



Buddy

BUDDY TECHNOLOGIES LIMITED

ACN 121 184 316

**PRELIMINARY FINAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

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BUDDY TECHNOLOGIES LIMITED

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 30 JUNE 2021

Corporate Information

Directors:

Richard Borenstein
Non-Executive Chairman

David McLauchlan
Group CEO & Executive Director

Jim Nelson
Executive Director

Paul Russell
Executive Director

Company Secretary:

Vicky Allinson

Lawyers:

Thompson Geer
Level 27, Exchange Tower
2 The Esplanade
Perth, WA 6000

Auditors:

RSM Australia Partners
Level 21
55 Collins Street
Melbourne, VIC 3000

Home Stock Exchange:

Australian Securities Exchange Limited
Level 40, Central Park
152-158 St George's Terrace
Perth, WA 6000

ASX Code:

BUD (Ordinary Shares)

Registered Office:

Level 3, 12 Pirie Street
Adelaide SA 5000
Telephone: 1-800-831-317
Facsimile: +61-8-8125-5931

Websites:

www.buddy.com www.lifx.com

Seattle Office:

300 Lenora Street #1591
Seattle, WA 98101
United States of America
Telephone: +1-206-899-2525

Adelaide Office:

Level 3, 12 Pirie Street
Adelaide, SA 5000
Telephone: 1-800-831-317
Facsimile: + 61 8 8125 5931

Lifi Labs Management PTY LTD

105 Dover Street
Cremorne, VIC 3121
Telephone: (03) 9141 1155

Share Registry:

Link Market Services Limited
Level 12, QV1 Building
250 St Georges Terrace
Perth, WA 6000

Bankers:

Westpac Banking Corporation
108 Stirling Highway
Nedlands WA 6009

Commonwealth Bank
100 King William Street
Adelaide, SA 5000

BUDDY TECHNOLOGIES LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

PRINCIPAL ACTIVITIES

Buddy Technologies Limited (ASX:BUD) 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 team licenses Buddy’s technology platforms to customers for integration into their own products.

Buddy’s Consumer Business trades under the LIFX brand and was acquired in 2019. LIFX has established a leading market position as a provider of smart lighting solutions. LIFX products are sold in over 100 countries worldwide, directly and via distribution and sales partnerships with leading retailers and ecommerce platforms including Amazon, JB Hi-Fi, Bunnings and Best Buy (in both the US and Canada).

SUMMARY OF OPERATIONS

Total customer revenues for the year ended 30 June 2021 were \$28,771,121, decreasing \$2,228,233, or 7% from \$30,999,354 in the previous year. This decrease was primarily the result of reduced service revenue in our Commercial business, which was significantly impacted by the COVID-19 pandemic. Further, growth in the Consumer business (LIFX) was also impacted by the COVID-19 pandemic, both due to closure of retail locations caused by lockdowns, and impact on the supply chain.

Cost of revenues decreased \$441,545 or 2% to \$21,341,142 in 2021 from \$21,782,687 in 2020 due to lower sales somewhat offset by higher parts and shipping costs due to the impact of COVID-19 on the world-wide supply chain.

Core operating expenses, which includes advertising & marketing expenses, financial, administration, insurance & compliance costs, IT & web costs, employee benefits expense and research & development costs decreased \$3,889,544 or 20% from \$19,943,486 in 2020 to \$16,053,942 in 2021.

The net loss for the year totaled \$6,641,141 which improved dramatically from a loss in the prior year of \$45,277,907. The 2021 loss was favorably impacted by the forgiveness of debt related to the acquisition of \$12,943,641, whereas the 2020 loss was negatively impacted by the write-down of intangible assets of \$18,600,000.

Included in expenses in 2021 are \$6,962,657 (\$8,489,312 in 2020) of non cash-based expenses (including depreciation, share based payments, amortization of intangibles, option based payments and income tax benefit), \$1,144,293 of expenses related to refinancings and \$8,277,342 (\$6,049,185 in 2020) of interest expense (including loan facility fees, arranger fees and the cost of shares issued in conjunction with those facilities) which is primarily related to our acquisition debt, the January 2021 debt restructuring and, to a lesser extent, our ongoing working capital facilities.

Share based payments, which represent the value of employee incentive performance rights that the Group issues as part of every employee’s compensation plan and totaled \$1,482,074 in 2021 – a decrease of \$581,913 from \$2,063,987 in the prior year primarily due to a lower share price and therefore a lower expense. Amortization of intangibles (\$6,680,000 in both 2021 and 2020) and income tax benefit (\$1,402,800 in 2021 and \$1,373,508 in 2020) are related to intangible assets and liabilities which resulted from the acquisition of Lifx in 2019.

BUDDY TECHNOLOGIES LIMITED

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 30 JUNE 2021

	Consolidated	
	Buddy Technologies Limited 30 June 2021 \$	Buddy Technologies Limited 30 June 2020 \$
Sale of goods revenue	28,071,122	28,341,500
Service revenue	699,999	2,657,854
Government grants & subsidies received	1,466,140	1,070,982
Government rebates received	909,185	39,600
Finance & miscellaneous income	138,546	121,520
Cost of revenues	(21,341,142)	(21,782,687)
Advertising & marketing expenses	(2,844,303)	(4,840,423)
Financial, administration, insurance & compliance costs	(1,579,624)	(2,429,110)
Depreciation	(526,435)	(692,833)
IT & web costs	(87,617)	(169,183)
Employee benefits expense	(9,868,480)	(10,634,915)
Share based payments	(1,482,074)	(2,063,987)
Research & development	(1,673,918)	(1,869,855)
Amortization of intangibles	(6,680,000)	(6,680,000)
Refinancing costs	(1,144,293)	-
Acquisition related costs	-	(1,910,504)
Interest costs	(8,277,342)	(6,049,185)
Option based payments	323,052	(426,000)
Realised foreign currency gains (losses)	2,869,602	(734,189)
Gain on debt forgiveness	12,983,641	-
Impairment of intangible assets	-	(18,600,000)
Loss before income tax expense	(8,043,941)	(46,651,415)
Income tax benefit	1,402,800	1,373,508
Loss for the year	(6,641,141)	(45,277,907)
<i>Other Comprehensive Income / (Loss):</i>		
Items that may be reclassified subsequently to profit or loss:		
Revaluation of investments at fair value through other comprehensive income (FVOCI)		-
Foreign currency translation differences for foreign operations	(163,208)	(1,709,764)
Other comprehensive loss for the period, net of tax	(163,208)	(1,709,764)
Total Comprehensive Loss for the year	(6,804,349)	(46,987,671)
Basic & Diluted Loss per share - cents per share	(0.24)	(2.15)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the notes to the financial statement

BUDDY TECHNOLOGIES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

		Consolidated	
		Buddy Technologies Limited 30 June 2021	Buddy Technologies Limited 30 June 2020
	Note		
ASSETS			
Current Assets			
Cash and cash equivalents		2,092,212	2,502,462
Trade and other receivables		4,975,830	2,579,550
Inventory		11,949,003	4,531,106
Other assets - Prepayments		1,519,693	5,084,581
Total current assets		20,536,738	14,697,699
Non-current assets			
Property, plant & equipment		882,901	573,429
Right of use asset		146,785	254,849
Intangible assets	2	56,998,956	63,678,956
Total Non-Current Assets		58,028,642	64,507,234
TOTAL ASSETS		78,565,380	79,204,933
LIABILITIES			
Current Liabilities			
Trade and other payables		5,949,598	13,375,644
Provisions		578,748	535,152
Lease liability		41,059	104,905
Borrowings including current portion of term loan	3	25,227,313	14,555,395
Deferred acquisition consideration	3	-	18,577,437
Total Current Liabilities		31,796,718	47,148,533
Non-Current Liabilities			
Lease liability		261,611	145,492
Term Loan	3	6,038,140	-
Deferred taxation		3,857,700	5,260,500
Total Non-Current Liabilities		10,157,451	5,405,992
TOTAL LIABILITIES		41,954,169	52,554,525
NET ASSETS		36,611,212	26,650,408
EQUITY			
Share capital	4	141,813,696	126,207,566
Reserves		35,839,093	35,737,293
Accumulated losses		(141,041,578)	(134,681,101)
Equity attributable to owners of the parent		36,611,212	26,650,408
TOTAL EQUITY		36,611,212	26,650,408

The Consolidated Statement of Financial Position should be read in conjunction with the notes to the financial statements

BUDDY TECHNOLOGIES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Consolidated	
	Buddy Technologies Limited	Buddy Technologies Limited
	30 June 2021	30 June 2020
	\$	\$
Cash flows from operating activities		
Receipts from customers	26,543,617	32,183,498
Interest & miscellaneous income received	138,546	121,520
Receipts of government grants and subsidies	1,297,364	1,359,531
Receipts of government rebates	909,185	39,600
Payments for research & development	(1,673,918)	(1,869,655)
Payments to suppliers and employees	(39,532,917)	(38,368,721)
Debt raising and acquisition related costs	(1,144,293)	(2,013,659)
Interest paid	(7,425,481)	(1,707,213)
Net cash flows used in operating activities	(20,887,898)	(10,255,099)
Cash flows from investing activities		
Payments for plant and equipment	(611,724)	(221,705)
Payments received for notes receivable	-	333,761
Net cash flows used in investing activities	(611,724)	112,056
Cash flows from financing activities		
Proceeds from borrowings	35,056,046	7,784,229
Proceeds from share issue	13,000,000	11,437,481
Repayment of borrowings	(26,099,841)	(7,242,920)
Lease payments	(63,846)	(53,650)
Capital Raising Costs	(639,780)	(527,926)
Net cash flows provided by financing activities	21,252,579	11,397,214
Net (decrease)/increase in cash and cash equivalents held	(247,042)	1,254,171
Effect of FX rate changes	(163,208)	(1,709,764)
Cash and cash equivalents at the beginning of the period	2,502,462	2,958,055
Cash and cash equivalents at the end of the period	2,092,212	2,502,462

The Consolidated Statement of Cash Flows should be read in conjunction with the notes to the financial statements.

BUDDY TECHNOLOGIES LIMITED

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Consolidated Statement of Changes in Equity

Consolidated 2021	Issued Capital \$	Share and Option Reserve \$	Foreign Currency Translation Reserve \$	Fair Value Reserve \$	Accumulated Losses \$	Total Equity \$
Total equity at 1 July 2020	126,207,566	35,737,293	64,916	(678,266)	(134,681,101)	26,650,408
Expiration of options	-	(280,664)	-	-	280,664	-
Total Profit / (Loss) for the period	-	-	-	-	(6,641,141)	(6,641,141)
Other Comprehensive Income	-	-	(163,208)	-	-	(163,208)
Total Comprehensive Income / (Loss) for the period	-	-	(163,208)	-	(6,641,141)	(6,804,349)
Transactions with equity holders:						
<i>Shares issued during the period:</i>						
Shares issued in satisfaction of debt	3,245,910	-	-	-	-	3,245,910
Shares issued pursuant to capital raising	13,000,000	-	-	-	-	13,000,000
Costs of capital raising	(639,780)	-	-	-	-	(639,780)
Share based payments	-	1,482,074	-	-	-	1,482,074
Option based payments	-	(323,052)	-	-	-	(323,052)
	-	-	-	-	-	-
Total equity at 30 June 2021	141,813,696	36,615,651	(98,292)	(678,266)	(141,041,578)	36,611,212

BUDDY TECHNOLOGIES LIMITED

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Consolidated Statement of Changes in Equity

Consolidated 2020	Issued Capital	Share and Option Reserve	Foreign Currency Translation Reserve	Fair Value Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$	\$
Total equity at 1 July 2019	115,298,012	32,936,754	1,774,680	(678,266)	(89,403,194)	59,927,986
Total Profit / (Loss) for the period	-	-	-	-	(45,284,210)	(45,284,210)
Other Comprehensive Income	-	-	(1,709,764)	-	-	(1,709,764)
Total Comprehensive Income / (Loss) for the period	-	-	(1,709,764)	-	(45,284,210)	(46,993,974)
Transactions with equity holders:						
Shares issued during the period:						
Shares issued pursuant to capital raising	11,437,480	-	-	-	-	11,437,480
Costs of capital raising	(527,926)	-	-	-	-	(527,926)
Share based payments	-	2,814,247	-	-	-	2,814,247
Option based payments	-	426,000	-	-	-	426,000
Total equity at 30 June 2020	126,207,566	36,177,001	64,916	(678,266)	(134,687,404)	27,083,813

NOTE 1. ACCOUNTING POLICIES

Basis of Preparation

This general purpose financial report for the year ended 30 June 2021 has been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standards and authoritative pronouncements of the Australian Accounting Standards Board ("AASB").

Buddy Technologies Limited (the "Company") is a company domiciled in Australia. The consolidated preliminary financial report of the Company as at 30 June 2021 comprises the Company and its subsidiaries (collectively referred to as the "Group").

The financial information in this report does not include all the notes of the type normally included within the annual financial reports and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial reports.

Therefore, it is recommended that this report should be read in conjunction with the annual financial reports for the year ended 30 June 2021, when it becomes available, and be considered together with any public announcements made by Buddy Technologies Limited during the year ended 30 June 2021 in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report except for the adoption of new accounting standards as set out below.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the Group:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The Group has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the consolidated entity's financial statements.

NOTE 2. INTANGIBLE ASSETS

On 1 April 2019, the Company completed the acquisition of LIFX. For accounting purposes, the purchase price to be allocated to assets and liabilities (both tangible and intangible) totalled \$71,881,806. This amount is made up of stock and options issued, cash paid, and the establishment of deferred consideration (described in note 5). In addition, LIFX's tangible net assets were negative \$11,733,140 and deferred taxation totalled \$7,014,000 which increased the amount of goodwill.

In accordance with Accounting standard AASB 136 *Impairment of assets*, the Group reviews intangible assets for impairment twice a year (in conjunction with the Interim Financial Report and the Annual Report). If an

BUDDY TECHNOLOGIES LIMITED
CONDENSED NOTES TO THE FINANCIAL STATEMENTS

impairment charge is warranted, it is measured as the amount by which the carrying amount of the asset group exceeds its recoverable amount based on a discounted cash flow analysis or appraisals.

Intangibles	30 June 2021	30 June 2020
	\$	\$
Brand and intellectual property	33,400,000	33,400,000
Amortization	(15,030,000)	(8,350,000)
	<u>18,370,000</u>	<u>25,050,000</u>
Goodwill	38,628,956	57,228,956
Impairment	-	(18,600,000)
	<u>38,628,956</u>	<u>38,628,956</u>
Total intangibles	<u><u>56,998,956</u></u>	<u><u>63,678,956</u></u>

NOTE 3. BORROWINGS AND DEFERRED ACQUISITION CONSIDERATION

Borrowings	30 June 2021	30 June 2020
	\$	\$
Lines of Credit	13,301,410	11,850,108
Term Loans	9,788,305	
Eastfield LoC+AP	7,675,738	
Other loans facilities	500,000	
Inventory Finance Facility	-	2,521,644
COVID-19 government loans	-	183,644
Total borrowings and term loans	<u>31,265,453</u>	<u>14,555,395</u>
Current portion	25,227,313	14,555,395
Long-term portion	6,038,140	-
Total borrowings and term loans	<u><u>31,265,453</u></u>	<u><u>14,555,395</u></u>

The Group has entered into the following lending arrangements:

Loan facility: **Line of Credit**

Total drawn at 30 June 2021: US\$10,000,000 (\$13,301,410)

Total Facility Amount: US\$10,000,000

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

BUDDY TECHNOLOGIES LIMITED
CONDENSED NOTES TO THE FINANCIAL STATEMENTS

Loan facility: **Term Loan Tranche 1**

Total drawn at 30 June 2021: US\$6,907,895 (\$9,188,474)

Loan: Term Loan

Total Facility Amount: US\$6,907,895 (originally US\$7.5 million)

Use of funds: refinancing previously existing debt

Lenders: Partners For Growth

Interest Rate: 12.5%

Secured or unsecured: secured by Group assets

Payment: As of 30 June 2021: monthly payments of principal of US\$197,368 plus interest due. This obligation was restructured whereby on 31 August 2021, the outstanding balance will be reduced by US\$2.5 million by the issuance of long-term debt in the form of convertible promissory notes. After this reduction, the monthly payments on this obligation will be reduced to approximately US\$127,592 plus interest due.

Term: May 2024

A second term loan, **Term Loan Tranche 2**, of US\$2,500,000 was entered into in January 2021 and was offset by issuance of BUD shares totaling US\$2,500,000 million. This tranche is paid down as the lender sells the shares, has the same terms as the PFG Term Loan above (but with no principal payments due) and has a net current balance (after subtracting the remaining shares held by the lender) of \$599,831 as at 30 June 2021.

Loan facility: **Eastfield LoC+AP**

Total facility US\$5,770,620 (A\$7,675,738) including accrued interest

Total drawn at 30 June 2021: US\$5,770,620 (A\$7,675,738) including accrued interest

Use of funds: Working capital (incurred prior to acquisition of Lifi Labs, Inc. dba LIFX) In 2019, as part of the acquisition of LIFX, the Group assumed these obligations which LIFX had with their primary shareholder and manufacturer, Eastfield. Some of these amounts were previously held in Accounts Payable and as part of the January debt refinancing, were reclassified as borrowings.

Lender: Eastfield/Luminous (from acquisition of Lifi Labs, Inc. dba LIFX)

Interest Rate: US\$3 million at 12% + 5% on late payments plus US\$2.4 million at 15%

Secured or unsecured: US\$3 million secured by second position on assets; remainder is unsecured

Payment: Subsequent to year-end, this obligation will be reduced to US\$2.75 million and is due 31 August 2021.

This payment will be financed by US\$1 million from the Group and US\$1.75 million from the issuance of long-term convertible promissory notes. Once these payments are made, there will be no further obligation outstanding under this agreement.

Loan facility: **Loan Facility 1**

Total drawn at 30 June 2021: \$250k

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 30 June 2021: \$250k

Total Facility Amount: \$1.5 million

Use of funds: Working capital

Lender: Anfield Group Pty. Ltd.

BUDDY TECHNOLOGIES LIMITED
CONDENSED NOTES TO THE FINANCIAL STATEMENTS

Interest Rate: 10%.

Secured or unsecured: unsecured

Payment: upon maturity (26 November 2022)

Term: 26 May 2021 – 26 November 2022

Subsequent to year-end, the Group entered into the following arrangement:

Loan facility: **Convertible Promissory Notes**

Total drawn at 30 June 2021: nil

Total Facility Amount: Up to 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 Group 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. If shareholder approval is not obtained, the Company will issue Promissory Notes (i.e. a straight debt instrument) and the Company would repay PFG 1.5 times the principal amount plus any accrued interest at maturity.

Term: August 2021 to 4 May 2024

NOTE 4. SHARE CAPITAL

In November 2020, the Company initiated a placement of shares totaling \$13,000,000. The total capital raising costs were 639,780.

In January 2021, as part of a debt refinancing, the Company incurred borrowings totaling US\$2,500,000 from their lender, Partners For Growth. The proceeds were used to pay down obligations related to the acquisition in 2019. This new borrowing was offset by the issuance of BUD shares totaling US\$2,500,000 (\$3,245,910) based on the share value at the time of issuance. Also, as a part of this refinancing, the Company cancelled 50 million options with a value of \$2,491,092 and issued 50 million options with a value of \$2,168,000.

NOTE 5. SEGMENT REPORTING

The chief operating decision makers received operating results for the following three segments:

- Commercial Business. This segment includes all activities related to Buddy Ohm and Buddy Managed Services as well as any future products or services sold where the end-customer is a commercial business.
- Consumer Business. This segment includes all activities related to LIFX as well as any future products or services sold where the end-customer is a consumer whether sold through retailers or directly.
- Corporate. This segment includes the costs and expenses for operating the corporate operating functions including the corporate-level officers, insurance, ASX/ASIC fees, legal, audit and professional service fees, etc. It also includes all government rebate revenue, investment gains and losses, interest income and expense, share and option based payments and any amortization or impairment of intangibles. It holds all fixed and intangible assets and all debt.

BUDDY TECHNOLOGIES LIMITED
CONDENSED NOTES TO THE FINANCIAL STATEMENTS

Selected financial data for operating segments for the year ended 30, June 2021

	Commercial Business	Consumer Business	Corporate	Total
	\$	\$	\$	\$
External revenues	699,999	28,071,122	2,513,871	31,284,992
Inter-segment revenue	-	-	-	-
Total segment revenue	699,999	28,071,122	2,513,871	31,284,992
Result from operating activities	(1,241,427)	(5,051,553)	(1,750,962)	(8,043,941)
Loss before income tax	(1,241,427)	(5,051,553)	(1,750,962)	(8,043,941)
Income tax benefit	-	-	1,402,800	1,402,800
Loss after income tax	(1,241,427)	(5,051,553)	(348,162)	(6,641,141)
Interest & other income			138,546	138,546
Interest expense			(8,277,342)	(8,277,342)
Segment assets	429,271	18,015,255	60,120,854	78,565,380
Capital expenditures	-	-	(611,624)	(611,624)
Segment liabilities	-	5,029,135	36,925,034	41,954,169
<i>Material non-cash items</i>				
Depreciation and amortisation	-	-	(7,206,435)	(7,206,435)
Share based payments	-	-	(1,482,074)	(1,482,074)
Option based payments	-	-	323,052	323,052

BUDDY TECHNOLOGIES LIMITED
CONDENSED NOTES TO THE FINANCIAL STATEMENTS

Selected financial data for operating segments for the year ended 30, June 2020

	Commercial Business	Consumer Business	Corporate	Total
	\$	\$	\$	\$
External revenues	2,672,866	28,326,488	1,110,582	32,109,936
Inter-segment revenue	-	-	-	-
Total segment revenue	2,672,866	28,326,488	1,110,582	32,109,936
Result from operating activities	(355,077)	(6,737,810)	(14,310,382)	(21,403,269)
Loss before income tax	(355,077)	(6,737,810)	(39,564,831)	(46,657,718)
Income tax benefit	-	(29,292)	1,402,800	1,373,508
Loss after income tax	(355,077)	(6,767,102)	(38,162,031)	(45,284,210)
Interest & other income			121,520	121,520
Interest expense			(5,615,780)	(5,615,780)
Segment assets	1,989,185	13,079,845	63,678,956	79,204,933
Capital expenditures	(34,832)	(240,523)	-	(275,355)
Segment liabilities	1,773,792	23,843,537	26,503,792	52,121,121
<i>Material non-cash items</i>				
Depreciation and amortisation	(89,489)	(603,344)	(6,680,000)	(7,372,833)
Impairment expense	-	-	(18,600,000)	(18,600,000)
Share based payments	-	-	(2,503,695)	(2,503,695)
Option based payments	-	-	(426,000)	(426,000)

NOTE 8. EVENTS OCCURRING AFTER REPORTING DATE

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

The Group has made price-sensitive announcements since 30 June 2021. The reader is invited to read the entire announcements which are available in the investor section of the Group's website at <https://buddy.com/asx-announcements/>.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity, in subsequent financial years.

NOTE 9. AUDIT STATUS

This preliminary financial report is based on accounts which are in the process of being audited. No disputes or qualifications are likely to occur.

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