

One of the most demanded features of Status Enterprise is its ability to render real time data on a variety of mobile devices.

While HMI and SCADA systems are of great value in the industrial world, increasingly these systems are being used in other areas of business. There is a lot of talk right now of the Internet of Things (IoT). The main idea the

B-Scada stock performed well in fiscal 2014. We have been active in keeping our shareholders and the general public informed with our latest news and events. The requirements to remain on the OTCQB (OTC Markets Group Venture Exchange) changed considerably this year. Annual fees will be rising to nearly \$10K per year and there are additional thresholds to remain eligible. Despite these hurdles, B-Scada remains with the OTCQB. It is our hope that the new requirements will result in higher quality companies on the exchange and that our presence there will increase value for our shareholders.

Figure 3 - B-Scada Performance 5-year

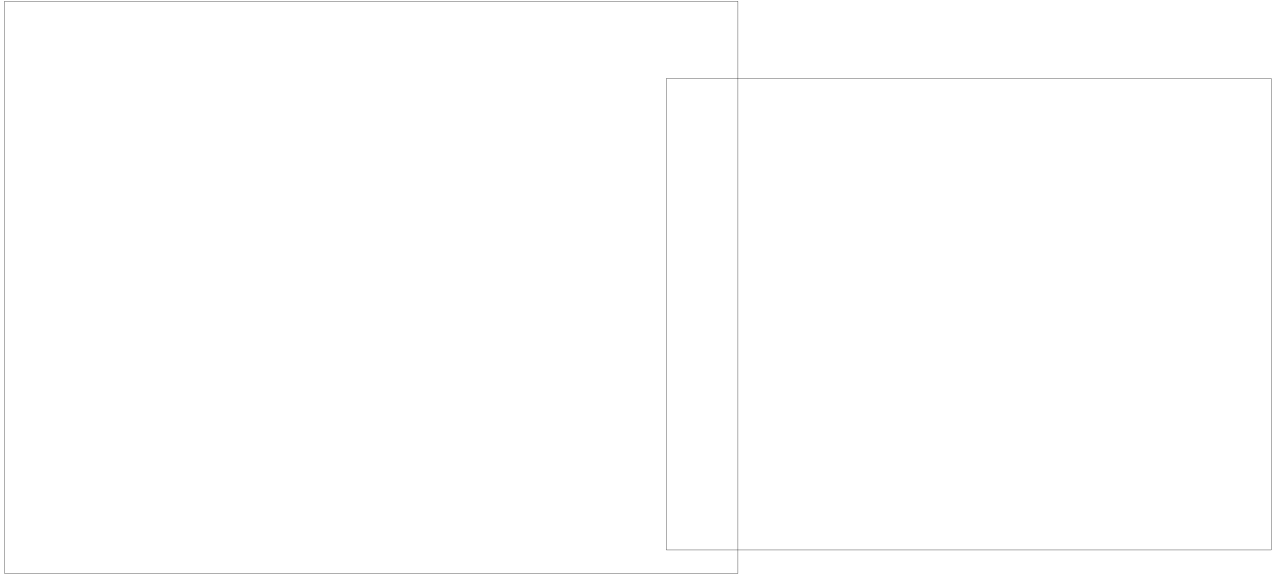
Technology licensing generates recurring revenue for our company through the licensing of various pieces of our technology to other companies to use in software products they develop. Since license agreements are typically several years in length, technology licensing revenue is both predictable and reliable. In fiscal 2014 technology licensing and support revenues increased \$616,465 over 2013 and provided much of our growth. Commercial software revenues declined by \$126,425 over the same period.

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The demand for our consulting and professional services was stronger than anticipated in 2014. As we transition our focus from our Machine Edition product and begin to put a greater focus on Status Enterprise, we expected that our commercial software sales would be difficult for 6 Twyear. Status Enterprise was released in the spring, and with a nine-month sales cycle the revenues did not begin to materialize until the end of 2014.

Commercial Software Sales provided about 11% of our company's revenue for fiscal 2014 and did not grow as a percentage of our overall revenue as was predicted.

The purchase of the SCADA.com domain name has proven to be a good investment. This domain along with the additional marketing staff that were hired has resulted in a large increase of traffic to our website. B-Scada is now placed consistently on Page 1 for 'SCADA' web searches in both Google and Bing.



Status Enterprise, the newest version of our HMI/SCADA system, was released at the end of Q1 of 2014 and has begun to gain momentum.

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A significant part of our revenue comes from a handful of companies that license our technology. A loss of revenue from any of these companies could prevent us from obtaining our projections for the upcoming year.

For the Years Ended
October 31,

| <u>2014</u> | <u>2013</u> |
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