



# ASX MARKET RELEASE

## Market Update - US Tariffs on Chinese Goods

### SUMMARY

- All LIFX products manufactured in China are subject to standard import tariffs of between 2-3%, which have long been in place
- In 2018, the Trump Administration added a 10% tariff on a number of products manufactured in China which included many of the LIFX products; this was disclosed as a contributing factor as to why LIFX was not profitable in 2018
- On 10 May 2019, the Trump Administration elevated the 10% tariff to 25%
- Following reclassification of products to non-tariffed import codes, no LIFX product is currently subject to either the 10% or 25% tariff.

### 5 June 2019 – Adelaide, South Australia

Buddy Technologies Limited ("Company") (ASX:BUD), a leader in IoT and cloud-based solutions for making spaces smarter, wishes to provide a market update on its posture relative to the US government's institution of elevated tariffs on a cross-section of Chinese-manufactured products imported into the US, in particular the Trump tariffs which took a standard 2.5% import tariff from China to the US up to 12.5% in 2018 (refer to the ASX announcement dated 30 April 2019 for further details) and was further increased to 25% on 10 May 2019.

Following efforts made by the LIFX team over the prior months to reclassify our products under appropriate non-tariffed import codes, the Company is pleased to advise that it has achieved a milestone of four consecutive shipments of LIFX product imported that have been deemed not to be subject to either of the elevated tariffs of 25% or 10%.

The nature of trade negotiations between the United States and China are such that this may change at any time, and accordingly the Company will continue to monitor the situation to ensure compliance with all laws and regulations in effect or that may come into effect.

As material developments occur, the Company will continue to keep the market up to date.

For and on behalf of Buddy Technologies Limited,



**David P. McLauchlan**

Chief Executive Officer  
Buddy Technologies Limited.

### **About Buddy**

Buddy Technologies Limited (BUD.ASX) provides simple, affordable and engaging solutions for customers of any size to make their spaces smarter and their occupants more efficient, environmentally-aware and informed. 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](http://www.buddy.com) and [www.lifx.com](http://www.lifx.com).

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