



ASX MARKET RELEASE

Buddy Commences Cost Down Program on LIFX Smart Lights

SUMMARY

- Buddy and its Shenzhen-based manufacturer of LIFX smart lights have each approved reductions in the ex-factory cost of LIFX's highest selling range of lights, the LIFX Mini collection (LIFX Mini White, LIFX Mini Day Dusk, LIFX Mini Colour) by approximately 25%
- The price reduction takes immediate effect, will result in no outward design, functionality or quality changes, and will apply to all new orders of LIFX Mini range product moving forward
- Buddy and its manufacturer will continue to work on cost reductions for other lights in the LIFX range, with both parties seeking similar cost reductions across all lights (excluding LIFX Tile and LIFX Beam).

7 November 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 is in receipt of confirmed new pricing from its Shenzhen-based manufacturer on LIFX's largest selling range, the LIFX Mini Collection (comprising LIFX Mini White, LIFX Mini Day Dusk, LIFX Mini Colour). The new pricing will allow LIFX to purchase these lights ex-factory approximately 25% cheaper than previously, with the new pricing taking immediate effect.

While LIFX engineers are constantly engaged in "value engineering" to make LIFX lights easier and less expensive to manufacture, a cost reduction of this magnitude is unusual and significant. Further, this reduction comes without any material changes to the lights or any perceivable differences in the product to consumers.

These reductions, and those that may follow, represent additional margin that will apply to the tail end of Q4CY2019 inventory. LIFX's regional general managers will have the discretion to maintain enhanced margins, offer promotions or price reductions to drive additional sales volume or initiate bundles/partnerships for inventory that lands prior to the peak holiday period, or use this margin to drive greater growth in Q1CY2020.

Focus will now be turned to achieving similar reductions on the remainder of the non-feature light range (ie: excluding LIFX Tile and LIFX Beam) with both parties seeking similar cost reductions across all such LIFX lights.

For and on behalf of Buddy Technologies Limited,

A blue ink handwritten signature, appearing to read "David P. McLauchlan", written in a cursive style.

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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