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ASX MARKET RELEASE

Results of Entitlement Offer and Issue of Convertible Notes

Summary

- The Company's Entitlement Offer has closed and the New Shares and free attaching options are expected to be issued this week
- Convertible notes have been issued to PFG to raise US$4.25 million, which will be used to pay the remainder of the Eastfield debt and to pre-pay a further US$2.5 million of the Company's term debt from the acquisition of LIFX
- Funds raised via the issue of convertible notes (including the related debt forgiveness) and the payment of $A1.3 million by the Company now decreases the Company's unaudited current liabilities by A$9.4 million to A$22.4 million.

1 September 2021 - Adelaide, Australia

Buddy Technologies Limited (**"Company"** or "**Buddy**") (ASX:BUD), a leader in IoT and cloud-based solutions for making spaces smarter, refers to its announcement on 16 July 2021 in respect to a pro-rata non-renounceable entitlement offer ("**Entitlement Offer**") of one (1) new fully paid ordinary share ("**New Share"**) for every seven and a half (7.5) fully paid ordinary shares (together with one (1) free attaching option for every two (2) New Shares issued under the Entitlement Offer) to eligible shareholders.

Entitlement Offer

Buddy wishes to advise that the Entitlement Offer closed at 5.00pm (AEST) on Friday, 27 August 2021. The Company has received applications for 8,818,184 New Shares from eligible shareholders under the Entitlement Offer, for an aggregate subscription amount of $220,455.57.

The issue of the New Shares under the Entitlement Offer is anticipated to occur on Wednesday, 1 September 2021 and the issue of one (1) free attaching option for every two (2) New Shares issued under the Entitlement Offer is also anticipated to occur on Wednesday, 1 September 2021.

An Appendix 2A and Appendix 3B will follow this announcement.

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Debt Refinancing and Update

Buddy also wishes to advise that, following the passing of all resolutions put forward in the general meeting held on 30 August 2021, Buddy has issued to Partners for Growth (**"PFG"**) 4.25 million Convertible Notes, each with a face value of US$1.00, to raise US$4.25 million. Proceeds from the Convertible Notes will be utilised to pay the remaining balance in full of the Eastfield Lighting (Hong Kong) Limited ("**Eastfield**") payment, of up to an amount of US$1.75 million, and make the PFG payment, of an amount up to US$2.5 million. Refer to the ASX announcement dated 16 July 2021, the prospectus and supplementary prospectus dated 20 July 2021 and 21 July 2021 and the notice of meeting dated 30 July 2021 for further details.

An appendix 3B for the issue of the Convertible Notes will follow this announcement.

Shareholders are advised that the Company's debt refinancing and application of funds raised via the issue of the Convertible Notes will decrease the Company's unaudited current liabilities as at 30 June 2021 by A$9.4 million[1] (comprising a debt forgiveness from Eastfield of approximately A$4 million, A$1.3 million of debt retired from funds raised and the movement of A$4.1 million of debt to PFG due this year to 2024). Since the financial year ended 30 June 2020, the Company has decreased its current liabilities from A$47.1 million to A$22.4 million (which is comprised of approximately A$20 million in both accounts payable & provisions, and the balance of the Company's US$10m working capital facility with PFG).[1]

The Company refers to the acquisition of LIFX in March 2019 and also wishes to advise that, as at the date of this announcement, the Company has reduced its US$22.55 million of debt (which was assumed to facilitate the LIFX acquisition) to US$8.46 million, comprised of US$4.21 million of term debt owing to PFG and due in May 2024, and Convertible Notes issued to PFG to raise US$4.25 million, also with a maturity date in May 2024.

For and on behalf of Buddy Technologies Limited,



David P. McLauchlan
Chief Executive Officer
Buddy Technologies Limited.

[1] Based on an AUD/USD exchange rate of 0.7518

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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 Commercial Business and Consumer Business. **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'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 well over a million homes and considered to be the #2 brand of smart lights globally. 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 US and Canada).

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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