



ASX MARKET RELEASE

LIFX Enters Into New Vendor Agreement with Best Buy

SUMMARY

- LIFX has entered into a new Vendor Program Agreement with leading U.S. consumer electronics retailer, Best Buy
- This new VPA reduces the cost of promotions and merchandising by over US\$1.1 million over 12 months, while maintaining prominent positioning in the smart home section of Best Buy's 1,000+ stores
- The agreement also includes a commitment from LIFX to provide Best Buy staff with specialised training, which has an outsized impact on sell-through relative to other internal marketing investments.

3 March 2020 - Adelaide, Australia

Buddy Technologies Limited ("Company") (BUD.ASX), a leader in IoT and cloud-based solutions for making spaces smarter is pleased to announce that it has entered into a new Vendor Program Agreement ("VPA") with U.S. consumer electronics retailer, Best Buy.

The new VPA forms a crucial component of the Company's 2020 Goals ("The Eight", which were disclosed during the Company's Investor Webinar on 11 February 2020, downloadable from Buddy's website in the Investor Centre section), one of which was to increase profitability at loss-making retailers. Best Buy is amongst LIFX's largest retail channels worldwide and delivered a negative contribution margin to overall LIFX sales in 2019. With this new VPA in place, the cost of merchandising (ie: the cost of placement in the physical store) with Best Buy is expected to be reduced by over US\$1.1 million over 12 months and the Company expects the VPA to deliver a positive contribution margin from Best Buy in 2020. Further, as LIFX's largest bricks and mortar retailer, the Company expects this new VPA to contribute to U.S. profitability for LIFX in 2020.

The VPA governs the relationship between LIFX and Best Buy and provides the standard terms (including, returns, payment terms, shipping allowance, display allowance) applicable to purchase orders submitted on a demand driven basis by Best Buy for LIFX products. The VPA has a 12 month term and provides for the reduction in the cost of merchandising in Best Buy stores, online at BestBuy.com, marketing and co-marketing expenditure, and provision for other promotional opportunities including Best Buy staff training by LIFX.

For and on behalf of Buddy Technologies Limited,

A blue ink handwritten signature, appearing to read "David P. McLauchlan".

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 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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Buddy Technologies Contact:
Ben Secrett, Company Secretary
Email: cosec@buddy.com

Buddy Technologies Limited
Level 3, 12 Pirie Street
Adelaide, SA 5000
AUSTRALIA

