



# ASX MARKET RELEASE

## Update on Dispute with CST

### **6 November 2019 – Adelaide, South Australia**

Buddy Technologies Limited ("Company") (ASX:BUD) refers to its request for a trading halt on 28 October 2020, and further request for a voluntary suspension on 30 October 2020 and 4 November 2020.

The Company had previously entered into an equity financing agreement ("Agreement") with CST Capital Pty Ltd ATF the CST Investments Fund ("CST") that was terminated prior to being drawn upon (refer to the ASX announcements dated 5 May 2020 and 7 September 2020 for further details).

The Company was recently forwarded (by CST's legal counsel) copies of:

- a) a writ of summons issued out of the District Court of Western Australia dated 7 August 2020 ("Writ") alleging a breach of the Agreement and claiming unspecified damages ("Claim"); and
- b) a default judgment entered in the District Court of Western Australia dated 3 September 2020, that the Company pay CST the value of damages yet to be assessed ("Default Judgment"),

(together, the "District Court Documentation").

Due to the Company's implementation of COVID-19 protocols, the Company was not aware that the Writ had been served by post to the Company's registered office until its recent receipt of the District Court Documentation. Accordingly, the Default Judgment was granted in favour of CST in the absence of the Company entering an appearance to defend the Claim at the District Court in response to the Writ. The Company has expressed its disappointment to CST that neither the Company, nor its legal counsel (well known to CST and their legal counsel from negotiating the original Agreement), was afforded the professional courtesy of an email making it aware of the Writ prior to CST applying for and Default Judgment being granted.

The Company considers the Claim to be fundamentally misconceived and denies that CST is entitled to recover any material damages whatsoever from Buddy. The Company's legal counsel has entered a conditional appearance with the District Court and the Company has instructed its legal counsel to promptly apply to set aside the Default Judgment and defend the legal proceedings.

Notwithstanding the above, the Company has continued to operate undistracted and at full capacity. As a courtesy, the finance partners of the Company were all fully briefed on these proceedings, including Partners for Growth (“PFG”), with whom a binding term sheet was recently signed for a US\$20 million debt refinance and growth finance facility (refer to the ASX announcement dated 21 October 2020). The Company can confirm that its finance facilities remain unaffected, it is business as usual for team members working around the world, and both the Company and PFG remain determined to conclude customary diligence and final documentation for the new finance facility as soon as possible.

For and on behalf of Buddy Technologies Limited,



**David P. McLauchlan**  
Chief Executive Officer  
Buddy Technologies Limited.

## 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 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 Melbourne (AU), Seattle (US), Dublin (IE), Shenzhen (CN) and Silicon Valley (US).

For more information, visit [www.buddy.com](http://www.buddy.com) and [www.lifx.com](http://www.lifx.com).

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