



ASX MARKET RELEASE

Update to LIFX Acquisition Financing Arrangements

27 June 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 ("**Acquisition**").

Trade Finance Facility

Buddy advises that it is continuing to progress finalisation, which remains on schedule, of formal documentation for the trade finance facility with Scottish Pacific (**ScotPac**) (**Facility**). At the General Meeting on 12 June 2019, the Company's shareholders approved the grant of financial assistance by Lifi Labs Management Pty Ltd in respect to the security arrangements in connection with the Facility ("**Whitewash**"). Buddy is this week targeting completion of the Whitewash. Having completed the Whitewash, Buddy anticipates execution of formal documentation for the Facility on or around the end of July 2019. This will ensure the Company's ability to draw down on the Facility is in place to fund manufacturing of inventory that will supply retailers during October to December, LIFX's busiest period of the year. The Company anticipates having sufficient inventory in the July to September period as the placement of orders with the manufacturer has not stopped through this process.

Refer to the Notice of Meeting dated 13 May 2019 for further details of the Whitewash.

Arranger Deed

The Company advises that it has entered into an agreement with Attalis Capital Pty Ltd ("**Attalis**") and Capricorn Commodities Pty Limited ("**Capricorn**") in respect to their services for the arrangement and procurement of the Facility ("**Arranger Deed**"). Pursuant to the Arranger Deed and subject to formal documentation for the Facility being agreed and executed, on the date the Facility is available to be drawn down, each of Attalis and Capricorn will:

- (a) be issued 15,000,000 options (**Arranger Options**); and
- (a) receive a non-refundable establishment fee of 3% of the Facility limit, currently expected to be A\$20 million.

The Arranger Options will be issued on the following terms:

- (a) each Arranger Option will have an exercise price equal to a 38% premium to the 5-day VWAP of Shares before the date of issue (**Issue Date**); and

(b) each Arranger Option is exercisable at any time during the period from the Issue Date to the date that is 2 years after the Issue Date.

For and on behalf of Buddy Technologies Limited.



David P. McLauchlan

Chief Executive Officer
Buddy Technologies Limited.

About Buddy

Buddy Technologies Limited (ASX:BUD) helps customers of any size to “make every space smarter”, by way of two subsidiaries – **Buddy Platform** (the commercial business) and **LIFX** (the consumer business). Within Buddy Platform, Buddy Cloud and Buddy Ohm 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.

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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