



ASX MARKET RELEASE

Buddy Launches Partnership with Wattics for Comprehensive Energy Analytics and Provides an Update to Financing Arrangements

SUMMARY

- Buddy has entered into a technology partnership with Ireland-based Wattics Limited to provide real-time energy monitoring and enhanced energy analytics and reporting to commercial customers around the world
- Wattics will be deployed natively into Buddy Ohm's web portal and will bring advanced analytics and reporting capabilities to the platform, while Buddy Ohm introduces real-time monitoring and alerting to Wattics' customers
- Buddy expects these new capabilities to advance the capabilities of the Buddy Ohm product, especially in the UK/EU region, which are subject to new UK reporting requirements around energy reporting and auditing
- The deployment of Wattics' technology into Buddy Ohm will seek to assist analysts, energy managers and consultants' through the provision of energy performance analysis, baseline modelling, saving forecasting, and tenant billing for portfolios of commercial and industrial sites. First availability of this integration is targeted for September 2019
- An update is provided on the progress of the trade finance facility to fund the manufacture of LIFX inventory - the facility remains subject to the execution of formal documentation and completion of novations, the latter of which has taken longer than expected. The Company is not in a position of inventory shortages, and would not be drawing down on the facility yet even if it were available.

20 August 2019 – Adelaide, South Australia

Buddy Technologies Limited ("Company") (ASX:BUD), a leader in IoT and cloud-based solutions for making spaces smarter, is pleased to announce that it has executed an agreement with Ireland-based Wattics Limited ("Wattics") to integrate Wattics' enhanced energy analytics and reporting into the Buddy Ohm platform, while introducing real-time monitoring and alerting to Wattics' customers.

Wattics is a leading energy and business analytics software company with offices in Ireland and Germany that provides tools to energy consultants, utilities, energy service companies and facilities managers focused on managing energy consumption in commercial and industrial facilities. Wattics' advanced analytics are trusted by companies such as the Dalata Hotel Group (Ireland's largest), Dell, the Abu Dhabi National Oil Company, the Coats Group (multi-billion dollar industrial textiles company) and Bisagni Environmental Enterprise (energy managers for Burberry, Cisco, Prada, Panerai and Yves St. Laurent). This new partnership will seek to cost-effectively deliver on a commitment by Buddy to bring advanced energy and business analytics with powerful reporting

capabilities to the Buddy Ohm platform. Further, this agreement provides Wattics with the ability to resell the Buddy Ohm real-time monitoring and alerting solution to their customer base of energy consultants and facilities managers.

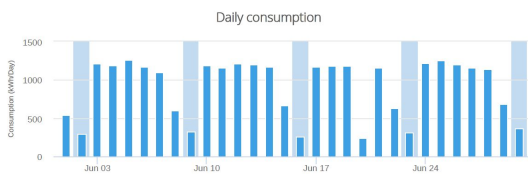
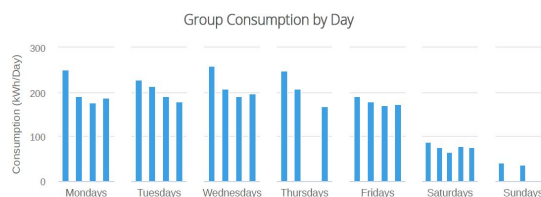
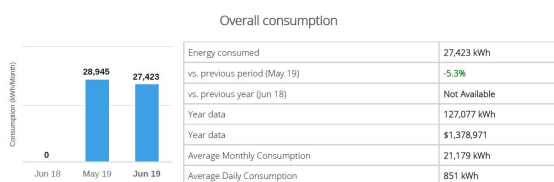
The partnership with Wattics is governed by a master services agreement and is for an indefinite term, noting that either party can terminate this arrangement by giving thirty days' notice. Deployment of the functionality contemplated by this arrangement is anticipated to assist the Company in delivering on its stated targets, in particular with selling into customers seeking regulatory and auditing/reporting assistance in the UK/EU markets (refer to the Company's ASX announcements in respect to this being a sought after customer base).

Buddy and Wattics have agreed on a nominal per-customer fee to be paid by Buddy in exchange for a license to the Wattics analytics toolset which will be integrated into the Buddy Ohm web and mobile experience. Buddy will include this new offering within its Buddy Ohm software-as-a-service (SaaS) revenue model (which aside from the negotiated fee, will all remain with Buddy), and all existing customers will gain access to these new analytics upon first rollout. As with any SaaS product with a recurring revenue model, the product must be continually upgraded and improved. Buddy considers this partnership with Wattics provides the most cost effective (and shortest time to market) means for doing that.

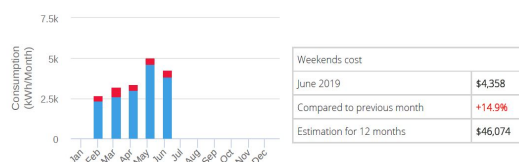
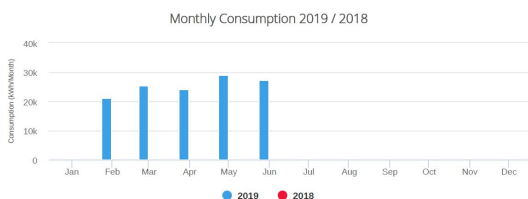
The Wattics product contains highly tailored analytics tools such as the Formula Composer, machine-learning Sentinel Trends and customised Measurement and Verification (M&V) tools that are expected to advance the capabilities of Buddy Ohm, in particular for customers with reporting or regulatory compliance requirements. As markets such as the UK and EU introduce regulatory obligations around energy reporting and auditing, the application of hefty fines for non-compliance adds new urgency to customers seeking tools like Buddy Ohm with Wattics' level of analytics.

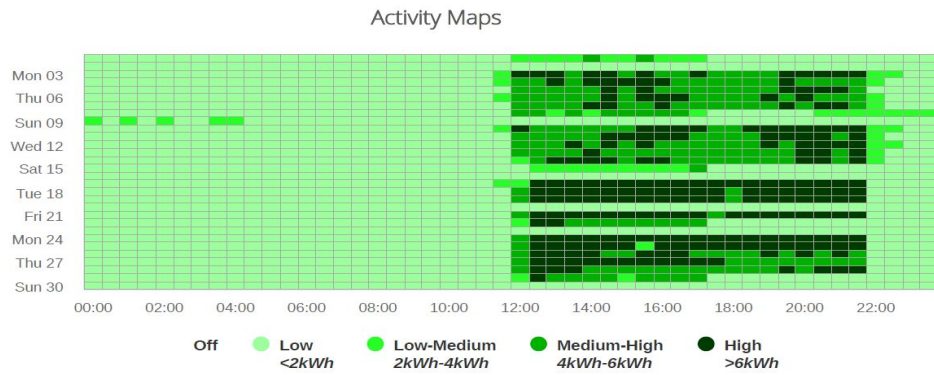
"We are very excited about Buddy adopting our software to accelerate the usage of our energy analytics across the world and we look forward to what the future holds for our industry," said Antonio Ruzzelli, Wattics CEO. "Since day one, Wattics has believed that the companies of tomorrow are those that look closely at their energy performance, respect the environment and embrace sustainability today. It is great to see all of this taking shape."

Trend analysis - Electricity



Daily Consumption for Weekdays and Weekends





The activity map shows the consumption level in the month divided into squares of half an hour.

Figure 1. Example analytics reports from Wattics to be integrated into Buddy Ohm

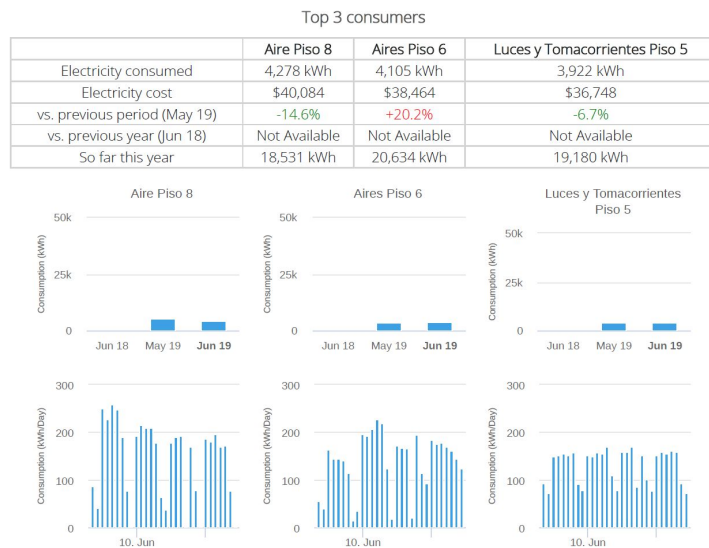


Figure 2. Reports developed by request from energy consultants by Wattics will now become a core component of the Buddy Ohm resource monitoring platform.



Figure 3. Analysis of energy consumption is now becoming a regulatory requirement in parts of the world. Integration of Wattics' toolset is expected to greatly enhance the Buddy Ohm platform capabilities.

"We are always on the lookout for opportunities to bring world-class technology into the Buddy Ohm platform, and were delighted to discover the value and benefits of the analytics that the Wattics platform can bring to our customers," said Travis Gerber, CEO of Buddy's Commercial Business. "Integrating this technology into our Buddy Ohm platform will provide customers with a whole new level of insight and capability that directly meets the growing needs of a nascent but evolving market".

The partnership with Wattics is pursuant to a Master Services Agreement with an indefinite term, but which can be terminated by either party with thirty days notice. Deployment of the functionality contemplated by the agreement helps the Company to deliver upon its stated targets, in particular with selling into customers seeking regulatory and auditing/reporting assistance in the UK/EU markets (refer to the Company's ASX announcements in respect to this being a sought after customer base). At this time however, the Company is unable to offer any guidance on revenue due to the implementation of the functionality contemplated by this agreement.

Update on Trade Finance Facility

The Company refers to its ASX announcements in respect to the progress of its trade finance facility for the purposes of funding the manufacture of LIFX inventory (dated 27 June 2019 and 2 July 2019) and provides the following update to shareholders. The trade finance facility is not yet complete and the availability of the facility remains subject to the execution of formal documentation (which are in final form) and the novation of customer contracts in favour of the financier.

While the novation of these contracts have taken much longer than Buddy had anticipated, they are progressing, noting that all parties remain motivated to finalise the trade finance facility as soon as possible and Buddy continues to have confidence that the formal documentation in respect to the trade finance facility will be executed in due course.

Shareholders should note that the Company has been building inventory out of cash on hand in lieu of this trade finance facility to ensure there are no inventory shortages. In the Company's last Appendix 4C Quarterly Report dated 31 July 2019, Buddy disclosed having A\$12.3 million (at cost, not retail value) of inventory on hand, which puts the Company in a strong inventory position. Importantly, even if the trade finance facility was available to Buddy, Buddy would not yet be drawing on it given its strong inventory position. The Company will continue to provide shareholders with an update on the progress of the trade finance facility by way of ASX announcements.

For and on behalf of Buddy Technologies Limited,



David P. McLauchlan

Chief Executive Officer
Buddy Technologies Limited.

About Wattics

Wattics focuses on advanced cloud-based machine learning analytics to help energy consultants, certified energy managers, analysts and practitioners with powerful and modern tools to identify saving opportunities, assess impact, track achievements, and meet compliance. The analytics integrate with a wide spectrum of utility data, energy, environmental and business metrics to then using advanced algorithms to help uncovering energy performance and wastages for portfolios of buildings, industries and businesses. The tool is widely used by professionals for compliance management, budgeting and forecasting, energy procurement, energy performance contracting and price analysis that delivers real-time data directly from connected devices.

For more information, visit www.wattics.com.

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About Buddy

Buddy Technologies Limited (ASX:BUD) 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 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 Melbourne (AU), Seattle (US), Shenzhen (CN) and Silicon Valley (US).

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

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