Investor Webinar – August 2018

David McLauchlan
CEO

+ Buddy Leadership Team
Disclaimer

This presentation is not a prospectus nor an offer for securities in any jurisdiction nor a securities recommendation. The information in this presentation is an overview, is based on publicly available information and internally developed data, and does not contain all information necessary for investment decisions. In making investment decisions in connection with any acquisition of securities, investors should rely upon their own examination of the assets and consult their own legal, business and/or financial advisors.

The information contained in this presentation has been prepared in good faith by Buddy Platform Limited (BUD.ASX), however no representation nor warranty expressed or implied is made as to the accuracy, correctness, completeness or adequacy of any statements, estimates, opinions or other information contained in this presentation.

To the maximum extent permitted by law, Buddy Platform Limited, their directors, officers, employees and agents disclaim liability for any loss or damage which may be suffered by any person through the use or reliance on anything contained in or omitted from this presentation.

Certain information in this presentation refers to the intentions of Buddy Platform Limited, but these are not intended to be forecasts, forward looking statements or statements about future matters for the purposes of the Corporations Act or any other applicable law. The occurrence of events in the future are subject to risks, uncertainties and other factors that may cause Buddy Platform Limited’s actual results, performance or achievements to differ from those referred to in this presentation. Accordingly, Buddy Platform Limited, their directors, officers, employees and agents do not give any assurance or guarantee that the occurrence of the events referred to in this presentation will actually occur as contemplated.
Welcome
On the call today...

David McLauchlan  
CEO, Buddy Platform Limited

Richard Jacroux  
CFO / COO, Buddy Platform Limited
Appendix 4C Filing – Q4 FY18

Quarterly Commentary

Airstream / Thor Discussion

Carbon Offsets as a Service

General Discussion

Questions & Answers

David McLauchlan
CEO, Buddy Platform Limited
The Buddy Platform Business
Every city wants to become “smart”

US$2.57 trillion to be spent by cities becoming “smart” by 2025*

“Smart cities” generate huge amounts of data

Buddy sells technology solutions into this US$2.5T market.

(* Grand View Research, Feb 2018)
Buddy sells products that turn smart city data into actionable insights.

We do this through three cloud-based solutions-as-a-service.

Each collects smart city data, then we sell insights from it.
We deliver our solution through a family of sensors and extensions: (L-R) Ohm View, Ohm Pulse, Ohm Link, Buddy Ohm and Ohm Sense.

The product is sold as a service – providing ongoing annuity revenue.
**Portal:** User-friendly, modern way to monitor building or portfolio

**Emails:** Status emails & Recommendation emails
Buddy Cloud was our original product

It is now a dynamic smart cities platform

It is at the core of everything we do.
There are stand-alone systems with vast amounts of smart city data.

Those are “data islands” – the Buddy Cloud can connect them.

We are committed about focus – Buddy Cloud is for smart city data connectivity.
General Data Protection Regulation (EU)

Revised definition of personal information

Facebook and others in the news.
Enormous volatility in this space

GDPR is almost certainly accelerated

Plan to re-engage this business in Q3 FY19.
Appendix 4C Quarterly Report – Q4 FY18
# 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

<table>
<thead>
<tr>
<th>ABN</th>
<th>Quarter ended (“current quarter”)</th>
</tr>
</thead>
<tbody>
<tr>
<td>21 121 184 316</td>
<td>30 June 2018</td>
</tr>
</tbody>
</table>

## Consolidated statement of cash flows

<table>
<thead>
<tr>
<th></th>
<th>Current quarter $A’000s</th>
<th>Year to date $A’000s</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Cash flows from operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1 Receipts from customers</td>
<td>282</td>
<td>1,584</td>
</tr>
<tr>
<td>1.2 Payments for</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) research and development</td>
<td>(710)</td>
<td>(1,857)</td>
</tr>
<tr>
<td>(b) product manufacturing and operating costs</td>
<td>(197)</td>
<td>(1,817)</td>
</tr>
<tr>
<td>(c) advertising and marketing</td>
<td>(703)</td>
<td>(2,015)</td>
</tr>
<tr>
<td>(d) leased assets</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(e) staff costs</td>
<td>(2,089)</td>
<td>(6,390)</td>
</tr>
<tr>
<td>(f) administration and corporate costs</td>
<td>(535)</td>
<td>(1,587)</td>
</tr>
<tr>
<td>1.3 Dividends received (see note 3)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1.4 Interest received</td>
<td>74</td>
<td>190</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 Government grants and tax incentives</td>
<td>1,107</td>
<td>1,564</td>
</tr>
<tr>
<td>1.8 Other (provide details if material)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>1.9 Net cash from / (used in) operating activities</strong></td>
<td>(2,771)</td>
<td>(10,328)</td>
</tr>
</tbody>
</table>
Quarterly customer revenue of A$761k reflecting an increase of 51% quarter-over-quarter

Full-year customer revenue of A$2.1M, nearly doubling over FY2017

Government rebates and incentives of A$1.1M for the quarter and A$1.6M for the year

Finance income of A$74k for the quarter and A$190k for the year

Total revenues were over A$1.9M for the quarter and nearly A$3.9M for the year, reflecting increases of 232% and 230%, respectively, over the same period in the prior year.
Quarterly customer cash receipts declined quarter-over-quarter by A$195k to A$282k only due to unusually high accounts receivables (AR) of A$534k.

98% of our current AR is owed by two customers – our largest cloud client and our largest Ohm channel partner.

Both are excellent customers, and they’ve never required a write-off. Both have acknowledged their invoices to us. Absolutely no collections efforts are expected to be needed.

Since the 4C, we have received or will receive in the next week a total of A$435k (81%) of the A$534k outstanding at year end.

Another A$67k (13%) of the A$534k outstanding is expected shortly thereafter.

Note that with 30 day payment terms, there would always be one month’s worth of a quarter’s revenues expected in AR at the end of a quarter. We’re actually doing much better than that.
Full-year customer cash receipts of almost A$1.6M - up more than 50% over FY2017.

Gross operating cash outflows of A$4.2M are A$134k or 3% higher than prior-quarter estimated cash outflows.

Full-year gross operating cash outflows of A$13.7M were A$504k or 4% better than estimated in our previous quarterly reports.

Cash on hand at 30 June 2018 totalled A$22.4M.
Thor Industries (NYSE:THO) is our largest Buddy Cloud customer.
Airstream per unit royalty now payable.

No cap, monthly, as long as trailer is subscribed.

They’re investing to increase manufacturing by 50%.
Carbon Offsets as a Service – Launched!
Vancouver Aims for Zero Carbon 2030

by Sarah Lozanova on Tuesday, Mar 14th, 2017

London aims to be a zero-carbon city by 2050

City of Sydney pushes for a net zero office sector

Mirvac is aiming for a net-positive portfolio by 2030. Here's how it plans to get there.

Earlier this year, the Green Building Council of Australia changed its targets, all new buildings in the country must

Sydney Opera House targets 'carbon neutral' status by 2023

Towards a carbon-neutral Malaysia by 2050

Boston begins initiative to become carbon neutral by 2050

By Kristin Musulin - Nov, 28, 2017

Large New York City buildings will now post energy efficiency grades

By SAM LUBELL • December 29, 2017

East Sustainability
## Redding Medical Pavilion

**Resource Monitor**

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acres of Forests (Carbon sequestered equivalent)</td>
<td>3</td>
</tr>
<tr>
<td>Barrels of Oil (CO₂ emissions equivalent)</td>
<td>6</td>
</tr>
<tr>
<td>Tree Seedlings (Carbon sequestered equivalent)</td>
<td>67.1</td>
</tr>
<tr>
<td>Incandescent Lamps (CO₂ emissions equivalent)</td>
<td>86.6</td>
</tr>
<tr>
<td>Vehicle Kilometers (Greenhouse gas emissions equivalent)</td>
<td>10,209</td>
</tr>
<tr>
<td>Homes' Energy Use (CO₂ emissions equivalent)</td>
<td>.279</td>
</tr>
<tr>
<td>Gallons of Petrol (CO₂ emissions equivalent)</td>
<td>291</td>
</tr>
<tr>
<td>Wind Power (CO₂ emissions equivalent)</td>
<td>.0007</td>
</tr>
</tbody>
</table>

**Reporting:** 3011 kWh

**Tuesday | November 21**

**9am - 9pm**
Install Buddy Ohm to measure building envelope consumption

Buddy will calculate carbon emissions from building envelope consumption

Buddy will automatically purchase Gold Standard carbon offsets & bill customer

All with “one-click”.
COaaS shipped as promised in late July

First customer quotes already issued

We’re in “alpha” right now – will tweak offering in response to customer needs and interest.
On the topic of news...
Following the ASX Aware Letter queries in Q3 and the beginnings of Q4, we undertook an extensive review of our communications policies and practices and took a prudent approach in our ASX releases this quarter.

With that review completed, and our confidence in our compliance, we are committed to deliver more news to the market this quarter, whilst being mindful of our obligations under the ASX Listing Rules.
We previously advised that Q4 would be a period of limited news, while we focused on selling the product.

ASX and ASIC rules around disclosure and forecasting are strict.

We cannot use the ASX Market Announcements Platform for promotional purposes or marketing.
We shared seven (7) blog posts this quarter

We hosted three (3) webinars this quarter

Our social media channels were active

But... we understand the market wants more disclosure from us. This quarter we commit to deliver exactly that, whilst mindful of our obligations under the ASX Listing Rules.
Buddy Ohm Sales Data Transparency
We know the market seeks more information on Buddy Ohm unit sell-through volumes.

We can’t share this data while the number of distributors/resellers is sufficiently small that their sales can be inferred.

We won’t share this data while any distributor/reseller could leverage their own sales volume to negotiate better margins.
We will commit to sharing more specific sales data once no reseller accounts for more than 10% of total Buddy Ohm sales.

This threshold could be eclipsed two ways:

1) Growth in reseller sell-through + reseller signups; and/or
2) Successful landing of a major customer in our “bid pipeline”.
How we eclipse this threshold will dictate what data we’re able to share

In short – we hear and understand the market’s desire for more information, and commit to share it as soon as doing so doesn’t jeopardise the business.
Buddy Ohm sales are up quarter on quarter.

Every stage of our sales pipeline saw growth – more prospects, more leads, more “closed deals”, more upgrades of existing installs.

We’re presently seeing 30% of sites purchasing additional monitoring within three (3) months of initial purchase, spending 78% more.
These are great numbers.

30% of 78% is almost 25%.

In other words, within a calendar quarter of selling a Buddy Ohm system, we can expect a nearly 25% uplift in revenue.

So we just need to focus on maximising the number of Buddy Ohm systems sold.
And we don’t yet know what the uplift looks like in 6 months, 9 months or 12 months. We also don’t know what the impact of COaaS will be, additional Works with Ohm sensors, unbundled pricing, etc… There are many levers we can pull to grow revenue and sales, and we’re working on them all.
There are currently 501 prospective deals across the entire Buddy Ohm pipeline – of varying sizes/values

In the 4C commentary we disclosed a Buddy Ohm install backlog (ie: executed purchase orders, but product not yet installed)

By 31 July 2018, this backlog was down to thirty three (33) deals, and today (8 August 2018) the backlog is down to twenty three (23).
Buddy Ohm SaaS Metrics
Buddy Ohm continues to see insignificant churn, with these cancellations coming from very early Digicel customers.

(As previously disclosed) we believe these to be poorly qualified leads, and we’ve taken action to fix this.

Since then we’ve seen zero returns from any other reseller channel.
But to be clear, churn is a very important metric to follow in any SaaS business.

We watch it like a hawk.

Excluding those early poorly qualified deals, our churn is half the SaaS industry average (5-7%).

But, it is too early to draw conclusions from the insignificant churn figures we have today.
Nobody has ever sold a product like Buddy Ohm globally before. How it sells and to whom, varies across the markets we’re in.

Accordingly, we’ve evolved new and scalable ways to grow our business in these markets.

In some markets that means bundling Buddy Ohm with larger enterprise equipment purchases, in others it means “unbundling”.

“Unbundling” means selling a customer exactly what they need, rather than a fixed kit of gear. Typically this might mean a fixed monthly fee plus an additional monthly fee per measured point (electrical channel, temperature, humidity, water pipe, etc...) This allows us to sell into smaller locations in higher volume, as well as new use cases.
An example of a great unbundling opportunity is the uptake we’re seeing in temperature/humidity monitoring.

Refrigeration monitoring
Comfort monitoring
Data centre monitoring.
We are not changing our blended average selling price guidance (US$750/mo) with the addition of this new pricing model.

We expect to see greater unit volume sell-through from this strategy.

Greater volumes set the stage for greater upsell and are in line with our sell-through focus for 2018.
Buddy Ohm Reseller & Distributor Update
“Ingram Micro remains fully committed to our relationship with Buddy, and to broadly distributing the Buddy Ohm product. While there have been some unavoidable delays in initiating our sales program around Buddy Ohm as we staff up our global IoT team, we recognize the incredible market opportunity before us both, and look forward to resolving these delays in the near future.”

- Ben Xiang, Global Head of IoT

(August 7, 2018)
While Digicel recorded a slowdown in their rate of growth in Q4 FY18, this account still grew overall (although at a slower rate) in the quarter.

The slowdown was due to a number of factors, including pricing variance across intra-Caribbean markets, cultural differences and extensive management and staffing changes at Digicel.

We are taking measures to restore growth to the affected market and are not making changes to guidance regarding the Digicel agreement at this time.
Buddy Ohm Software Update – v2.0
We believe every building in the world will have an energy monitoring system. The reason they don’t yet is due to ongoing cost and install hassle.

We solve for both.

This stuff can be complex, and Buddy’s brand promise is to make it easy. Other products require hundreds of SKUs and multiple site visits; our v2.0 software reduces this to one set of SKUs with all config in the cloud.
We are disrupting the entire install experience for an electrical / gas / water meter related product.

We make the “zero touch” install real. For installers, Buddy Ohm is a “one and done” experience – which we expect will drive up install rates.

We’re pleased to share that Buddy Ohm v2.0 has shipped, and 100% of new installs are running on this platform.

In addition, v2.0 greatly eases the install experience for existing installers and so dramatically helped reduce our backlog.
We’ve previously offered a timeframe to reach cash-flow breakeven (by end CY2019). We stand by this guidance.

Assuming very little expenditure growth, we see two paths to getting there.

1) Quarter on quarter growth over the next six (6) quarters averaging less than 40%
2) Land a major bid (we’re working on several) – each of which could deliver this milestone.
Questions & Answers
Are there any changes to CY2019 break-even guidance or revenue projections?
Any change to our prior guidance/projections is something we will (and must) announce. Given no announcements have been made, there are no changes at this time. Investors are also reminded that our prior guidance was (largely) for three year contract values starting at the commencement of sales. Given sales have not started with some of the Company’s biggest channels, each of those three year windows has not commenced.

Has Buddy Ohm pricing changed?
The sales and marketing teams are constantly evaluating our pricing model and sales strategy. We recently disclosed that we’re also now both bundling Buddy Ohm with other products (with no discount to our pricing) and unbundling Buddy Ohm to accommodate new use cases. We are not changing our blended average revenue per system guidance at this time.

Do customers find value in keeping the Buddy Ohm system after making adjustments to their energy usage after the initial feedback from the product?
Yes. Many customers are using Buddy Ohm to automate the collection of energy data (ie: auditing and records collection), which is an ongoing need. Also building usage footprints change regularly, and so understanding energy consumption is not a one-time problem.

Does the Airstream royalty kick in immediately?
Airstream is offering customers a free year of their Smart Connected trailer, but Buddy is paid our monthly royalty from day one. First revenues will be booked this month. Trailers are pre-sold.

Why aren’t you selling to energy retailers?
Buddy is in dialog with a range of channel partners, including various entities in the energy space.
Why has Buddy been unable to replicate Thor with other Buddy Cloud Customers?
We made a conscious decision that the fastest path to growing the Buddy Cloud business was to deliver an exceptional product and experience to land Airstream and then expand the business within Thor and to other customers thereafter. In light of recent news, we stand by this decision.

Why are there so few case studies?
The vast majority of customers are unwilling to share their energy consumption/savings data, as they consider it confidential. Instead, we’ve published many “use cases” which are case studies of real (but un-named) customers. These are available to all resellers and distributors via a private portal.

Do you think any/all of the funds that bought in at the cap raise back at 20c remain holders?
Yes. It was bad luck that we lost a Hong Kong based long-term holder (since re-listing) due to their fund being liquidated, and a Sydney based long-term holder who was a forced seller – but were pleased that the market demand for these 60+ million shares was easily absorbed, largely by other existing top 20 holders.

I want more frequent updates than a quarterly – how can the IR team facilitate this?
We will share updates with the market as and when we have material developments or news (including as we progress the challenges identified in the 4C), and we’ve also committed to sharing more news with the market this quarter, while being mindful of our obligations under the ASX Listing Rules. Please subscribe to our investor mailing list (where we also provide email updates of recent ASX releases) and check out our blog too.
Will you break out revenue for Buddy Cloud, Buddy Ohm, different resellers?
No, not until each reseller of Buddy Ohm accounts for 10% or less of total Buddy Ohm revenue. We will not infer reseller sales figures which are confidential to that partner, nor enable a partner to gain pricing leverage over others. We will provide updates to the market on Airstream trailer volume growth, subject to Airstream publishing the relevant sales data.

Are many Ohms out with clients that are not collecting revenue?
Of course, but not very many. Some are demo/marketing systems, some are potentially significant customers awaiting a particular feature and we've elected to keep the systems installed and remotely deliver the feature in the near future. We no longer (broadly) do free trials. Investors are reminded that we don't recognise revenue on these systems.

Where are all the systems that were manufactured?
Buddy has made several manufacturing orders to ensure that sufficient hardware quantities are available in all regions, to satisfy the needs of our reseller and distributor partners. Investors should not assume that every re-order indicates 100% of all global stock is sold out. For this reason, the Company no longer announces manufacturing runs or order sizes.

What's happening with Nestle?
Nestle is a customer of Digicel. We understand them to be very happy with the product, and this is supported by the fact that in addition to their initial order, they've subsequently ordered additional product four times. One further order is currently being serviced.

What's happening with Comcast?
We have no commercial relationship with Comcast. We've never had a commercial relationship with Comcast. You might be thinking of Noveda, who did have a relationship with them.
What's happening with the City of Doncaster?
Buddy CEO, David McLauchlan visited with the Smart Cities leadership at the City of Doncaster in the UK two weeks ago. Building install targets and a plan to achieve those were agreed to. Buddy remains very pleased with the nature and depth of our relationship with the City of Doncaster. In addition, sales growth is expected elsewhere in the UK, especially in the Greater London area.

Why were direct sales halted during the Telstra negotiations?
Part way through the Telstra negotiations, they revealed an interest in Australia-wide exclusivity, conditional upon us halting sales via other Aussie channels in the interim. This was not considered a material sales volume relative to other markets, and considering the estimated time to deal completion. When it became evident that Dicker Data could better serve our channel needs in Australia, we suggested a parting of company to Telstra, and they agreed.

Why can't I see examples of Buddy Ohm in use in various buildings around the world?
Remember that Buddy Ohm is typically installed in electrical panels, with gas or water meters, and typically in “back of house” locations. Customers tend to be very sensitive about their energy data and often don't wish to advertise it. That said, the Buddy Ohm Dashboard is commonly shown back of house to employees/staff – Nestle in the Caribbean is a perfect example of this.

What are you doing to advertise Buddy Ohm?
Buddy's marketing team is heavily invested in supporting each of our regions with the materials, live event support and collateral to enable Buddy Ohm to be marketed to and through the channel. Buddy does not advertise the product like a consumer product, since that isn't the target audience. If you haven't seen Buddy Ohm ads, that’s because you’re not the customer.
Why did you not know the significantly low income for Q4 would occur?  
While Buddy has never offered formal quarter revenue guidance to the market, we did indicate that we expected material revenue growth in Q4; given this was 51% we consider this achieved.

So is Buddy receiving pushback on pricing?  
Yes, of course. As every product does. However, the question is whether it is right-priced. We made the decision to experiment with our pricing strategy (from the get-go) while maintaining our blended average selling price (US$750/mo), and will report back as we take learnings from this. We like the blended average price, and believe there are a variety of ways to get there.

Is Buddy planning to grow a larger direct sales team in light of these experiences?  
We’ve invested in the channel model to achieve scale and hit our multi-year targets, however direct sales have always been a vital step to achieve early sales and refine the selling model. At this point we’re not making any material changes to our staffing nor channel partnerships already in place.
Sales up quarter-on-quarter with many levers to grow revenue and sales

100% new installs on v2.0 easing installs and helping reduce backlog

Carbon Offsets as a Service feature launch on-time as a means toward carbon neutrality

Every building/campus/franchise is different with unique needs, therefore offers are customized (bundled/unbundled, number of monitored points, etc...)

We understand market’s desire for more news and information and commit to more disclosures in future, while still mindful of ASX Listing Rules

We stand by cash-flow breakeven by end CY2019.
Resource monitoring. Simplified.