



Buddy



ASX MARKET RELEASE

ASX APPENDIX 4E

Preliminary final report for the year ended 30 June 2016

August 31, 2016 – Adelaide, Australia

Details of the reporting period and the previous corresponding period

Reporting Period: 30 June 2016

Previous Corresponding Period: 30 June 2015

Results for announcement to the market

(All comparisons to year ended 30 June 2016)

	\$A'000	Up/Down	% Movement
Revenue from ordinary activities	139	up	504%
Revenue from ordinary activities excluding interest income	43	up	N/A
Loss from ordinary activities after tax	(22,358)	up	512%
Loss attributable to members	(22,358)	up	512%

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

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

Net tangible assets backing	30 June 2016	30 June 2015
Net tangible assets/(liability) per security	1.59 cents	1.32 cents
Net asset backing per security	1.59 cents	1.32 cents

Control gained or lost over entities having material effect

Refer to attached Financial Report

Material interest in entities which are not controlled entities

Nil

Compliance Statement

The preliminary final report has been prepared based on the 30 June 2016 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



David McLauchlan

Executive Director and CEO

Date: 31 August 2016

About Buddy

Buddy Platform Limited (BUD.ASX) 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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ACN 121 184 316

**PRELIMINARY FINAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016**

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Corporate Information

Directors:

Richard Borenstein
Non-Executive Chairman

David McLauchlan
CEO & Executive Director

John van Ruth
Non-Executive Director

Ananda Kathiravelu
Non-Executive Director

Alexander Gounares
Non-Executive Director

Company Secretary:

Stuart Usher

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

Website:

www.buddy.com

Registered Office:

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Telephone: + 61 8 6380 2555
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Postal Address:

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SUBIACO WA 6904

Seattle Office:

1418 3rd Avenue, Suite 300
Seattle, Washington 98101
USA
Telephone: +1 206 745 9112

Adelaide Office:

Level 2, 333 King William Street
Adelaide, SA 5000

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)

Share Registry:

Link Market Services Limited
Level 4, 152 St Georges Terrace
PERTH WA 6000

PRINCIPAL ACTIVITIES

Buddy Platform Limited (“Buddy” or the “Group”) 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.

SUMMARY OF OPERATIONS

On 30 December 2015, ASX-listed Potash Minerals Limited and US-based Buddy Platform, Incorporated successfully completed a reverse takeover and merger which resulted in a re-listing of the company as Buddy Platform Limited.

In doing so, Buddy 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.

Buddy selected Adelaide, South Australia as its base of 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. This facility, located in the heart of the Adelaide CBD, supports the Australian engineering team, the General Manager (Australia) and US-based staff on rotation through the Australian office.

In April, Buddy announced that the Company was collaborating with Facebook to release a product based on their hugely popular “Parse” developer offering. While Facebook had made public their plans to shut down the Parse product, the 1.1 million developers worldwide who relied upon Parse for their mobile applications to work needed to find an alternative offering. Buddy announced that the Company would offer a Buddy-hosted version of Parse, developed with the support and input of the Parse team at Facebook. The Company advised the market that a late (northern) summer launch date was envisaged, and the Buddy team is well on track to deliver on that commitment.

The Company attended the IoT World trade show in Santa Clara, California in May 2016, and used the opportunity to showcase the Buddy Platform, the Company's partners (Zentri, Noveda, Ubicquia, Marvell Semiconductor and others) and a model smart city demonstration built from over 13,000 pieces of Lego (called “Buddyville”). The show was a tremendous success, and capped off a trio of major technology and IoT events attended by Buddy staff – the Consumer Electronics Show (CES) in Las Vegas, Mobile World Congress (MWC) in Barcelona and IoT World in Santa Clara.

On 18 May 2016, Buddy announced that it had entered into a letter of intent to acquire the assets and business of Noveda Technologies, Incorporated. Noveda was a customer of the Company, and manages a growing business in the area of energy resource monitoring and verification. Noveda is further expanding into other smart grid/smart city solutions such as connected street lamps and civic lighting.

The terms of the Noveda deal were announced to the market and affirmed the transaction as an all-stock (or cash, at Buddy's election) deal where the consideration paid was to be decreasing multiples of revenue generated in the first, second and third year after deal closure. The deal is capped at US\$24 million in value.

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

REVIEW AND RESULTS OF OPERATIONS

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.

The Company 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 management remains extremely pleased with the engagement between Noveda and Buddy's engineering and business teams, and looks forward to concluding the acquisition transaction.

On 30 June 2016, Buddy announced that it had entered into an indicative term sheet to acquire California & Sydney-based connected product platform, Zentri Inc. Zentri is a leading secure IoT software as a service provider, with a suite of technologies designed to help devices securely connect to the cloud. Zentri's Secure Connected Platform for IoT helps customers get connected devices to market in weeks instead of years. Leveraging ZentriOS, a complete product operating system for a wide range of commonly available IoT chipsets, Zentri offers customers a global device management system, secure product authentication, seamless over the air software updates, remote product diagnosis and analytics, and integration into popular IoT cloud platforms (such as the Buddy Platform).

In respect of the proposed acquisition of Zentri, shareholders are reminded that management at Zentri is committing to a maximised earn-out model based on at least US\$14.4 million (A\$19.3 million) of revenue being contributed to the overall Buddy business by end of calendar year 2017.

The Zentri deal is an all-stock (or cash, at Buddy's election) deal where the consideration paid is a mix of fixed payments and revenue-based earnouts, with the maximum consideration paid being capped at 280,000,000 shares of Buddy. Shareholders are advised that this is slightly amended from the terms previously disclosed (down 20,000,000 from the former total of 300,000,000 shares per the original indicative term sheet), and reflects an agreement from both Buddy and Zentri to slightly adjust the payment schedule. Full details on the revised terms will be published in the Notice of Shareholder Meeting that has been submitted to the ASX for approval.

At the Annual General Meeting (AGM) held on 9 November 2015, shareholders approved the Performance Share class of securities, which would convert upon the Company reaching certain milestones thus:

- One third (1/3) of all Performance Shares shall convert upon the Company logging 20,000,000 total discrete connections to any Buddy server or service by any approved network connected hardware or software application per day for no less than 3 consecutive weeks within a period of 24 months from the date of completion of the Capital Raising;

REVIEW AND RESULTS OF OPERATIONS

- One third (1/3) of all Performance Shares shall convert upon the total number of devices creating an Interaction with a Buddy application that it has not previously interacted with exceeding 500,000 per week for no less than three (3) consecutive weeks within a period of 24 months from the date of completion of the Capital Raising;
- One third (1/3) of all Performance Shares shall convert upon the Company satisfying the following milestones within a period of 36 months from the date of completion of the Capital Raising:
 - total daily device interactions with the Buddy Platform exceed 50,000,000 per day for no less than 3 consecutive weeks; and
 - total number of devices creating new connections to Buddy exceeding 1,000,000 per week for no less than 3 consecutive weeks.

In late June 2016, Buddy reached the metric prescribed to trigger the first tranche conversion of the Performance Shares, of 20,000,000 total discrete connections to Buddy's systems. In mid-July 2016 (in FY17), this milestone was reached (ie: the metric was reached or exceeded for 3 consecutive weeks), which triggered the first conversion event for the Performance Shares.

At the conclusion of the fiscal year, Buddy employed 22 staff across the Company's facilities in Seattle, Washington and Adelaide, South Australia. Notable hires in the period include Mr. Tim Ritchie as Vice President of Sales, Mr. Adam Schultz as General Manager (Australia) & Vice President of Business Development, Mr. Brian Seitz as Vice President, Marketing & Communications and Mr. Habib Heydarian as Vice President of Product & Engineering.

The Company continues to hold 22,690,612 shares in Weebit Nano Limited (formerly Radar Iron Limited, now ASX:WBT).

In addition to the Board of Directors members that joined the Company from Buddy Platform, Inc. (Rick Borenstein, David McLauchlan and Alex Gounares), the Board announced the appointment of Mr. John van Ruth as a director of the Company. 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. Mr. van Ruth and the Buddy Platform, Inc. directors all joined Potash director Mr. Ananda Kathiravelu to form the new Buddy Platform Limited Board of Directors.

RESULTS

The Company recorded a loss after tax for the year of A\$22,357,976, much of which is attributable to the acquisition of Buddy Platform, Inc. and the re-listing on the ASX. This is particularly evident when considering the share based payments made, the consideration paid and finance & administration costs during this period.

The primary costs for the business are salaries and research & development expenditure, which is very much in line with the costs expected for a technology company supporting a product of the Buddy Platform's technical complexity.

While the Company has recorded cash on hand at 30 June 2016 as A\$10.8 million, it should be noted that since this period a subsequent capital raised was successfully conducted and as of 31 August 2016, the

Company's cash on hand is approximately A\$14 million. Accordingly, the Company is extremely well resourced to pursue the business opportunity at hand.

BUDDY PLATFORM LIMITED

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 30 JUNE 2016

Note	Consolidated	
	Buddy Platform Limited 30 June 2016 \$	Buddy Platform Limited 30 June 2015 \$
Service revenue	43,478	-
Finance income	96,422	23,151
Advertising & marketing expenses	(511,838)	-
Financial, administration, insurance and compliance costs	(1,375,482)	(341,926)
Consulting and contracting expenses	(132,507)	(118,810)
Depreciation	(38,525)	-
Impairment of exploration and evaluation expenditure	-	(3,164,558)
Impairment of available-for-sale financial assets	-	(272,287)
IT & web costs	(242,785)	-
Employee benefits expense	(2,017,409)	(84,866)
Share based payments	(7,537,062)	-
Profit on loss of significant influence in equity accounted investment	-	307,274
Option fee paid pre-acquisition	(500,000)	-
Research & development	(518,108)	-
Consideration less fair value of net assets acquired on business combination	(9,624,160)	-
Profit / (Loss) before income tax expense	(22,357,976)	(3,652,022)
Income tax benefit	-	-
Loss for the year	(22,357,976)	(3,652,022)
<i>Other Comprehensive Income / (Loss):</i>		
Items that may be reclassified subsequently to profit or loss:		
Revaluation of investments	45,603	-
Foreign currency translation differences for foreign operations	(125,692)	417,007
Other comprehensive income / (loss) for the period, net of tax	(80,089)	417,007
Total Comprehensive Loss for the year	(22,438,065)	(3,235,015)
<i>Loss attributable to:</i>		
Owners of the parent	(22,357,976)	(3,321,529)
Non-controlling interest	-	(330,493)
<i>Total Comprehensive Income Loss attributable to:</i>		
Owners of the parent	(22,357,976)	(2,904,522)
Non-controlling interest	-	(330,493)
Basic & Diluted Profit / (Loss) per share - cents per share	(4.81)	(3.38)

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 2016

	Note	Consolidated	
		Buddy Platform Limited	Buddy Platform Limited
		30 June 2016	30 June 2015
		\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents		10,835,739	1,073,305
Trade and other receivables	2	190,104	13,142
Total current assets		11,025,843	1,086,447
Non-current assets			
Other receivables		-	350,131
Property, plant & equipment		167,743	-
Investments		1,134,753	294,978
Total Non-Current Assets		1,302,496	645,109
TOTAL ASSETS		12,328,339	1,731,556
LIABILITIES			
Current Liabilities			
Trade and other payables	3	228,193	125,052
Provisions		19,225	-
Total Current Liabilities		247,418	125,052
TOTAL LIABILITIES		247,418	125,052
NET ASSETS		12,080,921	1,606,504
EQUITY			
Share capital	4	27,994,674	30,450,232
Reserves	4	12,182,234	2,241,138
Accumulated losses		(28,095,987)	(28,734,787)
Equity attributable to owners of the parent		12,080,921	3,956,583
Non-controlling interest		-	(2,350,079)
TOTAL EQUITY		12,080,921	1,606,504

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 2016

	Consolidated	
	Buddy Platform Limited	Buddy Platform Limited
	30 June 2016	30 June 2015
	\$	\$
Cash flows from operating activities		
Receipts from customers		
Interest received	91,658	23,151
Payments to suppliers and employees	(4,772,994)	(496,476)
Net cash flows used in operating activities	(4,681,336)	(473,325)
Cash flows from investing activities		
Refund for bonds in favour of the company	-	25,779
Payments for capitalised exploration expenditure	-	(80,689)
Payments for research & development	(518,108)	-
Payments for plant and equipment	(52,450)	-
Net cash flows used in investing activities	(570,558)	(54,910)
Cash flows from financing activities		
Proceeds from issue of shares and options (net of costs)	14,455,507	460,843
Net cash flows provided by financing activities	14,455,507	460,843
Net increase/(decrease) in cash and cash equivalents held	9,203,613	(67,392)
Cash acquired on Buddy Inc.	558,821	-
Cash and cash equivalents at the beginning of the period	1,073,305	1,140,697
Cash and cash equivalents at the end of the period	10,835,739	1,073,305

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

Consolidated 2016	Issued Capital \$	Option Reserve \$	Foreign Currency Translation Reserve \$	Assets held for Sale Reserve \$	Accumulated Losses \$	Non- Controlling Interest \$	Total Equity \$
Total equity at 1 July 2015	30,450,232	-	2,241,138	-	(28,734,787)	(2,350,079)	1,606,504
Total Comprehensive Profit / (Loss) for the period	-	-	-	-	(22,357,976)	-	(21,887,079)
Total other comprehensive income	-	-	(125,321)	45,603	-	-	(79,718)
Total Comprehensive Income / (Loss) for the period	-	-	(125,321)	45,603	(22,357,976)	-	(21,966,797)
Elimination of Potash Minerals Ltd accumulated losses date of acquisition 17 December 2015	-	-	(2,241,138)	-	29,825,797	-	27,584,659
Elimination of Potash Minerals Ltd Non-controlling interest on date of acquisition 17 December 2015	-	-	-	-	-	2,350,079	2,350,079
Recognition of accumulated losses of Buddy Inc. at 17 Dec 15	-	-	-	-	(6,829,021)	-	(6,829,021)
Transactions with equity holders:							
Shares issued during the period:							
Elimination of Potash Minerals on consolidation on date of acquisition 17 December 2015	(33,079,026)	-	-	-	-	-	(33,079,026)
Buddy issued capital as at 17 Dec 2015	6,524,335	-	-	-	-	-	6,524,335
Consideration for the acquisition of Potash	13,452,543	-	-	-	-	-	13,452,543
Shares issued pursuant to capital raising	12,500,000	-	-	-	-	-	12,500,000
Convertible notes converted to Buddy Share Capital	1,027,491	-	-	-	-	-	1,027,491
Option conversions	2,628,794	-	-	-	-	-	2,628,794
Costs of capital raising	(5,509,695)	-	-	-	-	-	(5,509,695)
Share based payments	-	4,484,153	-	-	-	-	4,484,153
Recognition of Buddy Option reserve	-	25,451	-	-	-	-	25,451
Fair value of options issued under prospectus	-	7,752,348	-	-	-	-	7,752,348
Total equity at 30 June 2016	27,994,674	12,261,952	(125,321)	45,603	(28,095,987)	-	12,080,921

BUDDY PLATFORM LIMITED

ACN: 121 184 316

Condensed Consolidated Statement of Changes in Equity

Consolidated 2015	Issued Capital	Option Reserve	Foreign Currency Translation Reserve	Assets held for Sale Reserve	Accumulated Losses	Non- Controlling Interest	Total Equity
	\$	\$	\$	\$	\$	\$	\$
Total equity at 1 July 2014	29,989,494	4,427,440	1,824,131	-	(29,545,004)	(2019,586)	4,376,475
Total Comprehensive Profit / (Loss) for the year					(3,321,529)		(3,321,529)
Total other comprehensive income	-	-	417,007	-		(330,493)	86,514
Total Comprehensive Income / (Loss) for the period	-	-	417,007	-	(3,321,529)	(330,493)	(3,235,015)
Foreign currency movements & Revaluation of financial asset	-	-	417,007	-	-	-	417,007
Transactions with equity holders:							
Shares issued during the period:	460,738	-	-	-	-	-	460,738
Share based payments	-	4,306	-	-	-	-	4,306
Options expired	-	(4,131,746)	-	-	4,131,746	-	-
Total equity at 31 December 2015	30,450,232	-	2,241,138	-	(28,734,787)	(2,350,079)	1,606,504

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

NOTE 1. ACCOUNTING POLICIES

Basis of Preparation

This general purpose condensed financial report for the year ended 30 June 2016 has been prepared in accordance with Corporations Act 2001 and Australian Accounting Standards (including Australian Accounting Interpretations) 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 2016 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 Company 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 2016, when it becomes available, and be considered together with any public announcements made by Buddy Platform Limited during the year ended 30 June 2016 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.

Reverse Acquisition:

On 17 December 2015 Potash Minerals Limited (now Buddy Platform Limited, the legal parent entity) acquired 100% of the issued shares of Buddy Platform Inc., a United States of America registered entity.

Buddy Platform, Inc., 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 analyse 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.

Under the terms of the transaction, Potash Minerals issued 499,999,956 Ordinary fully paid shares to the shareholders of Buddy Platform Inc., resulting in the shareholders of Buddy Platform Inc. holding 65% of the legal parent entity's issued capital.

Although Potash Minerals did not meet the definition of a business, The Group applied, by analogy, the guidance in AASB 3 on reverse acquisitions, resulting in Buddy Platform, Inc. (legal acquiree) being identified as the accounting acquirer and Potash Minerals Limited (the legal acquirer) being identified as the accounting acquiree. The Group consequently recognised a share-based payment of \$9,624,160 in its statement of comprehensive income, effectively representing the cost of the listing. The cost is calculated as the difference in the fair value of the shares deemed to have been issued by Buddy Platform, Inc. (the non-listed entity) and the fair value of the accounting acquiree's (Potash Minerals Limited) identifiable net liabilities.

BUDDY PLATFORM LIMITED
CONDENSED NOTES TO THE FINANCIAL STATEMENTS

The impact of the reverse acquisition on each of the primary statements is as follows:

Statement of Financial Position:

The 30 June 2016 statement of financial position represents Buddy Platform Limited (formerly Potash Minerals Limited) and Buddy Platform Incorporated.

The comparative financial information for 30 June 2015 is that of Buddy Platform Limited (formerly Potash Minerals Limited).

Statement of Profit or Loss and Other Comprehensive Income

The 30 June 2016 statement of profit or loss and other comprehensive income comprises the results of Buddy Platform Limited (formerly Potash Minerals Limited) from 1 July 2015 to 17 December 2015 and then the consolidated results of Buddy Platform Limited (formerly Potash Minerals Limited) and Buddy Platform Incorporated from 17 December 2015 to 30 June 2016.

The comparative financial information for 30 June 2015 is that of Buddy Platform Limited (formerly Potash Minerals Limited).

Statement of Changes in Equity

The 30 June 2016 statement of changes in equity comprises Buddy Platform Limited (formerly Potash Minerals Limited) equity balances on 1 July 2015, its loss for the period and transactions with equity holders to 17 December 2015.

It then incorporates the consolidated equity balances, losses and transactions with equity holders for the period 17 December 2015 to 30 June 2016 of Buddy Platform limited (formerly Potash Minerals) and Buddy Platform Incorporated.

The comparative financial information for 30 June 2015 is that of Buddy Platform Limited (formerly Potash Minerals Limited).

Statement of Cash Flows

The 30 June 2016 statement of cash flows comprises the cash transactions of Buddy Platform Limited (formerly Potash Minerals) from 1 July 2015 to 17 December 2015 and then the consolidated cash transactions of Buddy Platform Limited (formerly Potash Minerals Limited) and Buddy Platform Incorporated from 17 December 2015 to 30 June 2016.

The comparative financial information for 30 June 2015 is that of Buddy Platform Limited (formerly Potash Minerals).

BUDDY PLATFORM LIMITED
CONDENSED NOTES TO THE FINANCIAL STATEMENTS

	30 June 2016	30 June 2015
	\$	\$
NOTE. 2 TRADE AND OTHER RECEIVABLES		
Current		
Trade receivables	18,568	-
Other receivables	125,322	13,142
Total current receivables	<u>143,890</u>	<u>13,142</u>

NOTE 3. TRADE AND OTHER PAYABLES

	30 June 2016	30 June 2015
	\$	\$
Trade payables	77,858	114,815
Sundry payables and accrued expenses	150,335	10,237
Total current payables	<u>228,193</u>	<u>125,052</u>

BUDDY PLATFORM LIMITED
CONDENSED NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. - ISSUED CAPITAL & RESERVES

	#	\$
CONSOLIDATED AND PARENT ENTITY 2016		
(a) Issued and Paid Up Capital		
Fully paid ordinary shares	759,532,819	27,994,674
(b) Movements in fully paid shares on issue		
Opening balance	121,394,894	30,450,232
Options exercised	13,137,969	2,628,794
Elimination of Potash Minerals on consolidation on date of acquisition 17 December 2015	-	(33,079,026)
Buddy issued capital		6,524,335
Shares issued pursuant to prospectus	125,000,000	12,500,000
Convertible notes converted to Buddy Share Capital		1,027,491
Consideration for the Buddy acquisition	499,999,956	13,452,543
Costs of capital raising	-	(5,509,695)
Balance as at 30 June 2016	759,532,819	27,994,674
(c) Share Options		
	Options	
Opening Balance	48,220,948	-
Listed Options converted	(13,137,969)	-
Listed Options Expired	(35,082,979)	-
Recognition of Budd Inc. Option Reserve	-	25,451
Buddy replacement options	2,807,715	112,256
Performance Shares issued under prospectus	100,000,000	1,879,453
Performance Rights issued under prospectus	32,803,491	3,381,939
Capital Raising Options issued under prospectus	40,000,000	4,699,439
Transaction Options issued under prospectus	12,500,000	2,163,414
Balance as at 30 June 2016	181,111,206	12,261,952

BUDDY PLATFORM LIMITED
CONDENSED NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. Reverse Acquisition

Under the analogy of *AASB 3 Business Combinations*, the transaction between Buddy Platform Limited (formerly Potash Minerals Ltd) and Buddy Platform Incorporated is being treated as a reverse acquisition.

The consideration in a reverse acquisition is deemed to have been incurred by the legal subsidiary (Buddy Platform Incorporated) in the form of equity instruments issued to the shareholders of the legal parent entity (Buddy Platform Limited (formerly Potash Minerals Ltd)).

AASB 3 states that the consideration transferred in a business combination shall be measured at the fair value. AASB3 states that the fair value transferred should be based on the most reliable measure. The fair value of the shares of consideration transferred were valued by reference to the quoted price of the shares of Buddy Platform Limited (formerly Potash Minerals Ltd).

Although Potash Minerals did not meet the definition of a business, The Group applied, by analogy, the guidance in AASB 3 on reverse acquisitions, resulting in Buddy Platform, Inc. (legal acquiree) being identified as the accounting acquirer and Potash Minerals Limited (the legal acquirer) being identified as the accounting acquiree. The Group consequently recognised a share-based payment of \$9,624,160 in its statement of comprehensive income, effectively representing the cost of the listing. The cost is calculated as the difference in the fair value of the shares deemed to have been issued by Buddy Platform, Inc. (the non-listed entity) and the fair value of the accounting acquiree's (Potash Minerals Limited) identifiable net liabilities.

Assets acquired and liabilities assumed on the date of acquisition:

Details of the acquisition are as follows:

	Fair Value \$
Cash and cash equivalents	15,139,158
Trade and other receivables	124,566
Financial Assets	1,089,149
Other Assets	22,354
Share application funds	(12,430,296)
Trade and other payables	(115,805)
Fair value of net assets	3,829,126
Share-based payment for listing services	9,624,160
Acquisition date fair value of the total consideration transferred	13,453,286
Acquisition date fair value of the total consideration transferred: Shares issued, at fair value	13,453,286

NOTE 6. EVENTS OCCURRING AFTER REPORTING DATE

On 11 July 2016 the Company completed an over-subscribed private placement to institutional & sophisticated investors to raise A\$4.5 million at a price of A\$0.10 by way of a private placement.

On 18 July 2016, the Company announced that it had successfully completed the First Performance Milestone of hosting 20,000,000 discrete connections per day for 3 consecutive weeks.

On 30 August 2016, the Company provided an update to shareholders on the progress being made with the acquisitions of Noveda Technologies and Zentri. The Company advised that it had completed, to its satisfaction, its due diligence investigations on both Noveda and Zentri and is close to finalising a notice of meeting to obtain the requisite approvals for the acquisitions. The Company also updated shareholders of commercial traction achieved by Buddy, Noveda and Zentri individually and together, and refer readers to the relevant announcement as posted to the ASX.

No other matter or circumstance has arisen since 30 June 2016 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.