



2020

Annual General Meeting

Adelaide, SA – 29 January 2021.

Annual General Meeting

- Welcome – Chairman Richard Borenstein
- The 2020 Annual General Meeting of shareholders is held
- Review of the Q2FY2021 Appendix 4C Filing
- Overview of the Buddy Technologies business
- Review of the 2021 Annual CEO Shareholder Letter + what's coming for BUD in 2021
- Question & Answer session

Q2FY2021 Appendix 4C Review



Q2 FY2021 Appendix 4C



ASX MARKET RELEASE

Buddy Technologies Limited – December Quarterly 4C Review (Q2FY21)

28 January 2021 – Adelaide, South Australia

Buddy Technologies Limited (Company) (ASX:BUD), a leading provider of solutions for making spaces smarter, has today released its Quarterly Appendix 4C filing for the December 2020 quarter (Q2FY21).

SUMMARY

- **Customer revenues: A\$9.5 million** for the quarter (up 23% over the prior quarter, and down 29% from the prior year)
 - Not including an additional A\$284k of government rebates and subsidies (A\$1.7 million last quarter and nil in the year-ago quarter)
- **Customer cash receipts: A\$8.3 million** for the quarter (up 48% from the prior quarter and down 22% from the prior year)
 - Not including an additional A\$1.6 million of government rebates and subsidies (A\$27k last quarter and nil in the year-ago quarter)
- **Adjusted EBITDA: negative A\$990k** for the quarter (compared to positive A\$32k for prior quarter and negative A\$1.4 million for the year-ago quarter)
- **Net cash change in quarter: increase of A\$4.6 million** even after making major deposits for product to fulfill outstanding customer orders
- **Cash on hand** at 31 December 2020 totalled A\$7.2 million, trade receivables totalled A\$6.0 million and inventories (and prepayments for inventories in process or in-transit) totalled A\$8.4 million
 - As of 31 December 2020, the Company had utilised none of its trade finance facility and A\$3.6 million of its inventory/PO finance facilities.
- **Major milestones**
 - Completed an equity placement for A\$13.0 million
 - Achieved another EBITDA positive month in November
 - Entered into binding term sheet for a refinancing of the Company's vendor debt relating to the acquisition of LIFX in March 2019, on to a 40-month term debt facility (refer to the ASX announcement dated 21 October 2020)
 - Entered into an arrangement to forgive US\$10m of outstanding vendor debt relating to the acquisition of LIFX + cancellation of 50 million options held by the vendor debt holders (to subsequently be reissued to Partners for Growth ("PFG"), the party with whom the refinancing was to occur)
 - Final documentation consistent with the refinancing and debt forgiveness was executed after the period (refer to the ASX announcement dated 6 January 2021).

Q2 FY2021 Appendix 4C

Revenues and Cash-based Operating Expenses*



Cash Receipts and Gross Operating Cash Outflows*



Q2 FY2021 Appendix 4C

Cash Position and Current Assets

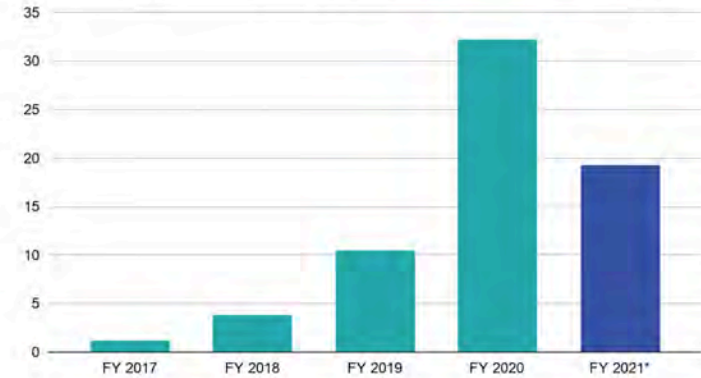


Current assets increased A\$12.2 million quarter-on-quarter while current liabilities (including the trade finance and inventory finance facilities) increased A\$2.7 million. As of 31 December 2020, the company had utilized none of its A\$20 million trade finance facility and A\$3.6 million of its US\$6.0 million inventory finance facilities.

2020 ANNUAL GENERAL MEETING

Q2 FY2021 Appendix 4C

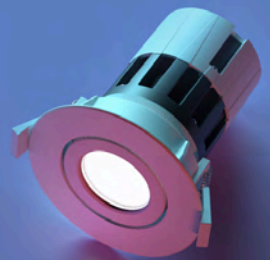
Buddy Technologies Limited Revenue A\$, millions. (*) to date



Buddy Technologies Limited Monthly EBITDA A\$ Thousands



Buddy Technologies Limited Overview



BUDDY TECHNOLOGIES LIMITED - GROUP VISION

Making Every Space Smarter

The Buddy Technologies group vision is to “make every space smarter”.

LIFX achieves this through smarter light.

Buddy/Ohm achieves this through energy awareness and automation.

Today’s focus is on LIFX.



LIFX BRAND PURPOSE

Smarter Light

Our #1 priority is *light*, not just the lightbulbs.

We are passionate about the wellbeing that comes from great light - aesthetically, functionally, and physiologically.

Over time, every light will be replaced with a smart light. Let that be a LIFX light.



Smart lighting defined...

White bulbs: entry point for voice and automation

LIFX White
800 lm
A19



LIFX White to Warm
800/1000 lm
Tunable white:
1500-4000k
A19



LIFX Candle White to Warm
600 lm
Tunable white
E12



LIFX Colour
800/1000 lm
550 billion colors
A19



LIFX Colour A60
1200 lm
1 trillion colors
A19



Full colour bulbs: best for Scenes, Themes, & Effects.

LIFX Colour
1100 lm
1 trillion colors
BR30

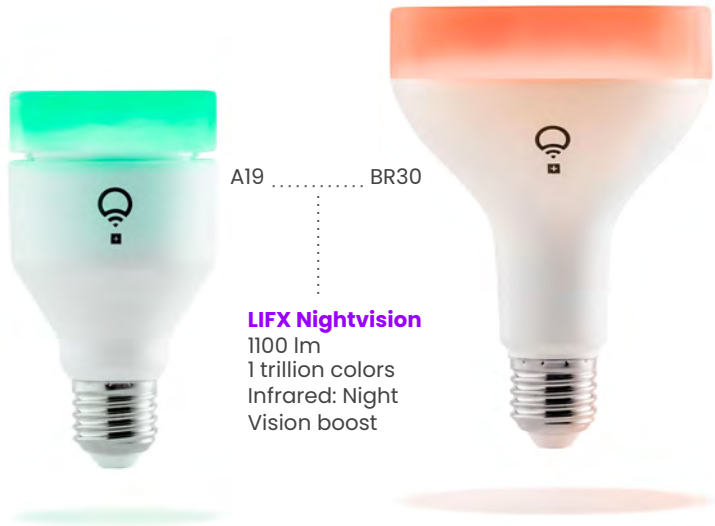


LIFX Colour GU10
400 lm
Track or
downlight



Nightvision

All the color and function of a LIFX Colour, but with infrared.
So when it's off, it is so on.



RANGE

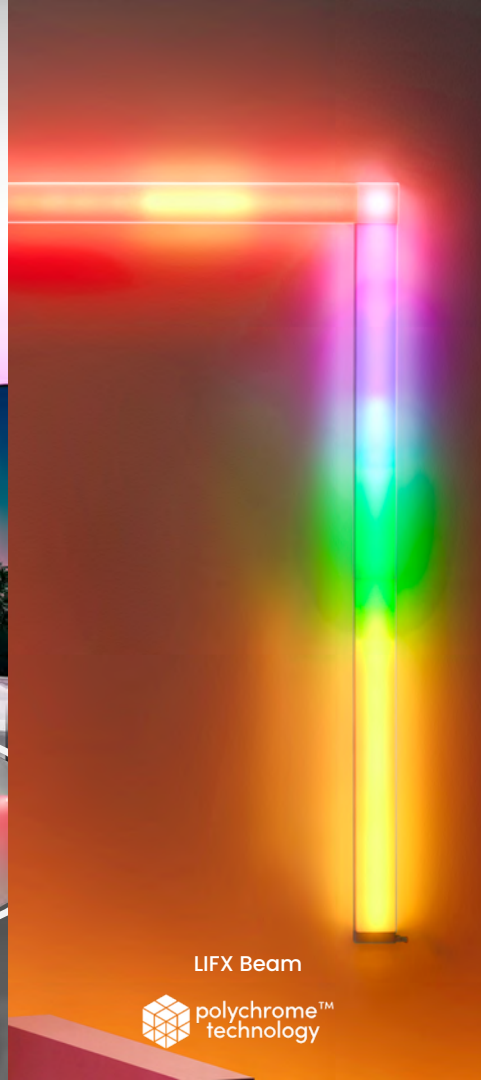
Feature lights



LIFX Filament
550 lm
Warm White
ST64



LIFX Z LED Strips



LIFX Beam



LIFX Candle Color (E12/E14)

LIFX Candle White/Warm (E12/E14)





RANGE

Enhanced Lightstrip Range

Razer Chroma™ [tagline]
Integrated gaming kits &
accessory options.





LIFX Clean

First ever antibacterial smart light



**Despite challenges,
2020 was a big
year.**

WHAT'S NEW

New products launched

- LIFX White (Low-cost, Amazon)
- LIFX Switch
- LIFX Candle White to Warm
- LIFX Clean
- LIFX Filament
- LIFX 100mm Downlight White to Warm
- LIFX Lightstrip Updates



BROADER RANGE

LIFX Filament

550 Lumens

Warm white

Multiple finishes

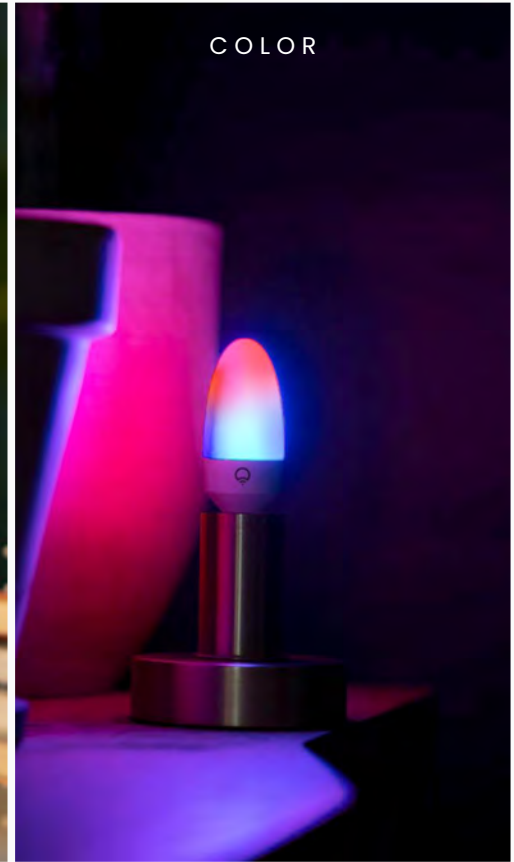
Teardrop and G95 shapes



BROADER RANGE

LIFX Candles

White to Warm Candle
Launch upcoming. *(left)*



BROADER RANGE

WARM TO WHITE

COLOR

LIFX Switch

Premium glass finish

Available in white or black

In stock at JB Hi-Fi nationally.



BROADER RANGE

WARM TO WHITE

COLOR

LIFX Switch US

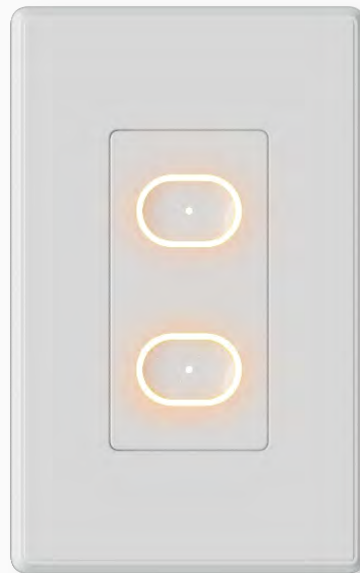
Robust plastic construction

Retrofit into standard North American wall switch size

1 physical gang, 1 "soft" gang

US\$49.99

Ships mid-year.



BROADER RANGE

LIFX Clean



 **LIFX**

MSRP:

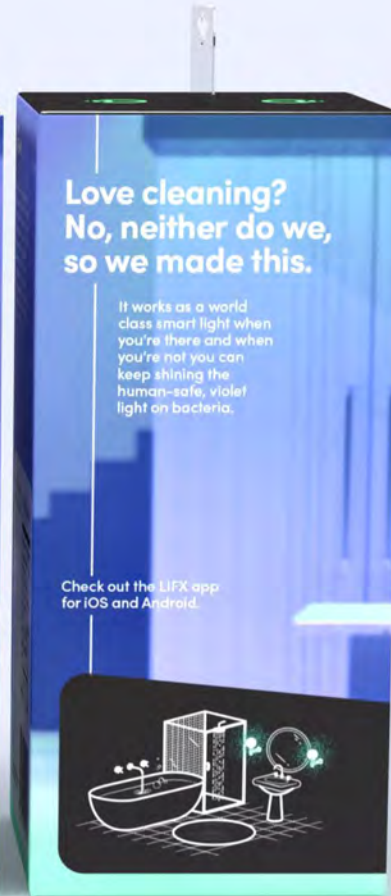
A\$99.99 (inc. GST)

US\$69.99

CA\$79.99

€69.99 (inc. VAT)

£59.99 (inc. VAT)

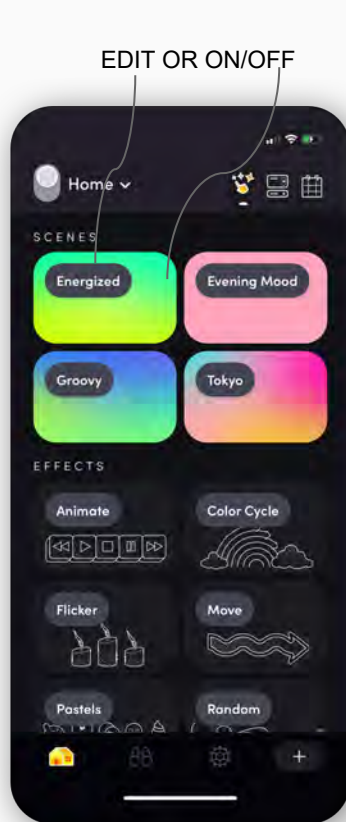


WHAT'S NEW

Smarter app.

A new experience in 2020 which allowed richer control and lower touch.

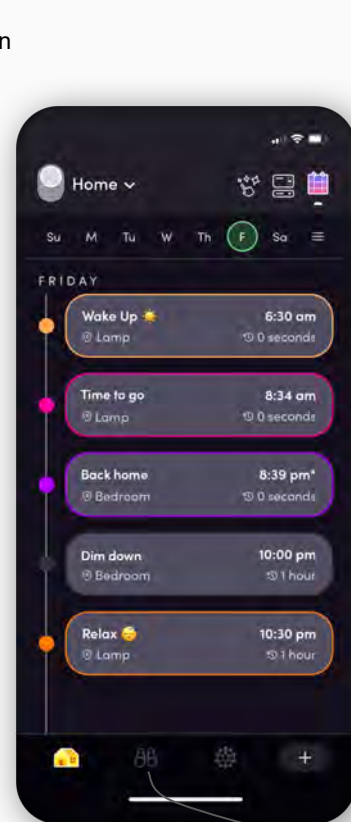
Apply effects to multiple lights



Scenes & Effects



Home Dashboard



Schedules

Calendar view for scheduling

“Discover tab” for help and offers

WHAT'S NEW

Design refresh

LIFX Bulbs



Increased Lumens



New use cases and range extension

LIFX NightVision

LIFX Clean

LIFX Feature lighting



New use cases /range extension

LIFX Lightstrip TV

LIFX Lightstrip 360

LIFX Lightstrip Gaming

LIFX Filament

LIFX Downlight(s)

WHAT'S NEW

Customer Acquisition

Hundreds of thousands of new customers being added through Amazon relationship.



LIFX L3A19LW06E26US White, A19 Wi-Fi Smart LED Light Bulb, Warm, Dimmable, No Bridge Required, Works with Amazon Alexa, Hey Google, Apple HomeKit

Brand: LIFX
★★★★☆ 32 ratings

Price: **\$9.99** FREE Shipping on your first order. [Details & FREE Returns](#)

[Get \\$50 off instantly: Pay \\$0.00 \\$9.99 upon approval for the Amazon Rewards Visa Card. No annual fee.](#)

[Returnable within 30 days of receipt](#)

Brand	LIFX
Item Dimensions LxWxH	2.36 x 2.36 x 4.13 inches
Color Temperature	2700 Kelvin
Bulb base	E26
Bulb shape size	A19

About this item

- Why Wi-Fi (2.4GHz): Control from anywhere. No bridge or hub required.
- Warm white: A warm white light, perfectly balanced for day or night.
- Dimmable: Adjust brightness and the mood of the room with voice, app or schedule.
- Simple Set-up: Screw in, open your preferred app and follow the prompts.
- Energy efficient: LEDs can last up to 22 years. Save the earth, and your wallet.
- Peace of mind: Two year warranty and expert customer support.
- Voice assistants: Amazon Alexa, Hey Google, Apple HomeKit (Siri).

[Show more](#)

Roll over image to zoom in

[Add to Cart](#)

[Buy Now](#)

 **Secure transaction**

Ships from Amazon.com
Sold by Amazon.com

Add gift options
 Link to my Alexa account and to LIFX to simplify setup. [LIFX's Privacy Notice](#)
[Why is this important?](#)



RETAIL

Optimise retail experience

We've been working on better solutions for more stores we can pre-prepare.

New modular design to allow for a 'right fit build' on demand now rolling out in Europe. All graphics replaceable for different regions.



RETAIL



RETAIL

Experiments: experience in displays.

Collaborative displays to work with voice..

This is a display in David Jones flagship stores in Australia that incorporates live Google Assistant demo.



DIRECTION

Global Retail Assortment





2021 Annual CEO Shareholder Letter (what's coming in 2021)

2020 ANNUAL GENERAL MEETING

2021 Annual CEO Shareholder Letter

Buddy Technologies Limited
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Adelaide, SA 5000, AUS
+61 1800 831 317

Buddy Platform, Inc.
1201 3rd Ave, Suite 2200
Seattle, WA 98101, USA
+1 206 899 2525



Thursday, 28 January 2021

SUMMARY:

- 2020 revenues and EBITDA limited by stock shortages, the cause of which has been solved, enabling significantly more product to be ordered and sold in 2021
- More stock is currently on order from manufacturers than was able to be ordered for the entirety of 2020
- Material Subsequent Event: In January the company completed a US\$10m debt reduction, removed all manufacturing exclusivity obligations, and commenced standard payment terms enabling much larger volumes of inventory to be procured for 2021
- Company discloses "Big Eight Goals" for 2021
- New product announcement – LIFX Switch US
- LIFX Clean update
- Buddy will provide revenue and EBITDA guidance to the market for the first time in 2021; including positive EBITDA guidance for both halves of CY2021

Dear Shareholders,

On behalf of the Board of Directors, management and the Australian, US, European and Asian based staff of Buddy Technologies Limited, welcome to 2021. Over the past half decade, I've made it a tradition to write a welcome to the new year shareholder letter either as part of our January Appendix 4C commentary, or as a standalone long-form communique. I do this to summarise the past year and to outline high level plans for the year to come.

The year 2021, while already demonstrating itself to be remarkable in its own way, is a year I expect great things from. On September 2nd, 2021 our company will celebrate ten (10) years since formation and on December 30th, 2021 we will celebrate six (6) years as an ASX listed entity. When, at the end of the year, we celebrate the anniversary of ringing the ASX bell in Bridge Street, Sydney, I anticipate that we'll be looking back on 2021 as the Company's best performing year yet.

ASX:BUD Market Stats

First of all, let's look at some stats from the year just gone. In 2020, Buddy's share price appreciated nearly 53%, rising from A\$0.034 per share at market close on December 31st, 2019 to A\$0.052 at market close on December 31st, 2020. Liquidity was also markedly improved during the year – in 2019 there were 1.3 billion shares of BUD traded over 21,708 transactions (for a total value of A\$48.2 million). However, in 2020 there were 5.6 billion shares of BUD traded over 64,680 transactions (for a total value of A\$253.1 million).

Buddy.com

2021 Goals

- 1. Optimise the experience** – top to bottom investments in sales, marketing, app experience, setup experience, support experience, etc... to drive fanatical customer love for our products. Using our products should be as simple a “changing a lightbulb”.
- 2. Expand the range** – we must differentiate by offering a family of products that consumers can identify with, and further invest in profitably growing share of wallet and units sold per household, while working to drive down costs.
- 3. Customer segment growth** – expanding sales of products from traditional consumer electronics retail locations to worldwide DIY, warehouse club stores, televised shopping, online optimised channels, etc...
- 4. Supply chain optimisation** – greater investments in tooling and integrations with manufacturers to ensure that all products are built to optimize for manufacturing pace and accessibility.
- 5. Invest in tomorrow’s platforms** – this is an investment in sustained engineering whereby the primary hardware and software platforms used by the Company scale to the next 10+ million customers and the next technology advancements.
- 6. LIFX/Buddy Ohm integration** – first product released – through a combination of new and existing LIFX hardware, Ohm platform and potentially new business models, monetise the assets the business has on an integrated basis.
- 7. Positive monthly EBITDA starting Q1FY22** – achieve positive EBITDA each month on a 6-month trailing average basis (to adjust for some remaining but declining seasonality), starting no later than July 2021
- 8. Provide market guidance** – for the first time ever, we will commit to providing Buddy revenue and EBITDA guidance to the market. Initially we will provide H2FY21 guidance (ie: January 2021 through June 2021), then H1FY22 guidance, before moving to a quarterly model in Q3FY22 a year from now.

2021 Revenue Guidance





Questions & Answers



Thank you!

ir@buddy.com



BUDDY TECHNOLOGIES LIMITED ANNUAL GENERAL MEETING

PROXY SNAPSHOT FRIDAY 29 JANUARY 2021 Proxies at 28/01/2021 12:11

		<u>For</u>	<u>Open</u>	<u>Against</u>	<u>Total Valid Available Votes</u>	<u>As a % of Issued Capital</u>	<u>Abstain¹</u>
Resolution 01 ADOPTION OF REMUNERATION REPORT	Votes	476,750,034	6,842,322	14,644,626	498,236,982	16.91%	775,917
	Holdings	66	26	24			8
	Percentage	95.69%	1.37%	2.94%			
Resolution 02 RE-ELECTION OF DIRECTOR - MR RICHARD BORENSTEIN	Votes	609,663,291	6,945,822	8,422,200	625,031,313	21.21%	357,669
	Holdings	80	25	15			5
	Percentage	97.54%	1.11%	1.35%			
Resolution 03 RE-ELECTION OF DIRECTOR - MR DAVID MCLAUCHLAN	Votes	475,857,127	6,945,822	7,838,293	490,641,242	16.65%	134,747,740
	Holdings	79	25	13			8
	Percentage	96.99%	1.42%	1.60%			
Resolution 04 ELECTION OF DIRECTOR - MR ALAN SPARKS	Votes	609,905,541	6,945,822	8,215,650	625,067,013	21.21%	321,969
	Holdings	80	25	13			6
	Percentage	97.57%	1.11%	1.31%			
Resolution 05 RATIFICATION OF PLACEMENT	Votes	268,037,777	7,126,514	12,511,052	287,675,343	9.76%	248,600,679
	Holdings	69	29	15			10
	Percentage	93.17%	2.48%	4.35%			

Confidential - Link Market Services Limited

¹Abstain votes are provided for information only and are not included in the calculation of Total Valid Available Votes

BUDDY TECHNOLOGIES LIMITED ANNUAL GENERAL MEETING

PROXY SNAPSHOT FRIDAY 29 JANUARY 2021

Proxies at 28/01/2021 12:11

		<u>For</u>	<u>Open</u>	<u>Against</u>	<u>Total Valid Available Votes</u>	<u>As a % of Issued Capital</u>	<u>Abstain¹</u>
Resolution 06 ISSUE SHARES TO R BORENSTEIN UNDER EMPLOYEE PLAN	Votes	459,702,376	6,567,318	27,583,314	493,853,008	16.76%	5,159,891
	Holdings	54	24	39			7
	Percentage	93.08%	1.33%	5.59%			
Resolution 07 ISSUE SHARES TO R BATT UNDER EMPLOYEE PLAN	Votes	459,733,748	6,567,318	27,451,942	493,753,008	16.75%	5,259,891
	Holdings	55	24	37			8
	Percentage	93.11%	1.33%	5.56%			
Resolution 08 ISSUE SHARES TO J VAN RUTH UNDER EMPLOYEE PLAN	Votes	459,733,748	6,567,318	27,451,942	493,753,008	16.75%	5,259,891
	Holdings	55	24	37			8
	Percentage	93.11%	1.33%	5.56%			
Resolution 09 ADOPTION OF NEW CONSTITUTION	Votes	616,908,562	7,131,414	727,239	624,767,215	21.20%	621,767
	Holdings	76	29	11			9
	Percentage	98.74%	1.14%	.12%			
Resolution 10 APPROVAL OF 10% PLACEMENT CAPACITY	Votes	603,901,608	8,079,026	12,890,429	624,871,063	21.20%	517,919
	Holdings	65	28	25			7
	Percentage	96.64%	1.29%	2.06%			

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BUDDY TECHNOLOGIES LIMITED ANNUAL GENERAL MEETING

PROXY SNAPSHOT FRIDAY 29 JANUARY 2021

Proxies at 28/01/2021 12:11

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Resolution 11 APPROVE BUY-BACK OF PERFORMANCE SHARES	Votes Holders Percentage	609,043,984 71 97.50%	7,826,026 26 1.25%	7,785,203 17 1.25%	624,655,213	21.20%	733,769 11
Resolution 12 APPOINTMENT OF AUDITOR	Votes Holders Percentage	616,737,589 90 98.66%	7,956,026 27 1.27%	422,698 5 .07%	625,116,313	21.21%	272,669 3
Resolution 13 RATIFICATION OF FURTHER PLACEMENT	Votes Holders Percentage	223,038,754 63 91.23%	8,000,364 28 3.27%	13,439,652 25 5.50%	244,478,770	8.30%	374,785,212 8
Resolution 14 DIRECTOR PARTICIPATION IN PLACEMENT - MS R BATT	Votes Holders Percentage	598,494,923 60 95.77%	7,744,860 28 1.24%	18,676,530 32 2.99%	624,916,313	21.20%	472,669 5
Resolution 15 DIRECTOR PARTICIPATION IN PLACEMENT MR BORENSTEIN	Votes Holders Percentage	598,494,923 60 95.76%	7,744,860 28 1.24%	18,776,530 33 3.00%	625,016,313	21.21%	372,669 4

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BUDDY TECHNOLOGIES LIMITED ANNUAL GENERAL MEETING

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Resolution 16 DIRECTOR PARTICIPATION IN PLACEMENT MR MCLAUCHLAN	Votes	467,252,487	7,764,860	20,308,895	495,326,242	16.81%	3,686,657
	Holdings	56	29	34			5
	Percentage	94.33%	1.57%	4.10%			
Resolution 17 SECTION 195 APPROVAL	Votes	597,380,947	8,131,414	9,310,798	614,823,159	20.86%	10,565,823
	Holdings	70	30	13			12
	Percentage	97.16%	1.32%	1.51%			
Resolution 18 APPROVAL TO ISSUE WARRANTS	Votes	604,332,974	8,223,364	11,883,175	624,439,513	21.19%	949,469
	Holdings	68	30	19			8
	Percentage	96.78%	1.32%	1.90%			

Securities Selected: BUD, BUDESC13

Valid Proxies Lodged: 124

Total Issued Capital: 2,947,166,796

end of report