



ASX MARKET RELEASE

Monthly Appendix 4C – October 2021

30 November 2021 - Adelaide, Australia

Buddy Technologies Limited ("**Company**" or "**Buddy**") (ASX:BUD), a leader in IoT and cloud-based solutions for making spaces smarter, is pleased to release its Appendix 4C monthly cash flow report for October 2021.

The Company provides the following additional (unaudited) information to provide further context to the monthly Appendix 4C:

- Monthly revenues were A\$3.4 million (up 70% from September)
- Gross margins, FY year to date as of 31 October 2021, were 48.6%
- October was EBITDA positive (A\$544k), following September being both net cash flow and EBITDA positive
- Trade receivables in October were A\$5.8 million, and inventories and prepayments were A\$13.6 million
- Cash receipts in October (of A\$1.4 million) were impacted by customers extending their payment terms to holiday terms
 - For example, customers with 60-day payment terms usually move to 90-day payment terms during the holiday quarter, which has the effect of simply shifting those receipts into subsequent months
 - These terms will revert to standard timeframes post-holiday period

For and on behalf of Buddy Technologies Limited,

A handwritten signature in blue ink, appearing to read "David McLauchlan".

David McLauchlan

Chief Executive Officer
Buddy Technologies Limited.

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About Buddy

Buddy Technologies Limited (BUD.ASX) helps customers of any size “make every space smarter”. Buddy has two core businesses – its Consumer Business and Commercial Business.

Buddy's Consumer Business trades under the **LIFX** brand and has established a leading market position as a provider of smart lighting solutions. The company's suite of Wi-Fi enabled lights are currently used in nearly one million homes, viewed as second only to lighting giant Philips Hue. LIFX products are sold in over 100 countries worldwide, directly and via distribution and sales partnerships with leading retailers and ecommerce platforms including Amazon, Google, Apple, JB Hi-Fi, Bunnings, Officeworks, MediaMarkt, Saturn and Best Buy (in both the U.S. and Canada).

Buddy Ohm and **Buddy Managed Services** are the company's core Commercial offerings that empower its customers to fully leverage digital technologies and their impact in a strategic and sustainable way. Buddy Ohm is a resource monitoring and analytics solution that provides energy monitoring, reporting and auditing services for commercial and industrial customers. Buddy Managed Services licenses Buddy's technology platforms to customers for integration into their own products.

Buddy is headquartered in Adelaide, Australia, with offices in Melbourne (AU), Seattle (US), Dublin (IE), Shenzhen (CN) and Silicon Valley (US).

For more information, visit www.buddy.com and www.lifx.com.

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AUSTRALIA



Appendix 4C

Monthly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Buddy Technologies Limited

ABN

21 121 184 316

Month ended

31 October 2021

Consolidated statement of cash flows	Current Month \$A'000	Year to date (4 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,416	9,250
1.2 Payments for		
(a) research and development & web costs	(69)	(235)
(b) product manufacturing and operating costs	(912)	(4,619)
(c) advertising and marketing	(64)	(340)
(d) leased assets		
(e) staff costs	(562)	(2,567)
(f) administration and corporate costs	(87)	(672)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	(241)	(985)
1.6 Income taxes paid		(28)
1.7 Government grants and tax incentives		
1.8 Other (FX & restructuring costs)	(200)	(739)
1.9 Net cash from / (used in) operating activities	(719)	(935)

2. Cash flows from investing activities

2.1 Payments to acquire:

- (a) entities
- (b) businesses
- (c) property, plant and equipment
- (d) investments
- (e) intellectual property

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Consolidated statement of cash flows	Current Month \$A'000	Year to date (4 months) \$A'000
(f) other non-current assets		
2.2 Proceeds from disposal of:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		
(d) investments		
(e) intellectual property		
(f) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (notes receivable)		
2.6 Net cash from / (used in) investing activities	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)		6,595
3.2 Proceeds from issue of convertible debt securities		
3.3 Proceeds from exercise of options		
3.4 Transaction costs related to issues of equity securities or convertible debt securities		(401)
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings	(174)	(5,464)
3.7 Transaction costs related to loans and borrowings	(24)	(677)
3.8 Dividends paid		
3.9 Other (provide details if material)		
3.10 Net cash from / (used in) financing activities	(198)	53

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	2,122	2,092
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(719)	(935)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-

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Consolidated statement of cash flows		Current Month \$A'000	Year to date (4 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(198)	53
4.5	Effect of movement in exchange rates on cash held	(50)	(55)
4.6	Cash and cash equivalents at end of period	1,155	1,155

5.	Reconciliation of cash and cash equivalents at the end of the month (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current month \$A'000	Previous month \$A'000
5.1	Bank balances	531	1,469
5.2	Call deposits	624	653
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of month (should equal item 4.6 above)	1,155	2,122

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current month \$A'000
nil
nil

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7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (please specify)
- 7.4 **Total financing facilities**

Total facility amount at month end \$A'000	Amount drawn at month end \$A'000
25,359	21,536
25,359	21,536

7.5 Unused financing facilities available at month end

3,823

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after month end, include a note providing details of those facilities as well.

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Loan facility: **PFG Line of Credit (revolver)**

Total drawn at 31 October 2021: US\$8.0 million
Total Facility Amount: US\$10 million
Use of funds: Working capital
Lender: Partners For Growth
Interest Rate: 12.5%.
Secured or unsecured: secured by receivables and inventory
Payment: Revolving LoC
Term: December 2023

Loan facility: **PFG Term Loans**

Total drawn at 31 October 2021: US\$4.0 million
Loan: Term Loan
Total Facility Amount: US\$4.1 million
Use of funds: refinancing previously existing debt
Lenders: Partners For Growth
Interest Rate: 12.5%
Secured or unsecured: secured by company assets
Payment: Monthly payments of principal of US\$128,920 plus interest due.
Term: May 2024

Loan facility: **PFG Convertible Promissory Notes**

Total drawn at 31 October 2021: US\$4.25 million
Total Facility Amount: US\$4.25 million
Use of funds: refinancing previously existing debt
Lenders: Partners For Growth
Interest Rate: 12.5% (see also payment below)
Secured or unsecured: secured by company assets
Payment: Interest due monthly until converted or paid. The Convertible Notes are convertible (all or some) into shares of the Company at a conversion price of A\$0.025 per share. If not converted, on the maturity date, the Company would repay PFG the principal amount plus any accrued interest.
Term: August 2021 to 4 May 2024

Loan facility: **Loan Facility 1**

Total drawn at 31 October 2021: nil
Total Facility Amount: \$1.5 million
Use of funds: Working capital
Lender: DM Capital Management Pty. Ltd.
Interest Rate: 10%.
Secured or unsecured: unsecured
Payment: upon maturity (26 November 2022)
Term: 26 May 2021 – 26 November 2022

Loan facility: **Loan Facility 2**

Total drawn at 31 October 2021: nil
Total Facility Amount: \$1.5 million
Use of funds: Working capital
Lender: Anfield Group Pty. Ltd.
Interest Rate: 10%.

Secured or unsecured: unsecured
 Payment: upon maturity (26 November 2022)
 Term: 26 May 2021 – 26 November 2022

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(719)
8.2 Cash and cash equivalents at month end (Item 4.6)	1,155
8.3 Unused finance facilities available at month end (Item 7.5)	3,823
8.4 Total available funding (Item 8.2 + Item 8.3)	4,978
8.5 Estimated months of funding available (Item 8.4 divided by Item 8.1)	7

8.6 If Item 8.5 is less than 6 months, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

Date: 30 November 2021



Authorised by:
 By the Board

Notes

- This monthly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past month and YTD, how they have been financed and the effect this has had on its cash position.

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An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this month cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this monthly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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