



# Buddy



# ASX

## ASX MARKET RELEASE

### ASX APPENDIX 4E

Preliminary final report for the year ended 30 June 2018

August 31, 2018 – Adelaide, Australia

### Details of the reporting period and the previous corresponding period

Reporting Period: 30 June 2018  
Previous Corresponding Period: 30 June 2017

### Results for announcement to the market

(All comparisons to year ended 30 June 2017)

	\$A'000	Up/Down	% Movement
Revenue from ordinary activities	2,084	up	198%
Revenue from ordinary activities excluding interest income	3,665	up	334%
Loss from ordinary activities after tax	(13,877)	down	18%
Loss attributable to members	(12,797)	down	25%

Dividends	Amount per share	Franked amount per share
Interim dividend	N/A	N/A
Final dividend	N/A	N/A

Record date for determining entitlements to dividends	N/A
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**Brief explanation of any figures reported above necessary to enable the figures to be understood**

Refer to ASX Announcement and attached Review and Results of Operations

<b>Net tangible assets backing</b>	<b>30 June 2018</b>	<b>30 June 2017</b>
Net tangible assets/(liability) per security	2.2 cents	0.76 cents
Net asset backing per security	2.2 cents	0.76 cents

**Control gained or lost over entities having material effect**

Nil

**Material interest in entities which are not controlled entities**

Nil

**Compliance Statement**

The preliminary final report has been prepared based on the 30 June 2018 accounts which are in the process of being audited by an independent Audit Firm in accordance with the requirements of s302 of the *Corporations Act 2001*.

Attachments forming part of Appendix 4E:

1. Financial Report

Signed: \_\_\_\_\_  
David McLauchlan  
Executive Director and CEO

Date: 31 August 2018

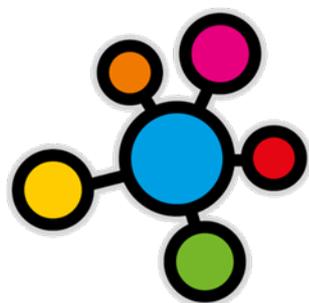
**About Buddy**

Buddy Platform Limited ([BUD.ASX](http://BUD.ASX)) provides highly scalable Internet of Things data aggregation and management infrastructure by way of three unique offerings – Buddy Cloud, Buddy Ohm and Parse on Buddy. The Buddy Cloud offers smart city providers a globally scalable data ingestion and management platform. Buddy Ohm, a complete and low cost solution for facility resource monitoring and verification, connects systems that were never designed to work together, while turning energy savings into a strategic asset. 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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# Buddy

ACN 121 184 316

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**PRELIMINARY FINAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2018**

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## Corporate Information

### **Directors:**

Richard Borenstein  
*Non-Executive Chairman*

David McLauchlan  
*CEO & Executive Director*

John van Ruth  
*Non-Executive Director*

Alexander Gounares  
*Non-Executive Director*

### **Company Secretary:**

Stuart Usher

### **Chief Financial Officer:**

Richard Jacroux

### **Lawyers:**

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

### **Auditors:**

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

### **Bankers:**

Westpac Banking Corporation  
108 Stirling Highway  
Nedlands, WA 6009

Commonwealth Bank  
100 King William Street  
Adelaide, SA 5000

### **Registered Office:**

Level 2, 333 King William Street  
Adelaide SA 5000  
Telephone: 1-800-831-317  
Facsimile: + 61 8 8125 5931

### **Website:**

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

### **Seattle Office:**

217 Pine Street  
Seattle, Washington 98101  
USA  
Telephone: +1 206 899 2525

### **Adelaide Office:**

Level 2, 333 King William Street  
Adelaide, SA 5000

### **Share Registry:**

Link Market Services Limited  
Level 12, QV1 Building  
250 St Georges Terrace  
Perth, WA 6000

### **Home Stock Exchange:**

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

### **ASX Code:**

BUD (Ordinary Shares)

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## PRINCIPAL ACTIVITIES

Buddy Platform Limited provides highly scalable Internet of Things data aggregation and management infrastructure by way of three unique offerings – Buddy Cloud, Buddy Ohm and Parse on Buddy. The Buddy Cloud offers smart city providers a globally scalable data ingestion and management platform. Buddy Ohm, a complete and low-cost solution for facility resource monitoring and verification, connects systems that were never designed to work together, while turning energy savings into a strategic asset. 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.

## PRELIMINARY SUMMARY OF OPERATIONS

### BUDDY OHM

Management is very happy with the achievements of this year and continues to work hard to accelerate the Company's sales of the Buddy Ohm product in its primary markets. Entering the year ended 30 June 2018 (FY2018), the Company set out to achieve and has achieved two primary objectives – first, to build the selling infrastructure necessary to sell Buddy Ohm in large volumes around the world, and second, to ensure the product has all the features necessary to be highly valuable to our customers and easy to install for our partners. Achieving these goals allowed the Company to focus on its calendar year 2018 mission of maximising sell through of the Buddy Ohm product through these established channels. Management is of no doubt as to the vast market opportunity for energy monitoring products, and the potential for Buddy Ohm to capture a sizeable portion of that market should it be successful in its mission.

#### *Build the selling infrastructure*

In FY2018, the Company's small, but passionate and committed sales and marketing teams did an excellent job sourcing distribution and reseller channels in Australia, North America, South America, the Caribbean and Western Europe. By the end of FY2018, the Company had (at least) small but growing revenues from Buddy Ohm sales in each of these regions.

In Australia the Company achieved first sales from its primary sales channel, Dicker Data. Additionally, Dicker Data (both a customer and distributor) has found that bundling Buddy Ohm with other enterprise IT products has appeal in the Australian market. For example, customers buying a certain volume of computer server equipment may be especially interested in Buddy Ohm's Datacentre Monitoring Pack. Such bundling is a means to reach "pre-qualified" customers and does not necessarily indicate discounted or altered pricing. The Company is evaluating this practice in Australia to gauge effectiveness but it may open up a new mechanism for selling Buddy Ohm – not just in Australia, but through Buddy's largest resellers worldwide.

In North America, while missing the gravitas of Ingram Micro's distribution of Buddy Ohm (as previously disclosed, this is simply running behind schedule, to the regret of Ingram Micro as much as Buddy!) the Company saw initial success in schools, supermarkets and corporate locations across the US and more recently has seen that expand to universities, the hospitality sector and even now museums. Buddy's direct sales team in the United States is progressing several bids for the purchase of Buddy Ohm into large property portfolios in the hospitality sector, and across the Company there remain further significant bulk-purchase opportunities that continue to progress well (but are long-lead time opportunities, which investors are urged to recognise and exercise patience).

In South America, Buddy's Miami-based Latin America (LatAm) team successfully signed and launched new distributors and resellers in countries including Colombia, the Dominican Republic, Panama, Mexico and others. While the Company does not have a direct sales strategy in LatAm, co-selling with representatives from resellers in this market is expected to be a strategy that will pay dividends. Due to the nature of the

climate in this region, there is also a market for temperature/humidity monitoring only solutions (refrigeration, food & medicine storage, data centres, etc.) utilising the Buddy Ohm Sense component. A recent visit by Buddy CEO David McLauchlan to Colombia to meet with local and Dominican Republic resellers and customers provided valuable insight in the market, the buying culture in South America and the opportunity for Buddy to play a role. The Company expects to report revenues in the current quarter (Q1FY19) from both Colombia and the Dominican Republic and is pleased with the passion of the local resellers of Buddy Ohm in those markets, as well as the calibre of first customers piloting the product. In these markets, reference customers are vital as is being “loud and proud” about our association with, investment by, and partnership on Azure, with Microsoft.

In the Caribbean, Digicel launched and completed sales training in all the markets they intend to launch “Ohm by Digicel” in. The Ohm by Digicel business continues to grow (even with extensive management and staffing changes at Digicel) and some of Digicel’s contracted installer-partners, having seen Buddy Ohm in action are themselves interested in broadening the reselling footprint for Digicel (which is strongly supported by Digicel, as it simply has the effect of perhaps even doubling the sales headcount assigned to Ohm by Digicel in the Caribbean market). Given the recent and very considerable executive leadership changes at Digicel in recent months, and as previously disclosed to the market, Buddy management is in the process of escalating its efforts with Digicel and will work closely with the new Digicel management team in the coming quarter to maximise our mutual sales strategy for the Caribbean region as we continue to push for further sales growth.

Finally, in Western Europe, we received first revenues from the United Kingdom while first European Union revenues from Buddy Ohm are expected this quarter (Q1FY19). The Company has launched a direct sales effort in the UK, while regional sales management are focused on several major channel opportunities in the broader EU market. Buddy also continues to advance its municipality push with the City of Doncaster in the UK.

Management was pleased to report (during the Q4FY18 4C and subsequent webinar) the first upsell data from existing/early Buddy Ohm customers and reported low churn. Regarding upsell, and with only a few quarters of sales growth data, thirty percent (30%) of deals were purchasing additional monitoring services/hardware with an average spend increase of seventy eight percent (78%) of their initial Base Pack spend. Management will continue to work towards growing both the upsell rate and spend within the first year of a customer’s initial purchase. Regarding churn, once you exclude very early deals that hadn’t been appropriately qualified, the Company enjoys churn rates substantially below those of other SaaS businesses. That said, because the data is limited at this time, it is expected that Buddy Ohm customer churn will trend towards industry standards. It should go without saying that the Company will work hard to keep it low, and the recent hiring of a VP of Customer Success is a significant step towards achieving that end.

Consistent with prior guidance, the Company recently reiterated that it continues to experiment with product pricing and bundling. An “unbundling strategy” – ie: one that supports selling a Buddy Ohm installation more affordably to a customer who only seeks temperature/humidity monitoring, or who only seeks building envelope measurement of electricity consumption, is also being market tested. Such a strategy enables Buddy Ohm to be sold into customers with properties significantly smaller than the previously stated 100,000 square feet (9,290 square metres) and opens up new markets such as quick service restaurants (QSRs), convenience stores, petrol stations, supermarkets and the like.

This unbundling strategy for Buddy Ohm has yielded early results in Australia, with the signing of the first McDonald’s franchise to deploy Buddy Ohm – a deal closed with a five-year term (setting a new record for a Buddy Ohm contract term length). Without the ability to unbundle the product, selling into a customer with the (smaller) footprint of a quick service restaurant (QSR) like McDonald’s would have been impossible, however having achieved this milestone in Australia, the Company will now look to that win to anchor our QSR rollout more broadly both in-country and in our other markets. Buddy’s sales team has direct and open conversations with several QSR franchises currently.

*Ensure the product had all the features necessary to be highly valuable to our customers and easy to install for our partners*

During FY2018, the Company released an major update of the Buddy Ohm software platform – across device firmware, cloud and mobile environments – in order to improve the installation, performance and scale of the Buddy Ohm product. As of this date, partners are reporting a vastly superior installation and deployment experience and the Company has made significant inroads working through the backlog of customers who have executed purchase orders for Buddy Ohm, but which had not yet received their product. Given a significant portion of the backlog are customers of reseller or distribution partners, and not Buddy itself, efforts have been made to impress upon those partners the importance of timely and efficient product installs. Again, having a Customer Success team and leadership in support of these partners is making a big difference. We expect to resolve the backlog reported in the Q4FY18 4C this quarter but advise that investors should always expect a rolling backlog of installs which is simply a function of the installation nature of this product. Management does not consider a backlog of installs to be problematic, provided that the average length of time a site has been “backlogged” is not excessive (noting that currently, backlogs only occur due to customer, site or reseller blockages).

Fully consistent with market guidance (March 2018), the Company was very proud to release its first “Carbon Offsets as a Service” offering to customers at the end of July. This product release marked the Company’s first foray into carbon offsets and early indications are that this product offering (which will be available to all existing and new Buddy Ohm customers) can drive new business at all ends of the customer size spectrum. Business aside, the team is especially proud to be able to deliver such an innovative product at this pivotal moment for facility owners, as market perceptions and advancements in climate science make offsetting carbon a fiscal imperative as well as an ethical one.

To ensure an ongoing focus on customer and partner value, the Company created the Seattle-based role of Vice President, Customer Success and hired Mr. Travis Gerber into the role to work closely with our channel partners to clear the backlog and drive customer satisfaction and sales. Travis comes to Buddy after eighteen years at Microsoft, most recently in solution strategy and cloud infrastructure services roles.

In every market that Buddy Ohm is presently being sold into, the Company is seeing evidence of substantial demand for an energy monitoring product such as Buddy Ohm. Each market does differ somewhat in its needs and stage of maturity; therefore, the Company will continue to offer each market the flexibility to sell the appropriate bundle of features and functionality, at a market-appropriate price, in order to maximise unit sell-through in the future. Further to this, the Company is also introducing Buddy Ohm bundles that can be self-installed and simply shipped in the post to a customer (versus requiring an installer – even if only due to local regulations, such as may be the case when simply opening an electrical panel). An example of this is the Buddy Ohm “Comfort Pack” which is used only to measure and monitor temperature and humidity. It is worth noting that even with this regional flexibility, Management is not presently adjusting or amending the previously disclosed blended average selling price per site of US\$750.

## **BUDDY CLOUD**

The Buddy Cloud product continues to be the core set of technologies upon which the other businesses within the Company are built. The Company was very pleased to share the announcement that Thor Industries expanded upon their relationship with Buddy and were particularly delighted that with the shift in maintenance revenue from fixed payment to monthly per-unit-shipped revenue, that Buddy can participate more extensively in Thor’s unit volume growth over time. The Company also announced that its relationship with Thor Industries was specifically for a project to bring IoT technologies to Airstream branded trailers, and market-leading connectivity and experiences to Airstream’s customers. It is clear that there is tremendous

market excitement in Airstream's new smart connected products, and we look forward to expanding upon our relationship with Airstream and Thor in the future.

As with previous quarters, the Company continues to offer guidance that at present, the primary function of the Buddy Cloud product offering is to power the Buddy Ohm product and to service existing valued customers in the Smart Cities space such as Thor Industries. Management has made the decision to focus sales and marketing efforts on Buddy Ohm primarily. This in no way diminishes the importance or value of the Buddy Cloud, being the central technology component powering the Company's core products.

#### **ALTERNATIVE DATA**

In previous quarterly commentaries, guidance was offered that management has taken the decision to push back launching the Alternative Data business until Q3 FY2019. There remains no change to this guidance and given the recent volatility in the data/privacy sectors, management stands firmly behind this decision.

#### **RESULTS**

##### **REVENUES AND CASH RECEIPTS**

For FY2018, total revenues and income grew by 230% to nearly A\$3.9 million from A\$1.2 million for the year ended 30 June 2017 (FY2017). Excluding both finance income and government rebates & incentives, customer revenues increased 92% to A\$2.1 million vs. A\$1.1 million last year.

Year-to-date cash receipts from customers grew 50% to A\$1.6 million vs. A\$1.1 million in FY2017. FY2018 finance income was A\$190k (vs. A\$73k in FY2017) and government rebates and incentives were nearly A\$1.6 million.

The increases in customer revenue and customer cash receipts are due to sales and deployments of the Buddy Ohm suite of products and growth in profitable Buddy Cloud customers more than offsetting the shedding of unprofitable Cloud customers that concluded earlier in FY2018. The Buddy Cloud business still contributes a majority - but decreasing - percentage of total Company revenue. Following management's decision to shed unprofitable Buddy Cloud customers (which was announced in Q1 of FY2018), this business grew again in the final quarter of FY2018.

While Buddy Ohm revenue grew each quarter in FY2018 helping the final quarter of FY2018 deliver a material lift in total company revenues quarter on quarter, investors are reminded that the signing of new channel partners will mean that Buddy Ohm revenue will continue to lag behind due to the time required to on-board new distributors and resellers. This includes sales and installation training, launching and partners own sales cycle through which they must first progress leads.

Finally, it should also be noted that due to the timing of Buddy Ohm's cost of goods sold (COGS), there are initially low margins in these early quarters as revenues lag behind COGS. The Company has been consistent in this guidance and reiterates that nothing has changed in regard to these points.

##### **CASH POSITION AND HOLDINGS**

As of 30 June 2018, the Company had cash reserves of A\$22.4 million and held nearly 22.7 million shares in Weebit Nano (ASX:WBT).

##### **PLACEMENT AND OPTION EXERCISE**

During FY2018, the Company completed a placement that raised A\$23 million and raised further funds from the exercise of A\$5.4 million of unquoted options. The October 2017 placement was for 115 million shares at A\$0.20 a share. In November 2017, all outstanding options - 40 million options with a strike price of A\$0.125

and 12.5 million options with a strike price of A\$0.03 - were exercised, providing the Company with a cash injection of nearly A\$5.4 million. The options were held by parties that are close to the Company and aligned to its success.

#### **PERFORMANCE SHARES VESTING AND ESCROW**

In July 2017, the Company announced the vesting of approximately 33 million shares when its second performance milestone was reached. This milestone was referenced in the Company's Prospectus (dated 3 November 2015), and is defined as being reached when "the total number of devices creating an interaction with a Buddy application that it has not previously interacted with (New Connection) exceeds 500,000 per week for no less than three (3) consecutive weeks" within two years. This milestone demonstrates continued smart and steady growth for the company as it charts a course for the final milestone.

Effective 2 January 2018, approximately 299 million shares came out of escrow. Over 95% of these shares were held by the founders and members of the Company's Board of Directors, with the balance held by early employees and friends/family of the founders. Shortly after escrow and following advance guidance from the Company to the market, 32 million shares were traded - off market - by holders (some of whom had and have tax obligations to meet as a result of the escrow expiry, including the CEO), and were managed by the Company and Bell Potter Securities. A number of institutions, both those that took part in the October 2017 capital raise and those that didn't, opted to purchase this stock.

In December 2017, the CEO voluntarily re-escrowed just over 66 million Performance Shares for an additional twelve months and several members of senior management voluntarily escrowed or re-escrowed much of their Performance Rights and/or Performance Shares holdings. Aside from the voluntary re-escrowing of holdings by senior management and the CEO, there remain no further escrowed shares in the Company.

**BUDDY PLATFORM LIMITED**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2018**

	<b>Consolidated</b>	
	<b>Buddy Platform Limited 30 June 2018 \$</b>	<b>Buddy Platform Limited 30 June 2017 \$</b>
Service revenue	2,083,941	1,048,715
Government rebates received	1,563,926	-
Other income	17,225	46,740
Finance income	190,411	73,117
Gain on asset sales	-	960
Cost of sales	(1,450,330)	(580,446)
Advertising & marketing expenses	(2,016,669)	(1,418,787)
Financial, administration, insurance and compliance costs	(2,207,769)	(1,735,459)
Depreciation	(145,649)	(102,039)
IT & web costs	(654,699)	(829,785)
Impairment of investment	-	(658,250)
Employee benefits expense	(6,443,788)	(4,362,627)
Share based payments	(3,460,854)	(7,448,214)
Research & development	(1,353,242)	(980,420)
<b>Profit / (Loss) before income tax expense</b>	<b>(13,877,497)</b>	<b>(16,946,495)</b>
Income tax benefit	-	-
<b>Loss for the year</b>	<b>(13,877,497)</b>	<b>(16,946,495)</b>
<i>Other Comprehensive Income / (Loss):</i>		
Items that may be reclassified subsequently to profit or loss:		
Revaluation of investments	1,066,680	(45,603)
Foreign currency translation differences for foreign operations	13,983	6,738
Gain on asset sales	-	-
Other comprehensive income / (loss) for the period, net of tax	1,080,663	(38,865)
<b>Total Comprehensive Loss for the year</b>	<b>(12,796,834)</b>	<b>(16,985,360)</b>
Basic & Diluted Profit / (Loss) per share - cents per share	(0.01)	(0.02)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the notes to the financial statements.

**BUDDY PLATFORM LIMITED**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

AS AT 30 JUNE 2018

	Note	Consolidated	
		Buddy Platform Limited	Buddy Platform Limited
		30 June 2018	30 June 2017
		\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		22,377,919	6,121,603
Trade and other receivables	2	953,114	531,943
Inventory		662,230	106,643
Notes receivable		135,300	-
<b>Total current assets</b>		<b>24,128,563</b>	<b>6,760,189</b>
<b>Non-current assets</b>			
Property, plant & equipment		321,978	314,380
Investments		1,497,580	430,900
<b>Total Non-Current Assets</b>		<b>1,819,558</b>	<b>745,280</b>
<b>TOTAL ASSETS</b>		<b>25,948,121</b>	<b>7,505,469</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	3	1,667,997	792,387
Provisions		119,329	73,307
<b>Total Current Liabilities</b>		<b>1,787,326</b>	<b>865,694</b>
<b>TOTAL LIABILITIES</b>		<b>1,787,326</b>	<b>865,694</b>
<b>NET ASSETS</b>		<b>24,160,795</b>	<b>6,639,775</b>
<b>EQUITY</b>			
Share capital		58,947,674	32,090,674
Reserves		27,907,462	23,365,945
Accumulated losses		(62,694,341)	(48,816,844)
Equity attributable to owners of the parent		24,160,795	6,639,775
<b>TOTAL EQUITY</b>		<b>24,160,795</b>	<b>6,639,775</b>

The Consolidated Statement of Financial Position should be read in conjunction with the notes to the financial statements.

**BUDDY PLATFORM LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
FOR THE YEAR ENDED 30 JUNE 2018

	<b>Consolidated</b>	
	<b>Buddy Platform Limited</b>	<b>Buddy Platform Limited</b>
	<b>30 June 2018</b>	<b>30 June 2017</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Interest received	190,411	73,117
Receipts from customers & other income	1,583,988	1,053,129
Receipts of Government rebates	1,563,926	-
Payments for research & development	(2,022,194)	(980,420)
Payments to suppliers and employees	(11,642,250)	(8,714,983)
<b>Net cash flows used in operating activities</b>	<b>(10,326,119)</b>	<b>(8,569,157)</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of plant and equipment	-	960
Payments for plant and equipment	(153,248)	(248,677)
Investment in notes receivable	(135,300)	-
<b>Net cash flows used in investing activities</b>	<b>(288,548)</b>	<b>(247,717)</b>
<b>Cash flows from financing activities</b>		
Proceeds from share issue	23,000,000	4,500,000
Proceeds from conversion of options	5,375,000	-
Capital Raising Costs	(1,518,000)	(404,000)
<b>Net cash flows provided by financing activities</b>	<b>26,857,000</b>	<b>4,096,000</b>
Net increase/(decrease) in cash and cash equivalents held	16,242,333	(4,720,874)
Effect of FX rate changes	13,983	6,738
Cash and cash equivalents at the beginning of the period	6,121,603	10,835,739
<b>Cash and cash equivalents at the end of the period</b>	<b>22,377,919</b>	<b>6,121,603</b>

The Consolidated Statement of Cash Flows should be read in conjunction with the notes to the financial statements.

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

Condensed Consolidated Statement of Changes in Equity

<b>Consolidated 2018</b>	<b>Issued Capital \$</b>	<b>Option Reserve \$</b>	<b>Foreign Currency Translation Reserve \$</b>	<b>Assets held for Sale Reserve \$</b>	<b>Accumulated Losses \$</b>	<b>Total Equity \$</b>
Total equity at 1 July 2017	<b>32,090,674</b>	<b>23,484,528</b>	<b>(118,583)</b>	-	<b>(48,816,844)</b>	<b>6,639,775</b>
<b>Total Profit / (Loss) for the period</b>	-	-	-	-	(13,877,497)	(13,877,497)
Other Comprehensive Income	-	-	13,983	1,066,680	-	1,080,663
<b>Total Comprehensive Income / (Loss) for the period</b>	-	-				(12,796,834)
<b>Transactions with equity holders:</b>						
Shares issued during the period:						
Options converted during the period	5,375,000	-	-	-	-	5,375,000
Shares issued pursuant to capital raising	23,000,000	-	-	-	-	23,000,000
Costs of capital raising	(1,518,000)	-	-	-	-	(1,518,000)
Share based payments	-	3,460,854	-	-	-	3,460,854
Total equity at 30 June 2018	<b>58,947,674</b>	<b>26,945,382</b>	<b>(104,600)</b>	<b>1,066,680</b>	<b>(62,694,341)</b>	<b>24,160,795</b>

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

Condensed Consolidated Statement of Changes in Equity

<b>Consolidated 2017</b>	<b>Issued Capital \$</b>	<b>Option Reserve \$</b>	<b>Foreign Currency Translation Reserve \$</b>	<b>Assets held for Sale Reserve \$</b>	<b>Accumulated Losses \$</b>	<b>Non- Controlling Interest \$</b>	<b>Total Equity \$</b>
Total equity at 1 July 2016	27,994,674	16,036,314	(125,321)	45,603	(31,870,349)	-	12,080,921
<b>Total Profit / (Loss) for the period</b>	-	-	-	-	(16,946,495)	-	(16,946,495)
Unrealized foreign exchange gain	-	-	6,738	-	-	-	6,738
Revaluation of investment	-	-	-	(45,603)	-	-	(45,603)
Total Comprehensive Income / (Loss) for the period	-	-	6,738	(45,603)	(16,946,495)	-	(16,985,360)
<b>Transactions with equity holders:</b>							
Shares issued during the period:							
Shares issued pursuant to capital raising	4,500,000	-	-	-	-	-	4,500,000
Costs of capital raising	(404,000)	-	-	-	-	-	(404,000)
Share based payments	-	7,448,214	-	-	-	-	7,448,214
Total equity at 30 June 2017	32,090,674	23,484,528	(118,583)	-	(48,816,844)	-	6,639,775

## **1. ACCOUNTING POLICIES**

### **Basis of Preparation**

This general purpose condensed financial report for the year ended 30 June 2018 has been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards and authoritative pronouncements of the Australian Accounting Standards Board.

Buddy Platform Limited (the "Company") is a company domiciled in Australia. The consolidated preliminary financial report of the Company as at 30 June 2018 comprises the Company and its subsidiaries (collectively referred to as the "Group").

The financial information in this report does not include all the notes of the type normally included within the annual financial reports and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial reports.

Therefore, it is recommended that this report should be read in conjunction with the annual financial reports for the year ended 30 June 2018, when it becomes available, and be considered together with any public announcements made by Buddy Platform Limited during the year ended 30 June 2018 in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

**BUDDY PLATFORM LIMITED**  
**CONDENSED NOTES TO THE FINANCIAL STATEMENTS**

	<b>30 June 2018</b>	<b>30 June 2017</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE. 2 TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
Trade receivables	533,925	13,417
Receivables from a related party	-	13,734
Other receivables	-	64,984
Prepayments & deposits paid	419,189	439,808
Total current receivables	953,114	531,943

**NOTE 3. TRADE AND OTHER PAYABLES**

**Current**

	<b>30 June 2018</b>	<b>30 June 2017</b>
	<b>\$</b>	<b>\$</b>
Trade payables	1,465,112	425,837
Sundry payables and accrued expenses	202,885	366,550
Total current payables	1,667,997	792,387

**NOTE 4. EVENTS OCCURRING AFTER REPORTING DATE**

No other matter or circumstance has arisen since 30 June 2018 that has significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity, in subsequent financial years.

**NOTE 5. AUDIT STATUS**

This report is based on accounts that are in the process of being audited.