



# ASX MARKET RELEASE

## LIFX Replenishes Amazon, Best Buy; Fuels Record-Breaking March

### SUMMARY

- The first major shipments of new LIFX product have landed in North America and the first stage of restocking LIFX's major retail partners is complete
- Amazon (NASDAQ:AMZN) is restocked, with last week being its highest sales week since Prime Day 2020; Best Buy (NYSE:BBY) is restocked with top-selling LIFX bulb SKUs
- LIFX Lightstrips have arrived at warehouses and will be on-shelf in Amazon and Best Buy stores in the coming weeks; a record 160,000 metres of Lightstrips will ship in the weeks spanning March/April
- Both Best Buy and Amazon are reporting triple digit week over week growth, for each week of March
- LIFX Clean will launch on U.S. retail shelves in the next four weeks, with an expected first launch in Sam's Club - Walmart's (NYSE:WMT) club warehouse chain
- With restocking proceeding according to schedule, March is on track to be the Company's highest revenue month ever, revenue expected to be more than double 2020's best month and expected to be substantially EBITDA positive.

### 26 March 2021 - Adelaide, Australia

Buddy Technologies Limited ("Company") (ASX:BUD), a leader in IoT and cloud-based solutions for making spaces smarter, is pleased to announce that the first major shipments of LIFX products destined for the North American market have arrived on-shore at the Company's warehouses, have been distributed to major retail partners, and are now "on-shelf" - which completes the first significant phase of U.S. restocking.

Following the Company's capital raising last November (refer to the ASX announcement dated 10 November 2020), a material portion of funds raised were directed to manufacturing. While a very small portion of that new inventory arrived on-shore in late January and February, the first major deliveries were scheduled for March. This inventory - primarily comprising the Company's highest volume, most in demand and highest margin bulb products - has now been distributed to major North American retail partners, including Amazon and Best Buy.

With this inventory now in stock, Amazon is reporting very strong sales growth. On a week over week basis, Amazon has reported triple-digit percentage sales growth for each week of this month, with the week ending 20 March 2021 being the strongest sales week for LIFX products at Amazon since Prime Day 2020. Orders are now flowing from Amazon for replenishments. An unexpected very strong seller at Amazon has been LIFX Beam, with all units ordered by Amazon

selling out in a single day (approximately A\$100k in sales). This is an exceptional result for a feature light. A significantly larger replenishment should land at Amazon by early next week.



Figure 1: LIFX Beam is performing particularly well in the U.S. market with Amazon selling out their initial replenishment in a single day. More product is en route (image credit: LIFX customer, with permission).

Likewise, Best Buy has completed its twice-annual store 'reset' this week, with new LIFX stock inventoried across all stores in the U.S. and Canada, including Best Buy Online. Best Buy U.S. is also reporting triple-digit week over week sales growth each week this month, with LIFX Color 800, LIFX Color 800 2-Pack, LIFX Color A19 1100 and LIFX Color BR30 1100 all on shelf.

LIFX Lightstrips are one of the Company's most in-demand products. With nearly 160,000 metres of LIFX Lightstrips expected to be delivered in March/April (significantly more than the Company sold in all of 2020, and when connected together, about enough to reach from Sydney to Newcastle), this is the Company's largest ever factory order for this product. Factory deliveries for this product have commenced shipping, with the first batch having arrived at U.S. warehouses. Distribution will occur next week and these products should be on shelves in North America in the following two weeks, with additional replenishments to come.



Figure 2: LIFX Lightstrip is shipping in record volumes, with first units having arrived at U.S. warehouses for distribution across North America.

First shipments of LIFX Clean have made it to the U.S., with pre-order customers already receiving their units and retail inventory landing shortly with distribution to follow. On-shelf retail availability is expected in the coming four weeks, with the launch retailer expected to be Sam's Club - Walmart's club warehouse chain. Sam's Club will be offering LIFX Clean in a 2-Pack for US\$99.99.

LIFX.com is also receiving replenishment stock, however the site will be focussing initially on selling through clearance and refurbishment stock. This will allow the Company to flush old packaged product through our online retail channel in order to achieve consistency across all channels with new packaged product. The Company anticipates LIFX.com back in stock with new product by mid-April, with the full range stocked by May.

During LIFX.com's low stock or stock outage period, the LIFX e-commerce team has been engaged implementing a new, state-of-the-art order fulfilment platform. The implementation of this platform, which is now complete, is expected to deliver significant improvements in order tracking, order delivery accuracy and an improved experience for LIFX customers. The Company is planning an increased focus on the direct to consumer business, given the clear benefits in higher revenue and margin from products sold via our own web properties, which this new platform will help facilitate.

Finally, with North American retail restocking having completed its first phase, and as a consequence of a record volume of inventory inbound from the factory to the Company's U.S. warehouses, March 2021 is expected to be the highest revenue month ever for LIFX. March revenues are expected to exceed the combined holiday revenue of November and December

2020. Accordingly, March is also expected to deliver the highest monthly (positive) EBITDA in the Company's history.

The Company's guidance of revenue (A\$24M - A\$28M) and positive EBITDA for 2HFY21 remains in place. Further details on all of the above will be provided in the Company's Appendix 4C for Q3FY21 towards the end of April, and in ASX releases in the interim as necessary.

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](http://www.buddy.com) and [www.lifx.com](http://www.lifx.com).

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