



ASX MARKET RELEASE

Update to LIFX Acquisition Financing Arrangements

SUMMARY

- Buddy has entered into a term sheet with Scottish Pacific, the largest independent working capital lender in Australia and New Zealand, for the provision of a A\$20 million working capital facility
- The working capital facility is proposed to be an industry-standard rotating loan that will be used to fund the manufacture of LIFX products, unlocking the ability for Buddy to match substantially growing demand with unit supply
- Buddy has been provided with short term working capital funding until such time as full form documents are executed with Scottish Pacific, ensuring no disruption to LIFX manufacturing or supply
- LIFX completed it's best-ever month of March, with revenues for March 2019 being more than 2x March 2018 revenues (unaudited, with final amounts to be disclosed in the Company's coming Appendix 4C)
- LIFX continues on track to achieve year on year growth within the company's historical 70%-100% range.

23 April 2019 – Adelaide, South Australia

Buddy Technologies Limited (BUD.ASX) ("Buddy" or the "Company"), a leader in IoT and cloud-based solutions for making spaces smarter, is pleased to provide the following update in respect to the trade financing (working capital) arrangements relating to the recent acquisition of leading smart lighting technology company, LIFX ("**LIFX Acquisition**"). Refer to the ASX Announcements dated 18 March 2019 and 1 April 2019 (together the "**Acquisition Announcements**") for details in respect to the LIFX Acquisition.

DEFERRED CONSIDERATION AND LINE OF CREDIT ARRANGEMENTS

As detailed in the Acquisition Announcements, Buddy, Luminous Wide Limited ("**Luminous**") and Eastfield Lighting (Hong Kong) Co. Limited ("**Eastfield**") agreed to defer payment of a portion of the cash consideration due on 29 March 2019 under the merger agreement pursuant to a varied loan agreement ("**New LoC**").

Following the provision of short-term bridge financing, the Company advises that US\$2.03 million under the New LoC has been repaid, fully satisfying the Company's obligations under that tranche of the New LoC.

As detailed in the Acquisition Announcements, the following repayments under the New LoC remain:

- a. US\$3.7 million of the New LoC will be repaid on or before 30 June 2019; and
- b. the remainder (US\$3.7 million) will be repaid on or before 31 December 2019.

TRANCHE B DEBT FINANCING

Shareholders are advised that the Company has executed an indicative term sheet with prominent working capital financier, Scottish Pacific for the provision of a trade finance facility. Scottish Pacific is the largest independent working capital lender in Australia/NZ, and the facility is proposed to be a rotating line of credit that will be alternately drawn upon and then paid down across a given year, with maximum funds drawn down expected to be in LIFX's busiest period of the year - October through December.

Key terms of the trade finance facility are proposed to be as follows:

- Facility amount: up to A\$20 million
- Trade receivable advance rate – initially between 50% and 75% depending on the currency of the receivable, calculated on the value of gross invoices submitted excluding invoices greater than 90 days old
- Interest rate: Prime rate plus 6.5% - expected to be between 7.23% and 9.02 depending on the currency of the receivable
- Term: 24 months
- The facility will be subject to standard notice period and fees.

The trade finance facility remains subject to the parties agreeing and executing formal documentation. The Company will provide shareholders with an update on this debt financing via a further ASX announcement.

LIFX UPDATE

March of this year was LIFX's best-ever March, being more than 2x March 2018 revenues, which in turn was previously the best performing March for the company. Accordingly, this places LIFX firmly on track to achieve year on year growth within the company's historical range of 70%-100%.



David P. McLauchlan

Chief Executive Officer
Buddy Technologies Limited.

About Buddy

Buddy Platform Limited (BUD.ASX) helps customers of any size to “make every space smarter”, by way of two subsidiaries – **Buddy Platform** and **LIFX**. Within Buddy Platform, Buddy Cloud, Buddy Ohm and Parse on Buddy are the company’s core offerings that empower its customers to fully leverage digital technologies and their impact in a strategic and sustainable way. Buddy Cloud enables ubiquitous access to and storage of data from any environment – recreational vehicles, schools, commercial buildings or an entire city – in support of smarter, healthier spaces. Buddy Ohm is a resource monitoring solution that simplifies building operations and provides peace of mind by harnessing real-time utility and operational data to reduce or mitigate risk and improve operations, savings and sustainability. Parse on Buddy is a mobile backend as a service (mBaaS) built on the world’s most popular BaaS technology.

For more than six years, LIFX 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 nearly one million homes, viewed as second only to lighting giant, Philips Hue. 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 Seattle, Melbourne, Silicon Valley and Shenzhen.

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

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