), Buddy and Airstream began negotiations to extend our relationship and the scope of vehicles supporting this new functionality. Buddy is presently in the process of finalising negotiations and product plans in respect of a new SoW with Airstream that will form the basis of the next generation of Smart Control Technology (and vehicle models).

While these negotiations have resulted in a period of reduced Buddy Cloud revenues from Thor (spanning September through October), this has been a tremendous investment of time that will pay dividends in the form of additional Buddy Cloud development and deployments, increased per-vehicle monthly royalties, and (for the first time in our relationship with Thor/Airstream) a multi-year viewpoint on commercial deployments of Buddy Cloud technologies. We're thrilled with Airstream's show of confidence and trust in Buddy, and look forward to continuing our relationship with Thor more broadly, while deepening it with the passage of time. Buddy will update shareholders on the outcome of the negotiations and the status of the new SoW by way of an ASX announcement.

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This deployment of Buddy Cloud with Thor's range of mobile and recreational vehicles is in keeping with our strategy for Buddy Ohm, to make every space smarter, and in this case, the space is a recreational vehicle. Despite that, the monitoring and control functionality offered is very much in line with Buddy's core vision and we are excited to see our relationship with Airstream (and Thor by extension) flourish. Buddy Cloud is helping Airstream connect people with their environment and making the use of their vehicle more efficient and enjoyable. As with prior arrangements with Airstream, Buddy will receive a fixed monthly retainer for its ongoing operations and support of Airstream vehicles and fees based on unit volume sales and the number of vehicles activated.

## KEY PARTNERSHIPS UPDATE

By way of update, the status of the Company's key distribution, reseller and referral partnerships are as follows:

- It is expected that first revenues from the distribution agreements with various **Ingram Micro** entities are likely to be recognised beginning in CY2019. Significant progress has been made to date with Ingram Micro to get their sales function online, including:
  - Completing sales training in a number of markets
  - Recent launch of Ingram Micro Spain
  - Co-exhibiting with Ingram Micro Spain at the Microsoft IoT showcase in Barcelona earlier this month
  - Onboarding of Ingram Micro United Kingdom is well underway – both from a sales and service perspective (IM UK will be an installation and support partner in the UK)
  - In a variety of markets Buddy Ohm is now available in the Ingram Micro catalog, the pre-cursor to a full commercial roll-out.

Notwithstanding this activity, shareholders should be aware that management has been vocal in recognising that this relationship has progressed at a slower pace than expected or desired. This is acknowledged by Ben Xiang, Global Head of IoT at Ingram Micro, and all parties are working together to push this relationship forward. Even today, Buddy's VP of Sales – Tim Ritchie – is attending & exhibiting Buddy Ohm at "Ingram Micro ONE" – a major event hosted by Ingram Micro for their US resellers. As with all our key relationships, we maintain a close watch on the partnership and will always consider a re-allocation of people resources, further incentives or other changes to accelerate this business activity.

It is important to recognise that Ingram Micro has been equally as vocal as to their support for Buddy Ohm and their strong desire to see this product take a prominent position in their IoT catalog. Our relationship with Ingram Micro remains such that we continue to have high expectations of the partnership, even through the clear delays that all parties have had to withstand. Our attendance this week at Ingram Micro ONE, and Ingram Micro's support for Buddy Ohm are evidence of this on both sides.

- As of the end of September, sales training with **Saskatchewan Telecommunications** (SaskTel) was completed, but we await internal approvals for sales to commence. While a relatively small account and we expect sales to commence over the next few quarters, we are also actively considering changes to

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this relationship to leverage our focus on Ingram Micro as a distribution partner once they've reached operating velocity.

- Management is happy to announce that UK sales continue to grow through regional distributor **Rizon Group**, while recent additions of resellers such as Pangea allow Buddy's EU team to grow our footprint in the UK. Ingram Micro UK will soon join Rizon as an installation partner for the region, providing greater service and installation reach for the European business.
- The primary distribution channel for Buddy Ohm in Australia, **Dicker Data Limited** (ASX:DDR), continues to grow sales in the region, with Australia now the third largest region worldwide for the product. This has been achieved through a combination of clever bundling practices as well as direct sales efforts referred through the Dicker Data network. Further, whilst negotiations with Telstra ceased some time ago, sales of Buddy Ohm to Telstra for their facilities have commenced through Dicker Data, with the first Telstra retail store in Victoria becoming a customer.
- Buddy maintains a reseller agreement with **Digicel Group Limited** (Digicel) which commenced generating revenues in Q3 FY2018. During this quarter, sales growth accelerated, which is in part due to a reset of relations with a nearly entirely new management and sales team in multiple Digicel markets. We can report that the new team has increased focused on IoT as a must-win market in this region, and Buddy Ohm is a core component of their strategy. Buddy management is enthused at the response we are already seeing from this key reseller and is encouraged by the uptick in sales that has followed.

*In addition to these arrangements, there are many other agreements, arrangements or relationships the Company has entered into which management does not consider to be material (at this time). Such arrangements include, but are not limited to, non-disclosure agreements to discuss larger or broader relationships, trial arrangements, exploratory relationships, mobile operator or carrier relationships, not-yet-awarded bids on large volume customer deployments and services agreements.*

## **BOARD UPDATE**

Following the retirement of board member Ananda Kathiravelu, we are pleased to announce that pending the Company obtaining shareholder approval, we hope to welcome Rosey Batt to the Buddy Board of Directors. Rosey has practiced corporate law since 1984, having represented or advised entities in Australia, Europe and the United States such as AMP, BP, Coles Myer, Optus and News Limited. She's acted as a Company Secretary for public companies, she's lectured extensively at universities and on behalf of the Australian Institute of Company Directors and is a renowned expert on Australian Corporate Governance.

Amongst her academic qualifications, Rosey holds a Bachelor of Law degree from the University of Adelaide and a Master of Science and Technology Commercialisation degree from both the University of Adelaide and the University of Texas (Austin). Rosey is a Fellow of the Australian Institute of Company Directors, and is a mentor to the University of Adelaide MBA program as well as the University of Adelaide E-challenge (Entrepreneurship Adelaide and France). We very much look forward to welcoming Rosey to Buddy, and drawing upon her considerable and international experience.

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## CONCLUSION

In the Company's investor presentation titled, "BUD.ASX – Investor Presentation October 2018" (released to the ASX on 19 October 2018), reference was made to direct sales efforts currently being pursued into a number of large volume opportunities via tenders. In one deal, Buddy Ohm has successfully advanced through the tender process from more than twenty potential suppliers to being one of the two finalists. Both the timing and selection of the winning supplier are now in the hands of the multinational customer, with a successful result being very meaningful for our business.

Two other opportunities spring to mind – one in a Middle Eastern country where we aren't currently selling, but where there's a government-sponsored opportunity of real interest. We have a staff member who natively speaks the local language installing equipment to demonstrate our capabilities, and we look forward to the next stage of the tendering process.

Finally, we added a new retail opportunity just in the past two weeks that spans both Australia and Europe. The customer has bought Buddy Ohm units to deploy in different types of locations (strip mall, shopping mall, corporate facility) that are representative of their global portfolio and will, after their pilot, make a portfolio-wide purchase decision. We are anticipating the result later into 2019. *As with all of these significant opportunities, we will keep the market updated as news comes to hand.*

On a general note, we remind investors that as we continue to drive the business towards maximising growth and our delivering on our CY2019 financial commitments, there will continue to be variations in quarter on quarter growth rates due to seasonality, changing deployments and individual channel performance. This is to be expected – but at all times you may be assured that management maintains complete focus on our commitment to reach profitability and to maximise growth beyond that.

As we look back on the quarter, the Buddy Leadership Team is proud of the team's efforts in recording significant sales growth while working to rectify delays across sales channels and markets. Going forward, we will continue to develop improved sales tactics, sell into new customer categories, keep the focus on increasing our upsell metrics, refine the product installation experience, add new functionality to drive margin growth, improve our customer support responsiveness, support additional and increase sensor types, manage our cost base carefully, continue to be responsive to market changes and communicate openly and transparently with our shareholders. Most importantly though, we'll continue to **make every space smarter**.

As always, thank you very much for your continued support of the Buddy Platform business. Shareholders and investors alike are always invited to reach out to the Company at [ir@buddy.com](mailto:ir@buddy.com) with questions or comments.

For and on behalf of Buddy Platform Limited.



**David P. McLauchlan**

Chief Executive Officer  
Buddy Platform Limited.

\* Please note that all revenue figures listed are un-audited.



## About Buddy

Buddy Platform Limited (BUD.ASX) provides simple, affordable and engaging solutions for customers of any size to make their spaces smarter and their occupants more efficient, environmentally-aware and informed. Buddy Ohm, Buddy Cloud and Parse on Buddy are the company's core offerings that empower its customers to fully leverage digital technologies and their impact in a strategic and sustainable way. **Buddy Ohm** is a resource monitoring solution that simplifies building operations and provides peace of mind by harnessing real-time utility and operational data to reduce or mitigate risk and improve operations, savings and sustainability. **Buddy Cloud** enables ubiquitous access to and storage of data from any environment – recreational vehicles, schools, commercial buildings or an entire city – in support of smarter, healthier spaces. **Parse on Buddy** is a mobile backend as a service (mBaaS) built on the world's most popular BaaS technology. Buddy Platform is headquartered in Adelaide, Australia, with offices in Seattle, Washington.

For more information, visit [www.buddy.com](http://www.buddy.com).

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## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

Buddy Platform Limited

**ABN**

21 121 184 316

**Quarter ended ("current quarter")**

30 September 2018

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000s</b>	<b>Year to date \$A'000s</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,163	1,163
1.2 Payments for		
(a) research and development	(643)	(643)
(b) product manufacturing and operating costs	(1,153)	(1,153)
(c) advertising and marketing	(414)	(414)
(d) leased assets	-	-
(e) staff costs	(2,085)	(2,085)
(f) administration and corporate costs	(448)	(448)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	70	70
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(3,510)</b>	<b>(3,510)</b>

Consolidated statement of cash flows		Current quarter \$A'000s	Year to date \$A'000s
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(17)	(17)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	(247)	(247)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(264)</b>	<b>(264)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

Consolidated statement of cash flows		Current quarter \$A'000s	Year to date \$A'000s
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	22,378	22,378
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,510)	(3,510)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(264)	(264)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	57	57
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>18,661</b>	<b>18,661</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	18,661	22,378
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>18,661</b>	<b>22,378</b>

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	85
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
CEO Salary – 85k (FX increased from \$82k to \$85k in the quarter)		

**7. Payments to related entities of the entity and their associates**

**Current quarter  
\$A'000**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

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-

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**8. Financing facilities available**

*Add notes as necessary for an understanding of the position*

**Total facility  
amount at quarter  
end  
\$A'000**

**Amount drawn at  
quarter end  
\$A'000**

- 8.1 Loan facilities
- 8.2 Credit standby arrangements
- 8.3 Other (please specify)

-

-

-

-

-

-

- 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

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**9. Estimated cash outflows for next quarter**

**\$A'000**

- 9.1 Research and development
- 9.2 Product manufacturing and operating costs
- 9.3 Advertising and marketing
- 9.4 Leased assets
- 9.5 Staff costs
- 9.6 Administration and corporate costs
- 9.7 Other (provide details if material)

(600)

(700)

(400)

-

(2,100)

(500)

-

**9.8 Total estimated cash outflows**

**(4,300)**

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity	-	-
10.2	Place of incorporation or registration	-	-
10.3	Consideration for acquisition or disposal	-	-
10.4	Total net assets	-	-
10.5	Nature of business	-	-

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:

(Company Secretary)

Date: 31 October 2018

Print name: Stuart Usher

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.