



Buddy

BUDDY TECHNOLOGIES LIMITED

ACN 121 184 316

PROSPECTUS

For an offer of up to 1,000 New Shares at an issue price of A\$0.01 (**Cleansing Offer**). The Cleansing Offer is being undertaken primarily for the purposes of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of certain Shares issued by the Company under its Incentive Plan.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY.

THE SECURITIES OFFERED IN CONNECTION WITH THIS PROSPECTUS ARE OF A SPECULATIVE NATURE. IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.

IMPORTANT INFORMATION

General

This Prospectus is dated 2 March 2022 and was lodged with ASIC on that date with the consent of all Directors. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus.

No New Shares will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

A copy of this Prospectus is available for inspection at the office of the Company at Level 3, 12 Pirie Street, Adelaide, SA 5000 during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (see Section 4.2).

The New Shares offered by this Prospectus should be considered speculative. Please refer to Section 3 for details relating to investment risks applicable to the Company.

Revenues and expenditures disclosed in this Prospectus are recognised exclusive of the amount of goods and services tax, unless otherwise disclosed.

This Prospectus will be made available in electronic form. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus (free of charge) from the Company's principal place of business by contacting the Company. The Cleansing Offer contemplated by this Prospectus is only available in electronic form to persons receiving an electronic version of this Prospectus within Australia.

Applications for New Shares will only be accepted on an Application Form that is provided by the Company, with a copy of this Prospectus in either paper or electronic form. The Corporations Act prohibits any person from passing on to another person an Application Form unless a complete and unaltered copy of this Prospectus accompanies it.

No person is authorised to give any information or to make any representation in connection with the Cleansing Offer that is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Cleansing Offer.

No action has been taken to permit the offer of New Shares under this Prospectus in any jurisdiction other than Australia.

Applicable law may restrict the distribution of this Prospectus in jurisdictions outside Australia and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of New Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

Continuously Quoted Securities

In preparing this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers. This Prospectus is issued pursuant to section 713 of the Corporations Act. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all information that would be included in a prospectus for an initial public offering.

Exposure Period

No exposure period applies to the Cleansing Offer.

Speculative Investment

An investment in the New Shares should be considered highly speculative. Refer to Section 3 for details of the key risks applicable to an investment in the Company.

Persons wishing to apply for New Shares should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance profits and losses and prospectus of the Company and the rights and liabilities attaching to the New Shares.

This Prospectus does not take into account the investment objectives, financial or taxation or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, their individual risk profile for speculative investments, investment objectives and individual financial circumstances. If persons considering applying for New Shares have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser.

There is no guarantee that the New Shares will make a return on the capital invested, that dividends will be paid on the New Shares or that there will be an increase in the value of the New Shares in the future.

Forward-looking Statements

This Prospectus contains forward-looking statements which may be identified by words such as 'believes', 'estimates', 'expects', 'intends', 'may', 'will', 'would', 'could', or 'should' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. Key risks associated with an investment in the Company are detailed in Section 3. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

The Company cannot and does not give assurances that the results, performance or achievements expressed or implied in the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

Website

No document or information included on the Company's website is incorporated by reference into this Prospectus.

Currency

All financial amounts contained in this Prospectus are expressed as Australian dollars unless otherwise stated.

Rounding

Any discrepancies between totals and sums and components in tables contained in this Prospectus are due to rounding.

Time

All references to time in this Prospectus are references to ACDT, unless otherwise stated.

Glossary

Defined terms and abbreviations used in this Prospectus are detailed in the glossary of terms in Section 6.

CORPORATE DIRECTORY

Directors

David McLauchlan – Executive Director & CEO
Richard Borenstein – Non-Executive Chairman
Paul Russell – Executive Director
James Nelson – Executive Director
Stephen Gates – Non-Executive Director

Company Secretary

Victoria Allinson

Registered Office

Level 3, 12 Pirie Street
Adelaide SA 5000

Home Exchange

Australian Securities Exchange
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

ASX Code

BUD

Website

<https://buddy.com/>

Auditors*

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

Share Registry*

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

Phone (within Australia): 1300 554 474
Phone (outside Australia): +61 2 9287 0309

Solicitors

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

* Included for information purposes only. These entities have not been involved in the preparation of this Prospectus.

PROPOSED TIMETABLE

Event	Indicative Date
Lodgement of Prospectus with ASIC	2 March 2022
Cleansing Offer Opening Date	2 March 2022
Cleansing Offer Closing Date	2 March 2022

The above timetable is indicative only and subject to change. Subject to compliance with all applicable laws, the Directors reserve the right to vary these dates, including the Closing Date of the Cleansing Offer at any time after the Opening Date, without prior notice.

For personal use only

TABLE OF CONTENTS

Section	Page No
1. Details of the Cleansing Offer	1
2. Purpose and Effect of the Cleansing Offer	6
3. Risk Factors	7
4. Additional information.....	14
5. Authorisation	21
6. Glossary of Terms.....	22

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1. Details of the Cleansing Offer

1.1 The Cleansing Offer

The Company is offering, pursuant to this Prospectus, 1,000 New Shares each at an issue price of A\$0.01 (**Cleansing Offer**).

All of the New Shares offered under this Prospectus will rank equally with Shares on issue at the date of this Prospectus. Refer to Section 4.1 for a summary of the rights attaching to the Shares.

The Company is only extending the Cleansing Offer to specific parties on invitation from the Directors. The Company will only provide Application Forms to these parties.

This Prospectus has been issued, and the Cleansing Offer is being undertaken, to facilitate the secondary trading of certain Shares issued under the Incentive Plan by the Company, as they were issued without disclosure under Part 6D.2 of the Corporations Act.

The Company previously issued Shares to certain employees, consultants and Directors under the Incentive Plan as follows:

- (a) 13,700,410 Shares issued in September 2021;
- (b) 12,807,303 Shares issued in October 2021;
- (c) 8,574,585 Shares issued in December 2021; and
- (d) 16,766,528 Shares issued in January 2022,

(together, the **Prior Incentive Shares**).

On 2 March 2022, the Company issued an additional 28,637,616 Shares under the Incentive Plan (**Recent Incentive Shares**).

Refer to the Appendix 2As dated 2 September 2021, 18 October 2021, 2 November 2021, 10 December 2021, 7 January 2022, 4 February 2022 and 2 March 2022 for further details.

1.2 Purpose of the Cleansing Offer

On 25 February 2022, the Company requested a trading halt pending the release of an announcement in respect to an administrative oversight (that occurred in 2021), resulting in the Company's inadvertent failure to lodge a prospectus in respect to the issue of certain Shares under the Incentive Plan.

The Company has applied to the Court for orders under section 1322 of the Corporations Act that any offer for sale, or sale, of certain Shares issued under the Incentive Plan is not invalid by reason of:

- (a) the failure of the Company to issue a notice under section 708(5)(e) of the Corporations Act or prospectus pursuant to section 708A(11) of the Corporations Act to exempt the sellers from the obligation of disclosure under the Corporations Act; or
- (b) the sellers' consequent failure to comply with section 707(3) of the Corporations Act.

The Company subsequently requested a voluntary suspension to the commencement of trading on Friday, 4 March 2022, pending the outcome of the Company's Court application which is presently scheduled to be heard on Thursday, 3 March 2022. Refer to the announcement dated 2 March 2022 for further details in respect to the Court application.

The Company is lodging this Prospectus to remove any trading restrictions that may have attached to the Prior Incentive Shares that have not been offered for sale, or sold, and the Recent Incentive Shares issued by the Company.

The Company is seeking to raise only a nominal amount of A\$10 (before expenses) under this Prospectus. Accordingly, the purpose of this Prospectus is not to raise capital.

Generally, section 707(3) of the Corporations Act requires that a prospectus is issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to on-sell those securities within 12 months of the date of their issue.

Section 708A(5) of the Corporations Act provides an exception to section 707(3) where an entity issues a 'cleansing' notice under section 708A(5). The Company has been suspended from trading on the ASX for more than 5 days in the last 12 months and as a result is precluded from issuing a 'cleansing' notice in accordance with section 708A(5) of the Corporations Act.

Section 708A(11) of the Corporations Act provides an exemption from this general requirement where:

- (c) the relevant securities are in a class of securities of the company that are already quoted on ASX;
- (d) a prospectus is lodged with ASIC either:
 - (i) on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (e) the prospectus is for an offer of securities issued by the company that are in the same class of securities as the relevant securities.

1.3 Purpose of the Prospectus

Accordingly, the purpose of this Prospectus is to:

- (a) make the Cleansing Offer; and
- (b) ensure that the on-sale of the Prior Incentive Shares (that have not been offered for sale or sold) and the Recent Incentive Shares do not breach section 707(3) of the Corporations Act by relying on the exemption to the secondary trading provisions in section 708A(11) of the Corporations Act.

1.4 Minimum subscription

There is no minimum subscription for the Cleansing Offer.

1.5 Opening and closing dates

The Company will accept Application Forms for the Cleansing Offer until 10.00pm (ACDT) on 2 March 2022 or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules

The Company reserves the right, subject to the Corporations Act and the Listing Rules, to extend the closing date of the Cleansing Offer without prior notice. If a closing date is varied, subsequent dates may also be varied accordingly.

1.6 Application Forms

The Company will send this Prospectus, together with a Cleansing Offer Application Form, to selected persons whom the Directors determine are eligible to participate in the Cleansing Offer.

If you wish to subscribe for New Shares, you should complete and return the Cleansing Offer Application Form, which will be provided with a copy of this Prospectus by the Company at the Company's discretion, in accordance with the instructions in the Cleansing Offer Application Form.

If you are in doubt as to the course of action, you should consult your professional advisor.

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of New Shares accepted by the Company. The Application Form does not need to be signed to be a binding acceptance of New Shares.

If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Application Form is final.

1.7 Issue and Dispatch

All New Shares under the Cleansing Offer are expected to be issued on or before the dates specified in the Indicative Timetable.

It is the responsibility of Applicants to determine their allocation prior to trading in New Shares. Applicants who sell New Shares before they receive their holding statements will do so at their own risk.

1.8 Application Monies held on trust

All Application Monies received for the New Shares will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the New Shares are issued. All Application Monies will be returned (without interest) if the New Shares are not issued.

1.9 ASX Quotation

Application will be made to ASX no later than seven days after the date of this Prospectus for Official Quotation of the New Shares offered under this Prospectus. If ASX does not grant Official Quotation of the New Shares within three months after the date of this Prospectus (or such period as the ASX allows), no New Shares will be issued or allotted and the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation is not to be taken in any way as an indication of the merits of the Company or its securities.

1.10 Withdrawal

The Directors may at any time decide to withdraw this Prospectus and the Cleansing Offer, in which case, the Company will return all Application Monies (without interest) in accordance with the Corporations Act.

1.11 CHES

The Company participates in the Clearing House Electronic Subregister System, known as CHES. ASX Settlement, a wholly owned subsidiary of ASX, operates CHES in accordance with the Listing Rules and Securities Clearing House Business Rules.

Under CHES, Applicants will not receive a certificate but will receive a statement of their holding of New Shares.

If you are broker sponsored, ASX Settlement will send you a CHESS statement.

The CHESS statement will set out the number of New Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the New Shares.

If you are registered on the Issuer Sponsored subregister, your statement will be dispatched by the Share Registry and will contain the number of New Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time; however, a charge may be made for additional statements.

1.12 Residents outside Australia

This Prospectus and any accompanying Application Form do not, and are not intended to, constitute an offer of New Shares in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus or the New Shares. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

1.13 Risk factors

An investment in New Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are detailed in Section 3.

1.14 Taxation implications

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for New Shares under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax adviser in connection with subscribing for New Shares under this Prospectus.

1.15 Privacy

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Acceptance and, if the Acceptance is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Acceptance.

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

1.16 Major activities and financial information

A summary of the activities and financial information relating to the Company for the financial year ended 30 June 2021 is in the Annual Report which was lodged with ASX on 1 October 2021.

A summary of the activities and financial information relating to the Company for the half year ended 31 December 2021 is in the Half Year Report which was released on ASX on 1 March 2022.

The Company's continuous disclosure notices (i.e. ASX announcements) since the lodgement of the Annual Report are listed in Section 4.2.

Copies of these documents are available free of charge from the Company. The Directors strongly recommend that Applicants review these and all other announcements prior to deciding whether or not to participate in the Cleansing Offer.

1.17 Enquiries

Enquiries relating to this Prospectus should be directed to the Company Secretary at cosec@buddy.com.

2. Purpose and Effect of the Cleansing Offer

2.1 Capital Structure on completion of the Cleansing Offer

The effect of the Cleansing Offer on the capital structure on the Company is as follows:

	Shares	Options	Performance Rights	Performance Shares	Warrants	Convertible Notes
Existing Securities	3,512,524,946	263,184,897 ¹	50,532,765	31,833,333	50,000,000	4,250,000
New Shares	1,000	-	-	-	-	-
Total	3,512,525,946	263,184,897	50,532,765	31,833,333	50,000,000	4,250,000

Notes:

- Comprising of:
 - 212,652,132 listed Options expiring 30/07/2024 exercisable at \$0.05.
 - 50,000,000 Options expiring 01/04/2024 exercisable at \$0.0759.
 - 532,765 Options expiring 29/03/2023 exercisable at \$0.0759.

2.2 Effect of the Cleansing Offer on the Company

After paying for the expenses of the Cleansing Offer of approximately A\$3,000, there will be no proceeds from the Cleansing Offer. The expenses of the Cleansing Offer exceeding A\$10 (being the amount raised if the Cleansing Offer is fully subscribed) will be met from the Company's existing cash reserves.

The Cleansing Offer will have a minimal effect on the Company's financial position, being receipt of funds of A\$10 less costs of preparing the Prospectus.

2.3 Market price of Shares

The highest and lowest market sale prices of Shares on ASX during the three months immediately preceding the date of this Prospectus and the latest market sale price and the respective dates of those sales were:

Highest:	A\$0.0160
Lowest:	A\$0.0080
Latest	A\$0.0080

2.4 Dividend policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

3. Risk Factors

The New Shares are considered highly speculative. An investment in the Company is not risk free. The proposed future activities of the Company are subject to a number of risks and other factors that may affect its future performance. Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, many of the risks are outside the control of the Directors and management of the Company and cannot be mitigated.

The risks described in this Section 3 are not an exhaustive list of the risks faced by the Company or by investors in the Company. It should be considered in conjunction with other information in this Prospectus. The risks described in, and others not specifically referred to, in this Section 3 may in the future materially affect the financial performance and position of the Company and the value of the New Shares offered under this Prospectus. The New Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, return of capital or the market value of those securities. The risks described in this Section 3 also necessarily include forward looking statements. Actual events may be materially different to those described and may therefore affect the Company in a different way.

Investors should be aware that the performance of the Company may be affected and the value of its Shares may rise or fall over any given period. The Directors strongly recommend that potential investors consider the risks detailed in this Section 3, together with information contained elsewhere in this Prospectus, and consult their professional advisers, before they decide whether to apply for the New Shares.

3.1 Risks Specific to the Company

(a) **Future Capital Needs and Additional Funding**

In July 2021 the Company undertook a debt restructure, an equity capital raising and commenced the implementation of a business restructure plan (refer to the ASX announcements dated 16 July 2021 and 20 July 2021). Since the implementation of these measures, the Company is no longer operating on a regular negative monthly cashflow basis, with trading from month to month fluctuating between a positive and negative cashflow position (largely due to the seasonal nature of the Company's business). As a result of this and the Company being in relatively early stage of implementing its business restructure plan, the Company remains reliant on its existing debt facilities and/or raising additional funds from investors to continue to fund its operations. The Company intends to continue to spend funds to manufacture LIFX products and expenses may exceed revenue, resulting in net losses in the future. The future capital requirements of the Company (both in respect to timing and quantum) will depend on many factors, including whether the Company can grow existing revenues and achieve its business strategy/plan.

No assurances can be given that the Company will be able to raise additional funding and the Company's ability to obtain additional funding will depend on investor demand, its performance and reputation, market conditions and other factors. The Company may seek to raise further funds through equity or debt financing or other means. Failure to obtain sufficient financing for the Company's activities and business may have a material adverse effect on the Company's business and its financial condition and performance. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable. If the Company continues to incur losses in the future, the net losses and negative cash flows may have an adverse effect on Shareholders equity and the Company's working capital.

(b) **Reliance on Major Customers**

A significant portion of the Company's existing revenue is derived from the sale of LIFX products, specifically to Amazon (US & Europe), Best Buy and JB Hi-Fi, and there is a risk that Amazon (US & Europe), Best Buy and/or JB Hi-Fi may cease to purchase LIFX products or significantly reduce the number of LIFX products purchased. Although the

Company has no reason to believe that Amazon (US & Europe), Best Buy and/or JB Hi-Fi will terminate their existing arrangements with the Company or reduce the number of LIFX products purchased, there is no assurance that circumstances may not change in the future. If Amazon (US & Europe), Best Buy and/or JB Hi-Fi terminate their existing arrangements or significantly reduces the number of LIFX products purchased, this may have a material adverse impact on the Company's revenues.

(c) **Late Payments/ Payment Disputes and Non-Payment from Customers**

If a material portion of customers, or in particular Amazon (US & Europe), Best Buy and/or JB Hi-Fi, were to default, or are late, in payment for LIFX products under their respective arrangements with the Company this could have a material adverse effect on the Company's business, operating results and financial condition. In order to mitigate this risk, the Company undertakes due diligence and the requisite credit checks in respect to each of its customers prior to entering into an arrangement.

(d) **Reliance on Key Relationships**

The Company relies on its manufacturing partners, including its primary manufacturer Eastfield Lighting (Hong Kong) Limited, for the manufacturing of its LIFX products offered to the market. If the Company's manufacturing partners cease to meet their commitments and/or obligations to the Company, including due to component shortages, loss of key licences or permits, this could have a material adverse effect on the Company's business, financial condition, operations and prospects.

(e) **Competition**

There is a risk that new entrants in the market may disrupt the Company's business and existing market share. Existing competitors as well as new competitors entering the industry, may engage in aggressive campaigns, develop superior technology offerings or consolidate with other entities to deliver enhanced scale benefits. Such competitive pressures may materially erode the Company's market share and revenue, and may materially and adversely impact the Company's revenue and profitability.

A general increase in competition may also require the Company to increase marketing expenditure or further reduce costs, which would decrease profitability even if the Company's market share does not decrease.

(f) **The Company's Products may be Superseded by Others**

The Company participates in a competitive environment. Smart lighting products are continuing to develop and are subject to rapid change, as business practices continue to evolve. The Company's success will in part depend on its ability to offer products that remain current with the continuing changes in technology and changing consumer preferences. There is a risk that the Company will not be successful in addressing these developments in a timely manner, or that expenses will be greater than expected. In addition, there is a risk that new products or technologies (or alternative systems) developed by third parties will supersede the Company's technology. This may materially and adversely impact the Company's revenue and profitability.

(g) **Compliance with Financing Arrangements**

The Company is a party to financing arrangements with PFG for the provision of various facilities which contain certain customary financial covenants and provisions (for facilities of the type provided to the Company), which include (but are not limited to) the Company meeting certain monthly revenue, EBITDA and financial ratio thresholds. Having regard to the seasonal nature of the Company's business and recent challenges faced by the Company (refer to the ASX announcements dated 16 July 2021 and 20 July 2021), the Company has (from time to time) failed to satisfy certain of these covenants/provisions which, unless cured, give rise to an event of default (thereby giving PFG the right to declare outstanding loan amounts immediately repayable and, failing repayment, enforce its security over the assets of the Company).

Notwithstanding the above, to date, PFG has not exercised any of its rights under the financing arrangements and continues to be supportive of the Company. If the financing arrangements are terminated by PFG (for whatever reason), the Company will be required to seek replacement facilities with an alternative lender(s) and/or raise additional funds via equity, in order to repay the outstanding amount owing to PFG (failing which PFG may enforce its security over the assets of the Company) and provide on-going funding to its operations (as required). No assurances can be given that the Company will be able to raise additional funding and the Company's ability to obtain additional funding will depend on investor demand, its performance and reputation, market conditions and other factors.

(h) **COVID-19 Risk**

The global economic outlook remains subject to uncertainty due to the current COVID-19 pandemic, which has been having, and will likely continue to have, a significant impact on global capital markets, commodity prices and foreign exchange.

As at the date of this Prospectus, the COVID-19 pandemic has had a material impact on the Company's operations due to critical component shortages, however, additional waves of infections could further impact the supply chain and result in the Company and/or its manufacturers' operations being suspended and otherwise disrupted for an unknown periods of time, which may have an adverse impact on the Company's operations as well as adverse implications on the Company's future cash flows, profitability and financial condition.

Supply chain disruptions resulting from the COVID-19 pandemic and measures implemented by governmental authorities around the world to limit the transmission of the virus (such as travel bans and quarantining) may, in addition to the general level of economic uncertainty caused by the COVID-19 pandemic, also adversely impact the Company's operations, financial position and prospects.

(i) **Reliance on Core Information Technology and Other Systems**

The operation of LIFX products and the Company's platforms are dependent upon the performance, reliability and availability of its information technology and communication systems. This includes its core technologies such as computer servers and back-end processing systems. These systems may be adversely affected by a number of factors including major events such as acts of terrorism or war or a breakdown in utilities such as electricity and fibre optic cabling. Events of that nature may cause one or more of those core technologies to become unavailable. There are also internal and external factors that may adversely affect those systems and technologies such as natural disasters, misuse by employees or manufacturers or other technical issues. The disaster recovery plans of the Company may not adequately address every potential event, and its insurance policies may not cover loss or damage that the Company suffer as a result of a system failure.

Any damage to, or failure of, the Company's key systems can result in disruptions in the use of LIFX products by consumers and the Company's ability to operate its various data aggregation and management platforms for the IoT and connected devices. Such disruptions have the potential to reduce the ability of the Company to generate revenue, impact consumer service levels and damage the respective brand values of the Company. This could adversely affect the Company's ability to generate new business and cause it to suffer financial loss.

The industry in which the Company is involved in is also subject to rapid and significant changes in technology. The impact of these changes on the Company cannot be predicted. The costs associated with implementing emerging and future technology changes could be significant.

(j) **Intellectual Property**

The Company has intellectual property protection in the form of patents in respect to its technologies. However, legal standards relating to the validity, enforceability and scope of protection of intellectual property rights are uncertain. Effective patent, trade mark, copyright and trade secret protection may not be available to the Company in every country in which LIFX products are sold and/or the platform may eventually be launched. Accordingly, despite its efforts, the Company may not be able to prevent third parties from infringing upon or misappropriating its intellectual property.

Market conditions depending, the Company may be required to incur significant expenses in monitoring and protecting its intellectual property rights. It may initiate or otherwise be involved in litigation against third parties for infringement, or to establish the validity, of its rights. Any litigation, whether or not it is successful, could result in significant expense to the Company and cause a distraction to management.

In addition, unauthorised use of the "Buddy" or "LIFX" brand in counterfeit products or services may not only result in potential revenue loss, but also have an adverse impact on its brand value and perceptions of its product qualities.

(k) **Litigation Risks**

The Company is exposed to litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company is presently in dispute with CST Capital Pty Ltd ATF the CST Investments Fund (refer to the ASX announcements dated 6 November 2020, 15 December 2020 and 16 July 2021 for further details). Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position.

(l) **Reliance on Key Personnel**

The Company operates in a rapidly growing and competitive sector. It relies heavily on the core competencies and expertise of its key employees in technical, engineering and sales and marketing. The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and directors. There can be no assurance that there will be no detrimental impact on the performance of the Company or its growth potential if one or more of these employees cease their employment and suitable replacements are not identified and engaged in a timely manner. Further, the Company growth and financial performance may suffer if it is unable to secure the quality and quantity of new employees it requires to facilitate its growth due to industry competition for these skills.

(m) **Reputational Risks**

The Company operates in an online and fast-changing environment. Negative publicity can spread quickly, whether true or false. Disgruntled users posting negative comments about the businesses in public forums may have a disproportionate effect on the reputation of the Company and their ability to earn revenues and profits. Additionally, complaints by such users can lead to additional regulatory scrutiny and a consequential increased compliance burden in responding to regulatory enquiries. This could negatively impact upon the Company's profitability.

(n) **Reliance on Third Party IT Service Provision**

The Company utilises services provided by third parties to maintain and deliver its software as data aggregation and management platforms and other key deliverables in its business model. This includes payment gateway providers, sales staff and integration of the platforms to the market dispensing software packages. Significant or extended disruption of the Company or its acquired businesses caused by supplied equipment, software or service failure may reduce their ability to generate revenue, impact client and consumer service levels and may damage their brand. This could adversely affect the Company's and its acquired businesses' ability to generate new business and cause it to

suffer financial loss. Any mitigation of this loss via redress from third party suppliers may not be immediately available, if at all.

The Company is continually assessing the risk and opportunities associated with its business model and other than disruptions for short periods of time due to service delivery failure is not solely reliant on any one party for delivery.

(o) **Hacker attacks**

The Company will rely upon the availability of its platform to provide services to customers and attract new customers. Hackers could render its platform unavailable or cause customers' personal information being compromised.

Although Buddy has strategies in place to minimise such attacks, these strategies may not be successful. Unavailability of the platform could lead to a loss of revenue for the Company and/or its acquired businesses while compromising customers' information could hinder the Company's and its acquired businesses' abilities to retain existing customers or attract new customers, which would have a material adverse impact on their growth.

There is also currently an increased exposure to organisations that process personal information in the course of their commercial activities, in particular, relating to liability arising from security incidents. Although the Company is relatively small, vulnerabilities in the information security governance will require remediation in the near future and upon completion of the Acquisition.

(p) **Security Breaches**

The Company collects, stores, processes and analyses the data generated by the IoT and connected devices, and unlock the economic opportunities delivered by this data. Such data can be highly sensitive, highly regulated and confidential information. The provision of secure and reliable information storage and processing services is integral to the businesses and operations of the Company in a wide variety of industries.

Whilst the Company follows best practice in relation to security policies, procedures, automated and manual protections, encryption systems and staff screening to minimise risks, there is no guarantee that the implementation of such precautions will be sufficient to prevent data security breaches and information being compromised or misused.

(q) **Contract Risks**

The Company's subsidiaries operate through a series of contractual relationships with operators, sub-manufacturer and manufacturer. All contracts carry risks associated with the performance by the parties thereto of their obligations as to time and quality of work performed. Any disruption to services or supply may have an adverse effect on the financial performance of the Company's operations.

(r) **Currency Risk**

The Company expects to derive a majority of its revenue from the United States, in US dollars. Accordingly, changes in the exchange rate between the United States dollar, Euro and British pound sterling and the Australian dollar would be expected to have a direct effect on the performance of the Company.

(s) **Potential Acquisitions**

As part of its business strategy, the Company may make acquisitions of, or significant investments in, companies, products, technologies and/or products that are complementary to the Company's business. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies, products and technologies, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving the

sales and margins anticipated and retaining key staff and customer and supplier relationships.

3.2 General Risks

(a) Economic Risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities.

Further, share market conditions may affect the value of the Company's securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

(b) Reliance on Key Management

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and Directors. There can be no assurance that there will be no detrimental impact on the performance of the Company or its growth potential if one or more of these employees cease their employment and suitable replacements are not identified and engaged in a timely manner.

(c) Trading Price of Securities

The price at which the Securities are quoted on ASX may increase or decrease due to a number of factors outside of the Company's control and which are not explained by the fundamental operations and activities of the Company. The price of Securities may be subject to varied and often unpredictable influences on the market for equities, including, but not limited to, general economic conditions including the performance of the Australian dollar on world markets, inflation rates, foreign exchange rates and interest rates, variations in the general market for listed stocks in general, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks, and hedging or arbitrage trading activity that may develop involving the Securities. These factors may cause the Securities to trade at prices above or below the price at which the Securities were initially acquired.

(d) Technology Sector Risks

The technology sector is characterised by rapid change. New and disruptive technologies can place competitive pressures on existing companies and business models, and technology stocks may experience greater price volatility than securities in some slower changing market sectors.

The value of the Company's securities may be adversely affected by any general decline in the valuation of listed securities and/or adverse market sentiment towards the technology sector in particular, regardless of the Company's operating performance.

(e) Force Majeure

The Company, now or in the future, may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, extreme weather conditions, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(f) **Acquisitions**

As part of its business strategy, the Company may make acquisitions of, or significant investments in, companies, products, technologies and/or products that are complementary to the Company's business. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies, products and technologies, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving the sales and margins anticipated and retaining key staff and customer and supplier relationships.

3.3 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above may, in the future, materially affect the financial performance of the Company and the value of its Shares.

The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Shares offered under this Prospectus. Therefore, the New Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional adviser before deciding whether to apply for New Shares pursuant to this Prospectus.

4. Additional information

4.1 Rights Attaching to New Shares

A summary of the rights attaching to New Shares is detailed below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities that attach to New Shares in any specific circumstances, the Shareholder should seek legal advice.

(a) General Meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

(b) Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend Rights

Subject to and in accordance with the Corporations Act, the Listing Rules, the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to

the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

(e) **Shareholder Liability**

As the Shares under this Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of Shares**

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.

(g) **Variation of Rights**

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(h) **Alteration of Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

4.2 Company is a Disclosing Entity

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act, and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The New Shares are in the same class as Shares that have been quoted on the official list of the ASX during the three months prior to the issue of this Prospectus.

This Prospectus is a 'transaction specific prospectus' to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities, or operation to acquire securities, in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In

general terms 'transaction specific prospectuses' are only required to contain information in relation to the effect of the issue of New Shares on the Company and the rights attaching to the New Shares. It is not necessary to include general information in relation to all of the assets and liabilities, the financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report of the Company for the financial year ended 30 June 2020 being the most recent annual financial report of the Company lodged with the ASIC before the issue of this Prospectus; and
 - (ii) any documents used to notify ASX of information relating to the Company in the period from lodgement of the annual financial report referred to in paragraph (i) above until the issue of this Prospectus in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act.

Copies of all documents lodged with ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

The Company has lodged the following announcements with ASX since the lodgement of its Annual Report on 1 October 2021:

Date Lodged	Subject of Announcement
2 March 2022	Appendix 2A and 3G
2 March 2022	Court Application
1 March 2022	Suspension from Official Quotation
1 March 2022	Non Cash Impairment
1 March 2022	Interim December 2021

Date Lodged	Subject of Announcement
1 March 2022	Appendix 4D December 2021
28 February 2022	January 2022 Monthly Appendix 4C
25 February 2022	Trading Halt
4 February 2022	Appendix 3Y
4 February 2022	Appendix 3Y
4 February 2022	Application for quotation of securities - BUD
4 February 2022	Notification regarding unquoted securities - BUD
31 January 2022	Quarterly Activities/Appendix 4C Cashflow Report Dec 2021
31 January 2022	December 2021 Monthly Appendix 4C
28 January 2022	Results of AGM
28 January 2022	AGM Presentation
7 January 2022	Application for quotation of securities - BUD
7 January 2022	Notification of cessation of securities - BUD
29 December 2021	AGM letter
29 December 2021	AGM Notice of Meeting
23 December 2021	November 2021 Monthly 4C ASX
10 December 2021	Appendix 3Y
10 December 2021	Appendix 3Y
10 December 2021	Application for quotation of securities - BUD
10 December 2021	Notification of cessation of securities - BUD
10 December 2021	Notification regarding unquoted securities - BUD
30 November 2021	JobKeeper Notice
30 November 2021	Monthly Appendix 4C October 2021

Date Lodged	Subject of Announcement
10 November 2021	Response to ASX Aware Query
2 November 2021	Appendix 3Y
2 November 2021	Appendix 3Y
2 November 2021	Notification of cessation of securities - BUD
2 November 2021	Application for quotation of securities - BUD
1 November 2021	Quarterly Activities/Appendix 4C Cash Flow Report
29 October 2021	Monthly Appendix 4C Sept 2021
18 October 2021	Appendix 3Y
18 October 2021	Application for quotation of securities - BUD
18 October 2021	Notification of cessation of securities - BUD
1 October 2021	Appendix 4G
1 October 2021	Appendix 4C August 2021
1 October 2021	Corporate Governance Statement 2021

The following documents are available for inspection throughout the application period of this Prospectus during normal business hours at the office of the Company at Level 3, 12 Pirie Street Adelaide SA 5000:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 4.12 and the consents provided by the Directors to the issue of this Prospectus.

4.3 Information Excluded from Continuous Disclosure Notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules, and which is required to be included in this Prospectus.

4.4 Determination by ASIC

ASIC has not made a determination that would prevent the Company from relying on section 713 of the Corporations Act in issuing the New Shares under this Prospectus.

4.5 Directors' Interests

Except as disclosed in this Prospectus, no Director and no firm in which a Director is a partner:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Securities offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Securities offered under this Prospectus; or
- (b) has been paid or given or will be paid or given any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Securities offered under this Prospectus.

4.6 Directors' Interests in Securities

Set out in the table are details of the Directors' relevant interests in the Securities at the date of this Prospectus:

Director	Shares	Options	Performance Shares	Performance Rights
David McLauchlan	141,851,820	2,500,000	22,166,667	-
Richard Borenstein	46,408,660 ¹	-	3,333,333	8
Paul Russell	9,318,829 ²	-	333,333	6,125,000 ³
James Nelson	886,805	-	-	468,750
Stephen Gates	8,609,824	-	-	-

Notes:

1. Comprising of 28,511,113 Shares held by Mr Borenstein directly, 3,504,763 Shares held by Mr Borenstein as trustee for the Patricia M Baehr Residual Trust, a trust controlled by Mr Borenstein and 14,392,784 Shares held by Edgewood Partners LLC, an entity controlled by Mr Borenstein.
2. Comprising of 1,180,050 Shares held by Mr Russell directly, 6,472,223 Shares held by P W Russell <The Paul Russell Family A/C> and 1,666,556 Shares held by Paul Russell Investments Pty Ltd <P Russell Family A/C>.
3. Comprising of 5,500,000 Performance Rights held by P W Russell <The Paul Russell Family A/C> and 625,000 Performance Rights held by Paul Russell Investments Pty Ltd <P Russell Family A/C>.

4.7 Directors' Remuneration

The remuneration of the Directors for the previous two financial years (exclusive of superannuation) is as follows:

Director	Financial Year	Salary and Fees	Share-based payments	Total
David McLauchlan	2020	\$324,922	-	\$324,922
	2021	\$248,979	-	\$248,979
Richard Borenstein	2020	-	-	-
	2021	-	\$621,111	\$621,111
Paul Russell ¹	2020	-	-	-
	2021	\$181,636	\$194,882	\$376,518
James Nelson ²	2020	-	-	-

Director	Financial Year	Salary and Fees	Share-based payments	Total
	2021	\$141,518	\$20,093	\$161,611
Stephen Gates ³	2020	-	-	-
	2021	-	-	-

Notes:

1. Appointed on 8 June 2021.
2. Appointed on 8 June 2021.
3. Appointed on 19 August 2021.

4.8 Related Party Transactions

At the date of this Prospectus, no material transactions with related parties and Directors interests exist that the Directors are aware of, other than those disclosed in this Prospectus.

4.9 Interests of Named Persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Cleansing Offer or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Cleansing Offer; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Cleansing Offer.

Thomson Geer will be paid fees of approximately \$3,000 (plus GST) in relation to the preparation of this Prospectus.

4.10 Dividend Policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

4.11 Expenses of the Cleansing Offer

The estimated expenses of the Cleansing Offer are \$3,206 (ASIC lodgement fee) and \$3,000 (legal expenses).

4.12 Consents

Thomson Geer has given, and, as at the date hereof, has not withdrawn, its written consent to being named in this Prospectus as Australian solicitors to the Company. Thomson Geer has not authorised or caused the issue of this Prospectus or the making of the Cleansing Offer. Thomson Geer makes no representation regarding, and to the extent permitted by law excludes any responsibility for, any statements in or omissions from any part of this Prospectus.

Each of the Directors has given their written consent to being named in this Prospectus in the context in which they are named and have not withdrawn their consent prior to lodgement with ASIC of this Prospectus.

5. Authorisation

This Prospectus is authorised by each of the Directors. This Prospectus is signed for and on behalf of the Company by:



David McLauchlan
Executive Director and CEO

2 March 2022

6. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

Acceptance means a valid application for Shares made pursuant to this Prospectus on an Application Form.

ACDT means Australian Central Daylight Time, being the time in Adelaide, South Australia.

Applicant means a person who submits an Application Form.

Application Form means the application form provided by the Company with a copy of this Prospectus.

Application Monies means application monies for New Shares received by the Company from an Applicant.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691.

ASX Settlement means ASX Settlement Pty Limited ACN 008 504 532.

Board means the board of Directors.

Chairman means chairman of the Board.

CHESS means ASX Clearing House Electronic Subregister System.

Cleansing Offer has the meaning given in Section 1.1.

Cleansing Offer Application Form means the application form attached to, or accompanying this Prospectus, to be used for the purposes of applying for New Shares.

Closing Date means the closing date of the Cleansing Offer as specified in the Indicative Timetable as varied from time to time.

Company or **Buddy** means Buddy Technologies Limited ACN 121 184 316.

Constitution means the constitution of the Company.

Corporations Act means Corporations Act 2001 (Cth).

Court means the Supreme Court of Western Australia.

Director means a director of the Company.

Incentive Plan means the Company's incentive plan approved by Shareholders at a general meeting of the Company on 25 March 2019 and subsequently approved by Shareholders at the Company's annual general meeting on 28 January 2022.

LIFX means Lifi Labs, Inc. trading as LIFX.

Listing Rules means the Listing Rules of ASX.

New Share means a Share offered pursuant to the Cleansing Offer.

Option means the right to acquire one Share in the capital of the Company.

PFG means Partners for Growth VI, L.P.

Prior Incentive Shares has the meaning given in Section 1.1.

Prospectus means this prospectus dated 2 March 2022.

Recent Incentive Shares has the meaning given in Section 1.1.

Section means a section of this Prospectus.

Securities mean any securities including Shares or Options issued or granted by the Company.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.

Warrant means a warrant in the capital of the Company.

For personal use only

For personal use only