



ASX MARKET RELEASE

Buddy Completes \$13M Share Placement

SUMMARY

- A\$13.0 million oversubscribed placement to institutional and sophisticated investors
- Placement undertaken to provide the business with additional working capital, to retire some of the outstanding vendor debt, and to provide immediately available capital to fund additional manufacturing of LIFX smart lights for the holiday period
- Subject to shareholder approval for directors, participants included Mr. Rick Borenstein (Buddy Chairman), David McLauchlan (Buddy CEO), Rosey Batt (Buddy Director), and Don Hicks (VP, Global Sales).

11 November 2020 - Adelaide, Australia

Buddy Technologies Limited ("Company") (ASX:BUD), a leader in IoT and cloud-based solutions for making spaces smarter, is pleased to announce the completion of a successful bookbuild and receipt of firm commitments for an oversubscribed placement to institutional and sophisticated shareholders and investors ("Placement") to raise A\$13.0 million via the issue of approximately 271 million fully paid ordinary shares in the Company ("Shares") at an issue price of A\$0.048 per Share. The Placement was led by Bell Potter, with a range of \$8 million to \$10 million sought, however demand was such that the Company agreed to place \$13 million and deploy the extra funds in support of additional manufacturing capacity.

The issue price of A\$0.048 represents a 14.3% discount to the last closing price of A\$0.056 on Friday 6 November 2020. The Shares will be issued utilising the Company's existing placement capacity under Listing Rule 7.1, and settlement is scheduled to occur by Monday 16 November 2020. A cleansing notice and Appendix 2A will be lodged following the issue of the Shares, which will rank equally with existing shares in the Company. An Appendix 3B for the proposed issue of Shares in respect to the Placement will follow this announcement, with the Company issuing 270,833,334 Shares under its Listing Rule 7.1 placement capacity.

The Placement was undertaken to provide the business with additional working capital to help support its recent significant growth, to retire a portion of the outstanding vendor debt

(the rest, after the forgiveness of US\$10m, to be financed as part of the Partners for Growth finance facility - as detailed in the ASX announcements on 21 October 2020), and to provide immediately available funds to support additional manufacturing of LIFX smart lights. The latter is particularly important, given the Company's desire to service as much of the holiday 2020 demand for smart lights that it can.

In addition to institutional investors, Buddy directors Mr. Rick Borenstein (Non-executive Chairman), Mr. David McLauchlan (CEO & Executive Director) and Mrs. Rosey Batt (Non-Executive Director) will participate in the placement and subscribed for a total of 3,666,667 Shares, subject to shareholder approval at the Company's AGM. LIFX VP of Global Sales, Mr. Don Hicks, also opted to participate in the placement.

"In considering this placement, the Board and our management thought very carefully about finding the right balance between additional funds that could be spent on inventory and turned into top line revenue reasonably quickly, and shareholder dilution", said David McLauchlan, Buddy CEO. "With the completion of this placement and the fast approaching financial close of the PFG facility, the company has removed all major barriers to success. We can't wait to deliver on, and even exceed, our customer's expectations as we continue to restock our retail partners around the world".

In 2020, the Company has expanded its range of LIFX smart lights, it has made them easier to use, and it has sourced them cheaper. The Company has added major retailers like Costco, Lowe's, and Sam's Club, while achieving worldwide record sales on Amazon Prime Day both in the North American and European markets. In 2021, the Company will bring on an additional manufacturer and caps on product unit shipments will be removed. In short, management expects to sell more, for less, while maintaining or growing margins all while continuing to increase the number of major retail partners through which we're stocking our products around the world.

For and on behalf of Buddy Technologies Limited,



David P. McLauchlan

Chief Executive Officer

Buddy Technologies Limited.

About Buddy

Buddy Technologies Limited (BUD.ASX) helps customers of any size “make every space smarter”. Buddy has two core businesses – its Commercial Business and Consumer Business. **Buddy Ohm** and **Buddy Managed Services** are the company’s core Commercial offerings that empower its customers to fully leverage digital technologies and their impact in a strategic and sustainable way. Buddy Ohm is a resource monitoring and analytics solution that provides energy monitoring, reporting and auditing services for commercial and industrial customers. Buddy Managed Services licenses Buddy’s technology platforms to customers for integration into their own products.

Buddy’s Consumer Business trades under the **LIFX** brand and has established a leading market position as a provider of smart lighting solutions. The company’s suite of Wi-Fi enabled lights are currently used in well over a million homes, and considered to be the #2 brand of smart lights globally. LIFX products are sold in over 100 countries worldwide, directly and via distribution and sales partnerships with leading retailers and ecommerce platforms including Amazon, Google, Apple, JB Hi-Fi, Bunnings, Officeworks, MediaMarkt, Saturn and Best Buy (in both the US and Canada).

Buddy is headquartered in Adelaide, Australia, with offices in Melbourne (AU), Seattle (US), Dublin (IE), Shenzhen (CN) and Silicon Valley (US).

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

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