



# Buddy



## ASX MARKET RELEASE

### Buddy Platform provides a general business update in advance of shareholder meeting this week

#### October 17, 2016 – Adelaide, Australia

Buddy Platform Limited ([ASX:BUD](#)) is issuing this shareholder business update, outlining progress with a range of customers, projects and partnerships. Buddy continues to advance the business forward in parallel streams, to maximize and capitalize on near and long-term opportunities.

Regarding the termination of the proposed Zentri acquisition, Buddy Platform CEO, David McLauchlan, offered extended comment via the [Buddy blog](#); please follow the link for additional information. Attending the shareholder meeting in Adelaide this week will be CEO David McLauchlan, Chairman Rick Borenstein and CFO/COO Richard Jacroux. Shareholders are invited to submit questions to the leadership team via [ir@buddy.com](mailto:ir@buddy.com) in advance of the meeting.

#### Strategy

Buddy continues to execute on a two-part strategy outlined in the Annual Report – 1) continued build out of the core Buddy Platform technology components, and 2) focused go-to-market efforts on selling solutions for customers seeking an end-to-end provider and technology partner. Also outlined in the 2016 annual report, Buddy is focused on a vertically integrated go-to-market model, while building out a differentiated, horizontal technology platform to power it.

- In our customer interactions to date, Buddy has confirmed a key attribute of the IoT adoption curve, namely that the market adoption of IoT outside of core technology companies is so limited, that the majority of customers are seeking full solutions from a trusted partner, not point solutions in a self-serve model
- We continue to focus on Smart Cities as our first vertical offering, building on the Noveda platform, specifically with its existing business in connected infrastructure such as monitoring, verification and controls for all energy and water uses. This aligns well with industry research showing that enterprise and government IoT spending exceeds consumer IoT product spending now and in the near future

- This week will see the launch of the much-anticipated Parse on Buddy product offering, where 1000 Parse developers per day will be introduced to Buddy's Parse implementation completing our vision of a "Things and Apps" platform.

### **Pipeline Growth**

Pipeline growth remains strong with the total one year value of opportunities in the pipeline more than doubling in September inclusive of Noveda. The weighted value of the pipeline nearly doubled as well.

### **Noveda**

We have completed phase one of the previously announced Noveda data migration effort which means data from all 1,892 Noveda facilities is now being routed through Buddy. This increased traffic represents 5.3 million API calls per day. As future customer facilities come onboard, they will connect directly to the Buddy cloud to take advantage of the additional scalability and processing capabilities of the Buddy Platform.

Noveda's current customers include large multinationals such as Deutsche Bank, Honeywell, Prudential, Rolls Royce, Avis Budget, Johnson Controls, Natural Resource Defence Council (NRDC) as well as leading Utilities PSE&G and Energy Ottawa.

The largest opportunity is Noveda's contract with the New York State Energy Research and Development Authority (NYSERDA). Prior to announcing the NYSEDA deal, we shared that Noveda's existing contracts targeted upwards of US\$15 million to US\$20 million over the next 3 years. This program provides for US\$36 million to fund 30% of the installation and 5-year operating costs of a building Real-Time Energy Monitoring ("RTEM") system seeding US\$100 million in NY statewide RTEM spend.

Sales efforts in support of these opportunities (with particular focus on NYSEDA) are well underway with dedicated resources focused on revenue generation and pipeline development. Only weeks after signing the NYSEDA deal, the early pipeline for this opportunity exceeds US\$500,000. Noveda's leadership holds the view that energy monitoring, verification and controls has a total addressable market of over US\$1 billion in just New York State alone. Following the NYSEDA win, Noveda's leadership team is supporting efforts by at least two other major US cities to roll out their own version of NYSEDA's RTEM program.

Despite the Zentri transaction being terminated, Zentri remains a strategic partner and we are actively engaged together in opportunities valued at greater than US\$3,000,000. There remains an opportunity to deploy Zentri technology into Noveda metering devices, and that conversation will continue.

Last week we shared an update with investors by way of a Notice of Proposed Adjournment and Addendum to the Notice of General Meeting to be held 21 October 2016, to reflect the early momentum and success in capturing NYSEDA business in New York State. This update brought forward a larger portion of the Noveda consideration to be paid at deal closure (but doesn't increase the total cost of the deal). In doing so, we felt it appropriate to acknowledge the exceptionally strong pipeline that Noveda has developed so quickly after executing the NYSEDA deal.



## **Parse on Buddy**

As of this week the Parse on Buddy beta service has been live for over five weeks. Nearly 200 customers have joined the beta test program so far, and have created or migrated 100s of apps. This has given us great confidence that our scalable, multi-tenant solution is up and ready go. This week, we plan to wrap up the beta stage and launch the production version of the service. This will signal to our customers that they can progress from testing the Parse service to deploying their apps. More details will soon be shared, but features unique to Buddy's implementation of Parse will be launching this week, some of which will be of particular interest to some of the fastest growing regions of the world connectivity-wise. Going forward, we will release a new version of the Parse on Buddy service on a regular cadence which will enable new features as well as address customer feedback.

## **Connected Adelaide Model by Buddy Platform**

Earlier this year, at the IoT World 2016 conference in Santa Clara, we demonstrated the future promise of smart cities via our smart demo called Buddyville. Buddyville demonstrated Buddy's powerful and scalable backend data services combined with smart city sensors increasingly found in cities around the world today. Working in partnership with the Adelaide Smart City Studio (a joint venture between the Government of South Australia and the Adelaide City Council), Adelaide University and a number of other corporate partners and sponsors, Buddy has created the Connected Adelaide Model (CAM), an Adelaide themed smart city model. The CAM was designed to facilitate a conversation about what a smart city could look like, and includes a range of scenarios including:

- Smart parking
- Smart street lighting
- Connected buildings/energy monitoring
- Water quality monitoring
- Connected stadium
- Electric Vehicle charging

The Connected Adelaide Model will be launched by the Right Honourable Lord Mayor Martin Haese (Adelaide) as part of the Open State Festival on October 26th.

## **Internet of Things Consortium**

Buddy recently joined the Internet of Things Consortium, is participating in the Smart Cities committee and continues to be an active member in accelerating the development of opportunity in the IoT across industries. We see enormous potential in the IoT, and only through active participation and collaboration with other businesses and organizations will the full potential be realized. We look forward to being an active contributor in the Consortium, as Buddy continues to grow a leader in IoT.

Stay tuned for more details and updates from Buddy as we update shareholders on this very exciting period of time for the company.



## About Buddy

Buddy Platform Limited ([BUD.ASX](http://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>.

###

Buddy Platform Contact:

Brian Seitz, VP of Marketing and Communications

Phone: +1 (206) 745-9079

Email: [brian@buddy.com](mailto:brian@buddy.com)

