



ASX MARKET RELEASE

Issue of Securities - LIFX Acquisition

25 June 2019 - Adelaide, South Australia

Buddy Technologies Limited ("**Company**" or "**Buddy**") (ASX: BUD) advises that it has issued 49,028,811 fully paid ordinary shares in Buddy ("**Shares**") to various Minority Vendors (as defined in the notice of meeting dated 22 February 2019) in respect to the acquisition of the entire issued share capital of Lifi Labs, Inc. trading as LIFX ("**LIFX**") ("**Acquisition**").

Buddy has now completed the issue of all Minority Vendor Shares (as defined in the notice of meeting dated 22 February 2019) to Minority Vendors in connection with the Acquisition.

Refer to Buddy's ASX Announcement of 1 April 2019 and the Notice of Meeting and Addendum dated 22 February 2019 and 19 March 2019, respectively, for further details of the Acquisition.

For further information please contact:

The Company Secretary
Mr Stuart Usher
+61 4999 000 44

For personal use only

For personal use only

About Buddy

Buddy Technologies Limited (ASX:BUD) helps customers of any size to “make every space smarter”, by way of two subsidiaries – **Buddy Platform** (the commercial business) and **LIFX** (the consumer business). Within Buddy Platform, Buddy Cloud and Buddy Ohm are the company’s core offerings that empower its customers to fully leverage digital technologies and their impact in a strategic and sustainable way. Buddy Cloud enables ubiquitous access to and storage of data from any environment – recreational vehicles, schools, commercial buildings or an entire city – in support of smarter, healthier spaces. Buddy Ohm is a resource monitoring solution that simplifies building operations and provides peace of mind by harnessing real-time utility and operational data to reduce or mitigate risk and improve operations, savings and sustainability.

For more than six years, LIFX 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 US and Canada).

Buddy is headquartered in Adelaide, Australia, with offices in Seattle, Melbourne, Silicon Valley and Shenzhen.

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

###

Buddy Technologies Contact:

Brian Seitz, Group VP of Marketing & Communications

Phone: +1 (206) 745-9079

Email: ir@buddy.com



Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Buddy Technologies Limited

ABN

21 121 184 316

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1 +Class of +securities issued or to be issued

(1) Fully Paid Ordinary Shares – Quoted
(2) Employee Incentive Performance Rights
(3) Employee Incentive Options - unquoted

2 Number of +securities issued or to be issued (if known) or maximum number which may be issued

(1) 64,328,474 Fully Paid Ordinary Shares
(2) 1,100,000 Employee Incentive Performance Rights
(3) 532,765 Employee Incentive Options (unquoted)

For personal use only

Appendix 3B
New issue announcement

<p>3 Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)</p>	<p>(1) Fully Paid Ordinary Shares - Quoted</p> <p>(2) Employee Incentive Performance Rights issued in accordance with the Employee Incentive Rights Plan, with each Employee Incentive Performance Right vesting upon the satisfaction of certain milestones.</p> <p>(3) Employee Incentive Options exercisable at \$0.0759 each and expiring 29 March 2023</p>
<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes for Ordinary Shares</p> <p>No for Employee Incentive Performance Rights – only on vesting conditions being satisfied and conversion to Ordinary Shares</p> <p>No for Options – only on exercise of options and conversion to Ordinary Shares</p>
<p>5 Issue price or consideration</p>	<p>(1) (a) 713,408 Ordinary Shares on conversion of Employee Incentive Performance Rights (Nil Price)</p> <p>(1) (b) 14,586,255 Ordinary Shares on issue from the Employee Incentive Plan (Nil Price)</p> <p>(1) (c) 49,028,811 Ordinary Shares issued at A\$0.0759 per Share (LIFX minority vendors)</p> <p>(2) 1,100,000 Employee Incentive Performance Rights (Nil Price)</p> <p>(3) 532,765 Employee Incentive Options (Nil Price)</p>

+ See chapter 19 for defined terms.

For personal use only

<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>(1) (a) 713,408 Ordinary shares issued on vesting and conversion of Employee Incentive Performance Rights</p> <p>(1) (b) 14,586,255 Ordinary Shares issued from the Employee Incentive Plan</p> <p>(1) (c) 49,028,811 Ordinary Shares issued to certain minority vendors in accordance with the LIFX acquisition (Shareholder approval was received at a General Meeting held on 25 March 2019, Resolution 1)</p> <p>(2) 1,100,000 Performance rights Issued in accordance with the Employee Incentive Plan</p> <p>(3) 532,765 Options issued in accordance with the Employee Incentive Plan</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>No</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>-</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>-</p>
<p>6d Number of +securities issued with security holder approval under rule 7.1A</p>	<p>Nil</p>
<p>6e Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)</p>	<p>49,028,811 Issued in accordance with the resolutions passed by shareholders at a General Meeting held on 25 March 2019</p>
<p>6f Number of securities issued under an exception in rule 7.2</p>	<p>16,932,428</p>

Appendix 3B
New issue announcement

6g If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.

	N/A
--	-----

6h If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements

	N/A
--	-----

6i Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements

7.1	280,398,002
7.1A	-

7 Dates of entering +securities into uncertificated holdings or despatch of certificates

25 June 2019

8 Number and +class of all +securities quoted on ASX (*including* the securities in clause 2 if applicable)

Number	+Class
1,869,320,010	Fully Paid Ordinary Shares

Number	+Class

+ See chapter 19 for defined terms.

For personal use only

9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	2,806,647	Options exercisable at \$0.10 expiring 17/11/2020
		100,000,000	Options exercisable at \$0.0759 cents expiring 01/04/2024
		532,765	Options exercisable at \$0.0759 cents expiring 29/03/2023
		4,898,503	Performance Rights
		31,833,334	Performance Shares
		22,356,269	Employee Incentive Performance Rights
		24,000,000	Performance Shares (LIFX)
		24,000,000	Performance Rights (LIFX)

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A
----	--	-----

Part 2 - Bonus issue or pro rata issue

- 11 Is security holder approval required?
- 12 Is the issue renounceable or non-renounceable?
- 13 Ratio in which the +securities will be offered
- 14 +Class of +securities to which the offer relates
- 15 +Record date to determine entitlements
- 16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?

Appendix 3B
New issue announcement

- 17 Policy for deciding entitlements in relation to fractions
- 18 Names of countries in which the entity has +security holders who will not be sent new issue documents
Note: Security holders must be told how their entitlements are to be dealt with.
Cross reference: rule 7.7.
- 19 Closing date for receipt of acceptances or renunciations
- 20 Names of any underwriters
- 21 Amount of any underwriting fee or commission
- 22 Names of any brokers to the issue
- 23 Fee or commission payable to the broker to the issue
- 24 Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders
- 25 If the issue is contingent on +security holders' approval, the date of the meeting
- 26 Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled
- 27 If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders
- 28 Date rights trading will begin (if applicable)
- 29 Date rights trading will end (if applicable)

+ See chapter 19 for defined terms.

For personal use only

- 30 How do +security holders sell their entitlements *in full* through a broker?
- 31 How do +security holders sell *part* of their entitlements through a broker and accept for the balance?
- 32 How do +security holders dispose of their entitlements (except by sale through a broker)?
- 33 +Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(*tick one*)

(a) Securities described in Part 1

(b) All other securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Appendix 3B
New issue announcement

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
 1 - 1,000
 1,001 - 5,000
 5,001 - 10,000
 10,001 - 100,000
 100,001 and over
- 37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

-

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)

Number	+Class
--------	--------

+ See chapter 19 for defined terms.

For personal use only

42 Number and +class of all +securities quoted on ASX (*including* the securities in clause 38)

--	--

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

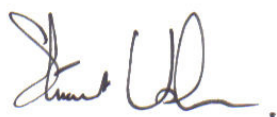
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



(Company Secretary)
Stuart Usher

Date: 25 June

2019

=====

+ See chapter 19 for defined terms.

For personal use only

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for +eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
<i>Step 1: Calculate "A", the base figure from which the placement capacity is calculated</i>	
<i>Insert</i> number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	1,072,073,287
<i>Add</i> the following:	
<ul style="list-style-type: none"> • Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 	49,530,889
<ul style="list-style-type: none"> • Number of fully paid ordinary securities issued in that 12 month period with shareholder approval 	226,250,000
<ul style="list-style-type: none"> • Number of partly paid ordinary securities that became fully paid in that 12 month period 	391,267,878
<ul style="list-style-type: none"> • Number of partly paid ordinary securities that became fully paid in that 12 month period 	130,197,956
<i>Note:</i>	
<ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
<i>Subtract</i> the number of fully paid ordinary securities cancelled during that 12 month period	-
"A"	1,869,320,010
<i>Step 2: Calculate 15% of "A"</i>	
"B"	0.15
	<i>[Note: this value cannot be changed]</i>
<i>Multiply</i> "A" by 0.15	280,398,002

For personal use only

Step 3: Calculate "C", the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p>Note:</p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	-
"C"	-
Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1	
<p>"A" x 0.15</p> <p>Note: number must be same as shown in Step 2</p>	280,398,002
<p>Subtract "C"</p> <p>Note: number must be same as shown in Step 3</p>	-
<p>Total ["A" x 0.15] – "C"</p>	<p>280,398,002</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate "A", the base figure from which the placement capacity is calculated	
"A" <i>Note: number must be same as shown in Step 1 of Part 1</i>	-
Step 2: Calculate 10% of "A"	
"D"	0.10 <i>Note: this value cannot be changed</i>
Multiply "A" by 0.10	-
Step 3: Calculate "E", the amount of placement capacity under rule 7.1A that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	-
"E"	-

+ See chapter 19 for defined terms.

For personal use only

Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A	
"A" x 0.10 <i>Note: number must be same as shown in Step 2</i>	-
Subtract "E" <i>Note: number must be same as shown in Step 3</i>	-
Total ["A" x 0.10] – "E" <i>Note: this is the remaining placement capacity under rule 7.1A</i>	-

+ See chapter 19 for defined terms.