



ASX MARKET RELEASE

Buddy Signs Additional Manufacturing Agreement to Grow Scale

SUMMARY

- Buddy has executed a new manufacturing agreement with Nanchang Innotech Homesmart Co. Ltd. to increase manufacturing scale, breadth of product range and to reduce the overall cost of building LIFX products
- This new manufacturing agreement follows the Company's refinancing arrangements last week, with the addition of further manufacturing capacity (on commercially standard payment terms) being a condition of that financing
- Following execution of the new agreement, new orders have been placed for products that will be developed, certified, and manufactured for delivery in mid-2021
- Innotech will deliver both new products and be a new manufacturer for existing products in 2021.

13 January 2021 - Adelaide, Australia

Buddy Technologies Limited ("Company") (ASX:BUD), a leader in IoT and cloud-based solutions for making spaces smarter, is pleased to advise that it has executed a broad manufacturing agreement with Nanchang Innotech Homesmart Co. Ltd ("Innotech") to manufacture new and existing products for the Company. This agreement fulfils one of the conditions subsequent to the recently announced financing arrangements with Partners for Growth ("PFG", refer to the ASX announcements dated 5 January 2021).

Innotech is a world class manufacturer of consumer electronics, specialising in smart home products and in particular, smart lighting. Innotech operates two manufacturing facilities spanning over 45,000 square metres of production space, and with current staffing levels has a production capacity of over 4.2 million pieces per month, with mechanisms in place to expand further as needed. This represents a greater than 5x increase in potential capacity which the Company may draw down upon as future growth demands require.

LIFX is pleased to be joining a number of globally recognised brands with which Innotech works today, both as a partner and as manufacturer (including GE Lighting). Additionally, Innotech is an Amazon certified original design manufacturer ("ODM") for the supply of such certified products. Effective immediately, LIFX will have commercially standard payment terms on all orders with Innotech, and these terms align with the PFG working capital financing facility.

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While Innotech is the current manufacturer of the LIFX Switch, it will now also commence development on new LIFX lighting products as well as begin to cost-reduce existing LIFX products. The Company has considerable confidence that Innotech will significantly bolster its overall manufacturing capacity when paired with Eastfield, and anticipates that new and existing lighting products manufactured by Innotech will first be delivered in early FY22 (with new orders for LIFX Switch products to be delivered prior).

With all prior manufacturing exclusivity obligations now terminated, LIFX anticipates adding additional manufacturing capacity and variety (ie: specialist manufacturers for particular products, such as glass-based lighting, strip-based lighting, etc...) to further expand the Company's product offerings, price competitiveness and overall market position. Further updates will continue to be provided by way of ASX announcements.

For and on behalf of Buddy Technologies Limited,



David P. McLauchlan
Chief Executive Officer
Buddy Technologies Limited.

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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 well over a million homes, and considered to be the #2 brand of smart lights globally. 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), Dublin (IE), Shenzhen (CN) and Silicon Valley (US).

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

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