

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 August 2021

Consolidated statement of cash flows	Current Month \$A'000	Year to date (2 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,134	4,643
1.2 Payments for		
(a) research and development & web costs	(69)	(116)
(b) product manufacturing and operating costs	(1,569)	(2,912)
(c) advertising and marketing	(129)	(183)
(d) leased assets		
(e) staff costs	(749)	(1,463)
(f) administration and corporate costs	(122)	(403)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	(247)	(493)
1.6 Income taxes paid	(14)	(14)
1.7 Government grants and tax incentives		
1.8 Other (FX & restructuring costs)	(470)	(555)
1.9 Net cash from / (used in) operating activities	(1,235)	(1,496)

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 (2 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)		6,500
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	(40)	(396)
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings	(2,170)	(4,291)
3.7 Transaction costs related to loans and borrowings	(250)	(250)
3.8 Dividends paid		
3.9 Other (provide details if material)		
3.10 Net cash from / (used in) financing activities	(2,460)	1,563

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	5,877	2,092
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,235)	(1,496)
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 (2 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(2,460)	1,563
4.5	Effect of movement in exchange rates on cash held	(25)	(2)
4.6	Cash and cash equivalents at end of period	2,157	2,157

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	1,511	5,175
5.2	Call deposits	646	702
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)	2,157	5,877

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

Explanation of amounts in 6.1:

A\$ equivalent of payroll compensation paid to CEO of US\$ nil which is 0% of his contracted salary

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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.

	Total facility amount at month end \$A'000	Amount drawn at month end \$A'000
7.1 Loan facilities	26,990	23,990
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities	26,990	23,990

7.5 Unused financing facilities available at month end

3,000

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 August 2021: US\$8.6 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 Loan

Total drawn at 31 August 2021: US\$4.6 million
 Loan: Term Loan
 Total Facility Amount: US\$4.6 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 August 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 July 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 30 June 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

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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) <u>for two months</u>	(1,496)
8.2 Cash and cash equivalents at month end (Item 4.6)	2,157
8.3 Unused finance facilities available at month end (Item 7.5)	3,000
8.4 Total available funding (Item 8.2 + Item 8.3)	5,157
8.5 Estimated months of funding available (Item 8.4 divided by Item 8.1)	6.9

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

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

Date: 30 September 2021



Authorised by:
By the Board

Notes

1. 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.

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.