ASX MARKET RELEASE

Buddy Platform Limited – Quarterly 4C Review (Q4 FY16)

July 29, 2016 – Adelaide, South Australia
Buddy Platform Limited (ASX: BUD) (“Buddy” or the “Company”), the Internet of Things (“IoT”) data management, processing & control platform, has today released its Quarterly Appendix 4C filing for Q4 FY2016.

QUARTERLY SUMMARY

- Second full quarter of operation as Buddy Platform Limited, following the relisting of the company as Buddy Platform Limited (ASX:BUD) on December 30th, 2015.
- Booked revenue for the quarter was A$186k, cash receipts of A$86k
  - Service revenue of A$51k, finance income of A$35k
  - Year-to-date (since December 17, 2015) cash receipts total A$309k.
- Total cash balance of A$10.84M as of March 31, 2016 (A$14.3M as of July 29, 2016).
- Performance metrics guidance – peak traffic of 35.2M transactions per day (up 367% on previous quarter); the Buddy Platform is now processing IoT data at a run rate exceeding 1 billion transactions per month.
- Ended the quarter with A$3.7M in pipeline value, A$2.7M of which was in the final “proposal” or negotiation stage of the pipeline (up 154% on previous quarter).
  - Pipeline growth is accelerating - 40% growth in last 7 weeks, and in just last 30 days, 10 deals have been added to the pipeline worth A$1.72M
  - Current (July 29, 2016) sales pipeline of A$4.7M.
- Announced development of Parse by Buddy with collaboration from Facebook’s Parse team; on track for late (northern) summer launch.
- Announced two pending acquisitions – Noveda Technologies, Inc. and Zentri, Inc.
- First performance milestone (20M connections per day from discrete devices for three consecutive weeks) was reached, after traffic exceeded that figure in the final week of the quarter.

Q4 FY2016 FINANCIALS
REVENUE
The Company booked A$183k of revenue in Q4 FY2016, with service revenue receipts of A$86k and finance income of $40k. These figures remain in line with management expectations and previous guidance that building an IoT data business at global scale
requires reaching a minimum threshold of device volume and data traffic prior to achieving meaningful monetization.

Shareholders should also consider that even today, most of the deals in the two most advanced stages of the pipeline ("Validation/Proof of Concept" and "Proposal") were sourced prior to, or at, CES in January. Accordingly, investors should not expect the revenue figures reported in this quarter to reflect May’s “IoT World” trade show success nor any business development since.

It is the view of management that the Company is tracking well ahead of plan for our key metrics: device and data volume growth, and likewise for our secondary metrics: bookings and pipeline growth. As per our continued guidance, for now we're driving revenue as a tertiary function of volume and bookings growth; accordingly, management considers the Company's revenue figures to be solidly in line with expectations. That said, pending the successful completion of our in-progress acquisitions, we look forward to reporting all three entities’ combined and materially larger revenue under Buddy in due course.

OTHER COMMENTS
Some further explanation of line items in the Appendix 4C follows:

- A new line item for this quarter is “Research & Development” – line 1.2 (c). This item is expenditure on external contractors that were brought in to bolster the engineering team while the Company staffed up in Seattle and Adelaide. The bulk of this figure (A$353k) is development work on the Parse by Buddy project, while the remainder (A$190k) was front and backend development costs for the Company's new developer portal (a vastly improved developer experience). Management expects this expenditure to qualify for the Australian Federal Government R&D Tax Rebate.
- Salary related costs are in line with the previous quarter.
- Working Capital is lower than the previous quarter (as expected, since there were one-off expenses last quarter), but does include some costs that were not accounted for in the previous quarter (~US$60k) due to an accounting correction.

CASH POSITION
As of March 31, 2016 the Company had cash reserves of A$10.84M, which has since risen to A$14.3M (as of July 29, 2016 following the recent capital raising), placing the Company in an extremely strong position to conduct all current activities in the pursuit of its' strategic goals and performance milestones.

RADAR IRON INVESTMENT

BUSINESS UPDATE
SALES & PIPELINE UPDATE
The Company is very pleased to report that the sales pipeline is growing rapidly, and is well ahead of expectations on a dollar and percentage growth basis. Further, the month since
June 30 has seen the largest period of pipeline growth in Buddy’s history, which clearly is extremely encouraging.

At the close of the quarter, Buddy’s sales pipeline was A$3.7M, with A$2.7M of that figure being deals in the last two stages of the pipeline before “closing” – ie: “Validation/Proof of Concept” and “Proposal”. While that represents an impressive 154% increase on just the last quarter, as at writing, the sales pipeline has grown further to A$4.7M currently.

Investors should note that once deals are closed, they are no longer considered “in the pipeline”, and so these figures exclude bookings and cash receipts. As an indicator of imminent business to come, we remain very excited by this clear progress. This growth (up to 40% in the last 7 weeks alone) is a function of an evolving product that is meeting customer needs and a sales & marketing team that is hitting stride and performing well. Also, as with any enterprise or SaaS sales model, there is colloquially known to be a “flywheel” that takes time to get up to speed. Much more work remains, but Buddy’s sales & marketing teams are to be commended on getting that flywheel turning and building strong momentum.

CUSTOMER TRACTION & PERFORMANCE MILESTONES
Despite proceeding with the pending acquisition of Noveda Technologies, Inc. our two companies continue to build upon our technical relationship. Some 602 of the nearly 2000 facilities across the US, Canada and Middle East serviced by Noveda have been migrated to Buddy’s backend infrastructure, which puts that migration of service well on schedule. Those 602 facilities are currently generating about 4.4M transactions per day in traffic.

The Buddy Platform hit a peak traffic volume load of 35.2M transactions per day in the last week of this quarter, which went on to be sustained over the subsequent first weeks of July, resulting in the Company announcing we had reached our first Performance Milestone. Just after the close of the quarter, the Company announced that traffic on the platform had reached a run rate of 1 billion transactions per month.

PARSE (SERVER) BY BUDDY
The Company announced in April that we were deploying an instance of the Parse Server product from Facebook. We advised the market that we were doing this with the support of Facebook and were closely engaged with them to maximise the functionality and scalability of the product. While we engaged some contract resources to initiate the project up front, responsibility for this work has since transitioned entirely to Buddy’s core engineering team and is being led by our Adelaide engineering office.

Management is extremely pleased with the progress made on this product to date. Not long after commencing the project, we realised that there were significant “gaps” in the Parse Server product from the full-blown version of Parse that Facebook offers online. Not only were there feature gaps, but a hosted Parse Server instance was incapable of accommodating the kind of scale that high usage mobile applications would generate. With engineering support from the Parse team at Facebook, our team set about deploying a fully scaled, fully managed version of Parse that was as feature-complete as possible. In short, we wanted a three step migration from a standard Parse-powered app to a “Parse by Buddy”-powered app, that didn’t require any meaningful code changes.
We feel very confident that we’ll be delivering on exactly that goal when we launch the product on a limited basis in late August and at greater scale at the end of the US summer. Feedback from test applications running on the platform has been very positive – particularly the migration experience. A handful of live applications are running in production on the Parse by Buddy product, and we’ll carefully increase the volume of traffic running through the system over the coming 1-2 months so we’re in a position to confidently turn on the firehose towards the end of the year/early 2017 when we expect the majority of migrations to occur.

It is worth noting that management feels strongly that the feature and scale gaps in the Parse Server product actually present a real opportunity for Buddy. Plenty of other providers host instances of the open source version of Parse Server – including Amazon AWS, Microsoft Azure, Heroku and others. What Buddy will offer will be a considerably improved and feature-complete product that much more closely resembles the wildly popular Parse product hosted by Facebook, than the open source Parse Server product that has been made freely available. We expect many app migrators to discover that the standalone open source Parse Server won’t satisfy their needs, and we expect those discoveries to be made under time pressure. Buddy will be standing by with a ready-to-go product that requires only minutes’ worth of fixes to an existing application. It may well be a busy Australian summer for our Parse by Buddy and customer service teams.

NOVEDA TECHNOLOGIES, INC.
Management can report that the process of due diligence has been completed with respect to the Noveda transaction, and that learnings and outcomes from the process are now in the process of being applied to the preparation of commercial binding documents.

Recent announcements by Buddy have provided investors with insight into some of the incredible opportunities that Noveda and Buddy will jointly be able to deliver into once the acquisition is completed. In a shareholder update published to the ASX on June 23, 2016 the Company shared 10 contracted customers of Noveda’s, including Deutsche Bank, Comcast, Prudential, Rolls Royce, Avis Budget, the New York City Department of Education, Honeywell, CBRE, Johnson Controls and a US Federal Government agency.

More specific details were shared about a particular customer – Energy Ottawa – whereby Noveda has entered into a contract to provide energy monitoring software and services for smart/connected metering devices. The contract provides for a 5-year deal covering 350,000 meters targeted up to US$5M (A$6.8M) per month at contract maturity.

We further shared that Noveda’s existing customer contracts target upwards of US$15M – US$20M (A$20.3M to A$27M) in revenues over the coming 36 months.

Subsequent to the end of Q4, Noveda announced that it was selected to be one of two providers of real-time energy management (“RTEM”) services to the New York State Energy Research & Development Authority (“NYSERDA”).

NYSERDA has pledged US$36M to two new initiatives aiming to increase the energy efficiency of New York’s commercial buildings through RTEM, forming part of a US$72M commitment over 10 years. Noveda was selected as one of only two providers (and the only US provider) for the RTEM program which will fund 30% of installation costs and service
charges for up to 5 years, provided grantees purchase their RTEM installation and service from one of the approved providers.

Buddy and Noveda management are thrilled with this NYSERDA development, and are currently evaluating the potential impact on revenue for the businesses. It is clear however, that this represents an extremely substantial opportunity, and is the largest win by dollar value for the Noveda business to date.

ZENTRI, INC.
While Buddy continues to engage in an extensive and deep due diligence process with Zentri – one that is proceeding rapidly and cooperatively – we recognise that investors are keen to learn more about the financial and product impact of the acquisition on the Company overall. While more information will be forthcoming in due course, for now we can share that Zentri booked A$4.0M in revenues in calendar year 2015, with cash receipts of A$3.1M for the same time period (investors should note that these are not audited results, and should be considered as such). The difference between those figures is due to the period of time common between ordering components and infrastructure, and delivering those products against an engineering build schedule. Zentri has booked (backlog + shipments) revenues of A$4.2M this calendar year to date. While this is an un-audited figure provided as part of our due diligence into Zentri, it reinforces the targeted revenue and bookings growth for calendar year 2016 that both companies are working towards.

Per the terms that Buddy has previously disclosed in respect of the proposed acquisition of Zentri, investors are reminded that management at Zentri is committing to a maximised earn-out model based on at least US$14.4M (A$19.3M) of revenue being contributed to the overall Buddy business by end of calendar year 2017.

STAFFING
During the quarter, the Company welcomed two new additions to our marketing team – a designer based in Seattle and a marketing manager based in Seattle as well. Both report to VP of Marketing & Communications, Brian Seitz.

On the engineering front, a new full stack developer was hired into our Seattle engineering office reporting to VP of Product & Engineering, Habib Heydarian. A site reliability engineer (“SRE”) offer was made and accepted in our Adelaide engineering office, as well as a full stack engineering position, both reporting into Development Manager, Craig Patten.

The Company is currently interviewing for a joint Chief Operating Officer/Chief Financial Officer role to be based in Seattle – a role which will be particularly important in the context of the two pending acquisitions currently being worked through. Projected headcount post-acquisitions is expected to be 55, with additional support needed in sales, marketing and engineering. The Board and Management will continue our cautious approach to hiring, ensuring that our quality bar remains high and that all positions are hired “into a proven need”.

SERVICE PERFORMANCE
The Buddy Platform performed very well in Q4, both in terms of service uptime and performance. The Platform’s current API average response time, a measure of the time it takes for the Platform to process an incoming API call, execute all processing and mapping functionality and then initiate the completed response, is 33ms (down from 83ms last
quarter – lower is better). Our trailing month service availability – a measure of uptime – is 99.977% for our US instance, 100% for the EU instance and 100% for the AU instance. All downtime was due to inherited service interruptions from our cloud provider (which are excluded from our SLA).

There were no SLA events this quarter that required compensation from Buddy.

For and on behalf of Buddy Platform Limited.

David P. McLauchlan  
Chief Executive Officer  
Buddy Platform Limited.
About Buddy

Buddy Platform Limited (ASX:BUD) provides one of the world’s first data aggregation and management 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 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 http://www.buddy.com.

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Email: ir@buddy.com
Appendix 4C
Quarterly report for entities admitted on the basis of commitments

Rule 4.7B

Name of entity
Buddy Platform Limited

ABN
21 121 184 316

Quarter ended ("current quarter")
30 June 2016

Consolidated statement of cash flows

<table>
<thead>
<tr>
<th>Cash flows related to operating activities</th>
<th>Current quarter $A’000</th>
<th>Year to date From 17-Dec-2015 $A’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Receipts from customers</td>
<td>51</td>
<td>196</td>
</tr>
<tr>
<td>1.2 Payments for</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) staff costs</td>
<td>(899)</td>
<td>(2,011)</td>
</tr>
<tr>
<td>(b) advertising and marketing</td>
<td>(219)</td>
<td>(468)</td>
</tr>
<tr>
<td>(c) research and development</td>
<td>(543)</td>
<td>(543)</td>
</tr>
<tr>
<td>(d) leased assets</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(e) other working capital</td>
<td>(579)</td>
<td>(1,472)</td>
</tr>
<tr>
<td>1.3 Dividends received</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1.4 Interest and other items of a similar nature received</td>
<td>35</td>
<td>113</td>
</tr>
<tr>
<td>1.5 Interest and other costs of finance paid</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1.6 Income taxes paid</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1.7 Other (provide details if material)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net operating cash flows</strong></td>
<td>(2,154)</td>
<td>(4,185)</td>
</tr>
</tbody>
</table>

+ See chapter 19 for defined terms.
## Appendix 4C
### Quarterly report for entities admitted on the basis of commitments

<table>
<thead>
<tr>
<th>Current quarter $A'000</th>
<th>Year to date (6 months) $A'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.8 Net operating cash flows (carried forward)</td>
<td>(2,154)</td>
</tr>
</tbody>
</table>

### Cash flows related to investing activities

1.9 Payment for acquisition of:
- (a) businesses (item 5)
- (b) equity investments
- (c) intellectual property
- (d) physical non-current assets (40)
- (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 –

### Net investing cash flows

| (40) | (78) |

1.14 Total operating and investing cash flows

| (2,194) | (4,263) |

### Cash flows related to financing activities

1.15 Proceeds from issues of shares, options, etc.
- 11,731

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)
- 

### Net financing cash flows

| 11,731 |

### Net increase (decrease) in cash held

| (2,194) | 7,468 |

1.21 Cash at beginning of quarter/year to date
13,034

1.22 Exchange rate adjustments to item 1.20
3,372

1.23 **Cash at end of quarter**
10,840

For personal use only

+ 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

<table>
<thead>
<tr>
<th>Current quarter</th>
<th>$A’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.24 Aggregate amount of payments to the parties included in item 1.2</td>
<td>22</td>
</tr>
<tr>
<td>1.25 Aggregate amount of loans to the parties included in item 1.11</td>
<td>-</td>
</tr>
</tbody>
</table>

1.26 Explanation necessary for an understanding of the transactions

- CEO Salary

## 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

- 

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

- 

## Financing facilities available

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

<table>
<thead>
<tr>
<th>Amount available $A’000</th>
<th>Amount used $A’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1 Loan facilities</td>
<td>-</td>
</tr>
<tr>
<td>3.2 Credit standby arrangements</td>
<td>-</td>
</tr>
</tbody>
</table>

*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.

<table>
<thead>
<tr>
<th></th>
<th>Current quarter $A’000</th>
<th>Previous quarter $A’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1 Cash on hand and at bank</td>
<td>10,840</td>
<td>13,034</td>
</tr>
<tr>
<td>4.2 Deposits at call</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4.3 Bank overdraft</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4.4 Other (provide details)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total: cash at end of quarter (item 1.23)</strong></td>
<td>10,840</td>
<td>13,034</td>
</tr>
</tbody>
</table>

Acquisitions and disposals of business entities

<table>
<thead>
<tr>
<th></th>
<th>Acquisitions (Item 1.9(a)) $M</th>
<th>Disposals (Item 1.10(a))</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1 Name of entity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.2 Place of incorporation or registration</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.3 Consideration for acquisition or disposal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.4 Total net assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.5 Nature of business</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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.

+ See chapter 19 for defined terms.
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.

+ See chapter 19 for defined terms.