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## ASX MARKET RELEASE

Friday January 29<sup>th</sup>, 2016

### **BUDDY PLATFORM LIMITED – QUARTERLY 4C REVIEW**

Buddy Platform Limited (ASX: BUD) (“Buddy” or the “Company”), the Internet of Things (“IoT”) data management and processing platform, has today released its Quarterly Appendix 4C filing for Q2 FY2016.

#### **QUARTERLY SUMMARY**

- Successfully completed the reverse takeover and merger between Potash Minerals Limited and US-based Buddy Platform, Inc. culminating in a relisting of the company as Buddy Platform Limited (ASX:BUD) on December 30<sup>th</sup>, 2015.
- Concluded a capital raise of A\$15.2 million by way of a heavily over-subscribed public offer, an SPP offer and the exercise of legacy (ASX:POKO) options.
- Announced deals with Noveda Technologies (energy & resource data management), Sears Holdings (major US retailer), and Lono, LLC (smart home irrigation manufacturer).
- Signed evaluation agreement & negotiated pricing with major European consumer electronics vendor.
- Customer renewals / contract re-negotiations – Washington’s Lottery (renewal) & major US telecommunications carrier (re-negotiation to lock in 2<sup>nd</sup> year pricing).
- Cash at bank as at 31<sup>st</sup> December, 2015 of A\$14.2MM + US\$287.7k leaves the Company fully funded to execute on its business plan and execution strategy.

#### **BUSINESS UPDATE**

##### **CUSTOMER TRACTION**

Following on from the November, 2015 announcement that New Jersey-based Noveda Technologies, Inc. would service all connected energy & resource meter data traffic via Buddy Platform, the Company provides guidance that this integration work is proceeding ahead of schedule. Accordingly, the Company expects that full integration between Buddy and Noveda will be complete by the end of Q1, CY2016. Furthermore, the Company expects that as a result of this integration, meeting the first performance milestone (20MM device connections to the platform daily, as documented in the prospectus dated November 3<sup>rd</sup>, 2015) shall be accelerated by 4-6 months.

During this quarter, the Company also announced deals with Sears Holdings and Lono, LLC. The Sears deal was the execution of a Master Services Agreement (“MSA”), that both set Buddy up as an approved vendor to Sears as well as provided a mechanism for all future commercial deals between the two companies. The first statement of work (“SOW”) under this MSA is presently being negotiated, and work is expected to commence shortly subsequent to the execution of that SOW.

Two customers have renewed or renegotiated their contracts with Buddy during this quarter. Washington's Lottery renewed for another year of service, while a major US telecommunications carrier re-negotiated their 2015 contract to include the addition of 2016 pricing terms as well. With the US Powerball lottery prize reaching record levels recently, Washington's Lottery reached a peak in traffic consumption on Buddy this month.

The pace of customer engagements has increased in 2016, with new opportunities inbound via the Company's presence at the 2016 Consumer Electronics Show, as well as the movement of existing opportunities through the pipeline. New opportunities span verticals including hardware, silicon, mining, government, inflight entertainment, connected vehicles, smart home appliances and more.

Management reiterates previously offered guidance that as with all commercial enterprise contracts in this space, there is a considerable investment of time required to close deals relating to the storage or management of highly valuable IoT data. It is not uncommon for deals to take up to four to six months to close, such is the complexity of dealing with large enterprises and their (highly protected) data.

The Company will offer more details on its sales traction for this quarter in the Company's coming half yearly report, especially as it relates to Buddy's presence at the two major trade shows of this quarter (for the connected devices industry), the 2016 Consumer Electronics Show (Las Vegas, NV), and the 2016 Mobile World Congress (Barcelona, ES).

#### **CORPORATE DEVELOPMENT**

Given the Company's extremely successful & highly visible ASX re-listing, Buddy is benefiting from quite considerable inbound M&A deal-flow. Accordingly, the Company is considering its options with respect to strategic acquisitions and asset purchases.

#### **BOARD OF DIRECTORS APPOINTMENT**

The Company is pleased to announce that Mr. John van Ruth is to be appointed to the Board of Directors (pending regulatory approvals). Mr. van Ruth is currently Chief Executive Officer of Operation Finders Foundation, and holds a number of non-executive directorships. Prior to his work in the not for profit sector, Mr. van Ruth spent four years as Chief Financial Officer for Coopers Brewery, the largest Australian owned brewery. Before Coopers Brewery, he held a number of senior executive roles with other iconic South Australian companies including the RAA of SA, Inc., Adelaide Bank and Faulding. Mr. van Ruth's early career was with professional services firms EY, KPMG and Arthur Andersen with particular focus on strategic advisory services in emerging technologies in Australia, Netherlands and Canada.

Following Mr. van Ruth's appointment, the Board will consist of Mr. Richard Borenstein (non-executive Chairman), Mr. David McLauchlan (executive director, CEO), Mr. Alexander Gounares (non-executive director), Mr. Ananda Kathiravelu (non-executive director) and Mr. John van Ruth (non-executive director).

#### **STAFFING**

The Company is delighted to announce the appointment of Mr. Tim Ritchie as Vice President of Sales, as well as the appointment of Ms. Amaris Harris as Director of Sales, both based in the Seattle, WA office.

Mr. Ritchie will join the Company in early February from Zumobi, where he served as Vice President of Sales and Account Management. Prior to Zumobi, Mr. Ritchie held a similar role at SaaS loyalty marketing and

customer engagement platform, BigDoor. Mr. Ritchie serves on the advisory board for Spiral Genetics, and is a guest lecturer at the University of Washington School of Entrepreneurship.

Ms. Harris joins the Company from Prizmiq, a creator of interactive 3D product experiences, where she served as Vice President of Sales. Prior to Prizmiq, Ms. Harris held sales roles at Comr.se, Cloudant (acquired by IBM) and Tableau Software. Ms. Harris is a graduate of the University of Washington, Michael G. Foster School of Business.

The Company is also pleased to announce the appointment of Mr. Adam Schultz as General Manager, Australia, based out of the Adelaide, SA office. Mr. Schultz joins the Company on February 1<sup>st</sup> from DGA Consulting, where he was a Director and Principal Consultant. Mr. Schultz has spent considerable time working with power utility companies in North America, Australia and South-East Asia, and his industry experience will help insert Buddy into smart power & resource metering data opportunities across the Australasian and North American markets.

Further to the Company's plans to establish an engineering office in Australia, three developers and an engineering manager have been recruited to form the basis of the Company's technical team in the region. As the Company's engineering needs grow, and given the USD-AUD currency exchange rate, the Company expects to meet those needs by growing engineering staff primarily in the Australian office.

#### **AUSTRALIAN OFFICE**

The Company has selected Adelaide, South Australia as the location for the base of its Australian operations and engineering development centre. This selection was made in large part due to the cooperation and support of the Government of South Australia. Currently this office supports four engineering staff, the General Manager, Australia and US-based staff on rotation through the Australian engineering office.

#### **RADAR IRON INVESTMENT**

The Company continues to hold 22,690,612 shares in Radar Iron Limited. For further information regarding Buddy's investment in Radar Iron Limited (ASX: RAD), visit Radar Iron's website at [www.radariron.com.au](http://www.radariron.com.au).

#### **CHANGE IN COMPANY SECRETARY**

During the period, the Company announced the appointment of Mr. Stuart Usher as Company Secretary following the resignation of Mr. Christopher Watts.

Mr. Usher holds a Bachelor of Business from Edith Cowan University, and an MBA from the University of Western Australia. He is a CPA, an Associate Member of the Institute of Chartered Secretaries and Administrators and is a Chartered Company Secretary. Mr. Usher has over twenty years' experience in the management and corporate affairs of public listed companies.

The Board very sincerely thanks Mr. Watts for his contribution to the Company and wishes him well in his future business endeavours.

For and on behalf of Buddy Platform Limited.

#### **David P. McLauchlan**

Chief Executive Officer  
Buddy Platform Limited.

**For more information please contact:**

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**About Buddy**

Buddy Platform Limited ([ASX:BUD](#)) provides one of the world's first data aggregation and management platforms for the Internet of Things and connected devices. Buddy advances the Quantified Economy by providing the critical infrastructure by which businesses and organizations can, in real time, access and analyze 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. Buddy is headquartered in Seattle, Washington, with offices in Adelaide, Australia. For more information, visit [www.buddy.com](http://www.buddy.com).

# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

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

Name of entity

Buddy Platform Limited

ABN

21 121 184 316

Quarter ended ("current quarter")

31 Dec 2015

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date 6 months \$A'000
1.1 Receipts from customers	-	-
1.2 Payments for (a) staff costs	-	-
(b) advertising and marketing	-	-
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(344)	(626)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	17	20
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	(20)
1.7 Other (provide details if material)	-	-
<b>Net operating cash flows</b>	<b>(327)</b>	<b>(626)</b>

+ See chapter 19 for defined terms.

**Appendix 4C**  
**Quarterly report for entities**  
**admitted on the basis of commitments**

	Current quarter \$A'000	Year to date (6 months) \$A'000
1.8 Net operating cash flows (carried forward)	(327)	(626)
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other – Cash on acquisition of Buddy Inc.	621	621
Other – Option Fees paid in relation to Buddy Platform, Inc.	-	(500)
<b>Net investing cash flows</b>	621	121
<b>1.14 Total operating and investing cash flows</b>	294	(505)
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	14,084	14,084
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
<b>Net financing cash flows</b>	14,084	14,084
<b>Net increase (decrease) in cash held</b>	14,378	13,579
1.21 Cash at beginning of quarter/year to date	271	1,073
1.22 Exchange rate adjustments to item 1.20	(7)	(10)
<b>1.23 Cash at end of quarter</b>	14,642	14,642

+ See chapter 19 for defined terms.

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	882
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

<ul style="list-style-type: none"> <li>- Director Fees: 44</li> <li>- Investor Relations: 13</li> <li>- Prospectus Mgmt: 825 (Armada Capital a company associated with Ananda Kathiravelu were the lead managers to the Prospectus which received prospectus management fees, from this amount a large portion of fees were paid to unrelated third parties)</li> </ul> <p>Includes amounts paid to directors including salaries and wages for director services as well as payments to a company associated with Ananda Kathiravelu relating to the provision of investor relations and marketing support on normal commercial terms.</p>
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**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

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+ See chapter 19 for defined terms.

**Appendix 4C**  
**Quarterly report for entities**  
**admitted on the basis of commitments**

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**Financing facilities available**

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

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

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+ See chapter 19 for defined terms.



### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	14,642	80
4.2 Deposits at call	-	191
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.23)	14,642	271


### Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a)) \$M	Disposals (Item 1.10(a))
5.1 Name of entity	Buddy Platform Inc.	-
5.2 Place of incorporation or registration	United States	-
5.3 Consideration for acquisition or disposal	\$50M	-
5.4 Total net assets	\$0.8M	-
5.5 Nature of business	Technology company engaged in designing, developing and marketing a global data exchange, a platform for managing and accessing data generated by the connected Internet of Things – devices that enable organisations whose core business is not big data, to access this value.	-

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does /does not\* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:   
(Company secretary)

Date: 29<sup>th</sup> January 2016

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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