ASX MARKET RELEASE

Investor Webinar Now Available

11 October 2019 – Adelaide, South Australia
Buddy Technologies Limited (“Company”) (BUD.ASX), a leader in IoT and cloud-based solutions for making spaces smarter, is pleased to announce that a recording of today’s investor webinar has been made available on the Company’s website.

The recording may be found in the section titled “Investor Centre”.

A copy of the slides presented during the webinar is attached.

For and on behalf of Buddy Technologies Limited,

Stuart Usher
Company Secretary
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 ecomerce 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](http://www.buddy.com) and [www.lifx.com](http://www.lifx.com).

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Buddy is currently conducting an SPP, and our team seeks to provide the market with an overview of the business + engage in some Q&A.

- Overview of the business
- Consumer/LIFX update
- Buddy Ohm update – progress in Latin America and UK/EU
- Managed Services update
- Q&A
Webinar Panelists

- David McLauchlan – Group CEO
- Marc Alexander – Group CTO
- Richard Jacroux – Group CFO
- Martin Carroll – GM, EMEA
- Sarah Watrous – Director of Strategic Development
2019 Targets

- Targeting LIFX growth of 70–100% in CY 2019
  (calendar Q4 is the “make or break” quarter here, will be providing updates)

- Targeting Buddy Ohm + licensing business breakeven by EOY 2019.
  (per last 4Q, currently on track)

- Targeting Buddy Technologies Ltd profitable by EOY 2019
  (70–100% growth of LIFX + breakeven of Buddy Ohm)
ABOUT BUDDY TECHNOLOGIES LIMITED
About Buddy

Buddy makes technology that
**Makes Every Space Smarter.**

LIFX – the world’s #2 smart lighting brand.

Buddy Ohm – energy monitoring, auditing and analytics.

Managed Services – licensing of Buddy technology platforms
The Business

Buddy Technologies has a **consumer** business and a **commercial** business. Each is managed independently, although cross-selling is increasing, as is cross-development of products.

The **LIFX** consumer business constitutes energy efficient, smart connected lighting, the world’s 2nd most popular consumer smart light platform.

The **Buddy Ohm** commercial business includes the Buddy Ohm energy monitoring product and Group technology licensing (for example: Airstream; powered by LIFX).
The Business

Buddy Technologies makes money by selling Internet of Things (IoT) products that make spaces smarter, either as a service, as retail consumables or both. We sell via:
THE LIFX (CONSUMER) BUSINESS
LIFX Smart Light Features

- **Wi-Fi built-in** and internet connected.
- Energy efficient - consumes **85% less energy** than a standard light bulb.
- **Voice-enabled** (Amazon Alexa, Google Home, Apple Homekit, etc...) or mobile app controlled, or with regular light switches.
- Like any light bulb, they simply screw into standard sockets.
LIFX Smart Light Features

- No hub required, simply plug’n’play.
- Long life - rated at 23 years.
- Automated scheduling, turn on at dusk, turn off at dawn, etc...
- 16 million colours per (colour) bulb.
- We’ve sold over 2.2 million lights to date, and growing rapidly.
- 1.5 million lights are connected to our cloud infrastructure. It took 4.5 years to connect the first million, the last 500k took 7 months.
Not just bulbs, but also “feature” or decorative lights.
Turn on living room lamp.

Works directly with all voice assistants.
Current Range

The brightest range in WiFi lighting - all currently sold in retailers around the world.

Everyday

Mini White
Mini Day & Dusk
Mini Color
LIFX A19
LIFX BR30
LIFX GU10
LIFX 100cm Downlight

Security

LIFX Plus A19
LIFX Plus BR30

Feature

LIFX Z Strip
LIFX Beam
LIFX Tile
Introducing, new for 2019...

LIFX Z TV
Smart Backlighting.

Create a cinematic TV glow or practical bias lighting.
Introducing, new for 2019...

LIFX Candle Colour

The first smart light bulb capable of blended simultaneous colour.
Introducing, new for 2019...

LIFX
Candle
Colour

The first smart light bulb capable of blended simultaneous colour.

PRE-SALES LAUNCHING TODAY!
Introducing, new for 2019...

LIFX
Candle
Day & Dusk

Ambient light with warm amber to cool tones...
Introducing, new for 2019...

LIFX
Spiral

Old world feel, new world tech...
Introducing, new for 2019...

LIFX Vintage

Old world feel, new world tech...
Introducing, new for 2019...

LIFX Switch

Smart switch.

Control your LIFX lights or any non-smart lights from a smart switch, it’s that simple.

Set up your switch in the LIFX mobile app and schedule your buttons or use your favourite voice assistant.
Finance Facilities

- We have executed finance facility documentation for two very common types of financing employed by consumer electronics vendors – “trade financing” and “inventory financing”.

- Our trade finance facility is for a maximum of A$20m, is provided by Scottish Pacific, and we may borrow 50-75% (region dependent) of the gross accounts receivable balance.

- Our inventory finance facility is for a maximum of US$6m, is provided by Challenger, and we may borrow 60% of the Company’s current in-warehouse inventory value.

- Both of these facilities are rotating facilities, feature market-competitive rates and neither is “factoring”.

Finance Facilities

- Both facilities have taken longer to put in place than was expected. This has been for reasons outside of our control, but all parties are committed to these facilities and both are extremely close to being complete.

- The trade finance facility has been delayed in part due to the assignment (novation) of customer contracts to LIFX Australia which is required to build up eligible receivables. One US customer remains before there are sufficient receivables to justify a draw. All parties are keen to reach financial close ASAP.

- The inventory finance facility was started later than the trade finance facility and required in-person inspections by the lender of our global warehouse facilities. It is now only awaiting counter-signatures by the lender before financial close will have been reached.
THE COMMERCIAL BUSINESS
The commercial business is:

- **Buddy Ohm**
- **Managed Services**
  (licensing Buddy technology to third parties)

The commercial business is targeted to reach breakeven by EOY 2019.

As of today, the Company is on track to achieve this target.
Buddy Ohm

- **Buddy Ohm** is an energy monitoring, auditing and reporting tool for commercial environments

- Monitor electricity, gas and water consumption + solar generation

- **Analytics** to inform audits of building energy consumption

- Automated **reporting** to satisfy regulatory needs.
Buddy Ohm displays energy data in a variety of ways - all highly visual.
Buddy Ohm

- Sold through a network of distributors and resellers.

- Certified for deployment in all major territories.

- Currently sold in Australia, the United States, Canada, Caribbean, Latin America, United Kingdom and the European Union.

- Sold as a service - recurring revenue, with billing increasing for each monitored point.
Buddy Ohm

We currently have paying Buddy Ohm customers in the US, Canada, Dominican Republic, Curacao, Trinidad and Tobago, Jamaica, French West Indies, Cayman, Bermuda, Antigua & Barbuda, Haiti, Suriname, Columbia, Aruba, UK, Spain, Italy, and Australia.
Energy Auditing

● Rapidly growing opportunity to sell into customers seeking regulatory and auditing/reporting assistance in the UK/EU markets.

● Just announced a partnership with Wattics, an Irish energy analytics and advanced reporting company.

● Partnership allows us to integrate and deploy Wattics’ world-class analytics and reporting features.
Energy Analytics

Trend analysis - Electricity

- **Wattics** will be deployed natively into Buddy Ohm’s web portal
- Will bring advanced analytics and reporting capabilities to the platform
- Buddy Ohm introduces real-time monitoring and alerting to Wattics’ customers

![Graphs showing overall, daily, and monthly consumption comparisons.]
Energy Analytics

- Target customer: analysts, energy managers and consultants
- Used for energy performance analysis, baseline modelling, saving forecasting, and tenant billing
- First integration was completed in September 2019.
Managed Services

- The Company has a portfolio of technologies and several platforms available to license into third party products

- Buddy will license these technologies + help manage those deployments and integrations

- This is a nascent but growing business for us.
- **Airstream** (subsidiary of Thor Industries, NYSE:THO) licenses Buddy Ohm + Buddy Cloud technologies to power their connected RV product.

- We operate as an extension of Airstream’s product development team to deploy this integration.

- This has been a $5m + royalty contributor so far and growing (is profitable as a standalone project).
- We are licensing the LIFX control module + cloud + app + voice skills platform

- With this platform, a third party will add:
  - Connectivity to their product
  - Make it controllable via mobile app and
  - Make it controllable via all the top voice assistants (Amazon Alexa, Google Home, Apple Siri, Microsoft Cortana).

- This “powered by LIFX” platform also adds energy monitoring & Ohm compatibility to any product.
Three revenue opportunities for the commercial business:

- Where hardware is required (such as the LIFX Control Module to the left), this is sold at a premium (sold per unit)

- For any integration work, we charge a “non-recoverable engineering” fee (NRE - usually one-off, paid monthly)

- Finally, for access to our cloud platforms, we charge a monthly recurring cloud access fee.

Powered by LIFX
LATEST UPDATES
LIFX Direct Sales

- A complete overhaul and relaunch of the 5 global (US, AU, UK, EU and international) LIFX websites has been completed, focusing on ecommerce optimisation, responsive mobile design and new features added to increase the revenue potential of the B2C channel.

- We’ve invested in building out a higher margin direct to consumer channel, which is expected to increase yield and profitability in the near term across both existing and new markets.

- We will launch pre-sales for upcoming products online, which helps us understand demand, ensure we’re manufacturing to the right quantities and allows us to engage with customers earlier.
Choice Awards

- Choice is Australia’s leading consumer advocacy group.
- They have independently tested smart lighting products available in Australia and scored them based on ease of use (set-up, remote access, documentation, app layout, functions, reset procedure) and performance (app responsiveness and luminosity).
- The smart lights that scored the highest in the category were all from the LIFX range:
  - LIFX A60
  - LIFX Mini Day & Dusk
  - LIFX Mini White
Australia’s leading consumer group CHOICE has recommended the LIFX A60, LIFX Mini White and LIFX Day & Dusk products, having scored the highest of all products tested in the category.

LIFX will be including CHOICE branding on these products, which will appear as a sticker applied to the appropriate packaging for lights sold through Australian retail stores.
LIFX in North America

- **Rogers**, the largest mobile carrier in Canada, will launch LIFX smart lights in 160 of their retail stores nationwide.

- **Comcast**, the largest cable and internet provider in the U.S., will increase the number of Xfinity stores stocking LIFX smart lights from 100 to 176.

- **Candle Colour** and **LIFX Z-TV** will launch in the next month in the world’s largest consumer electronics retailer, **Best Buy**, and the world’s largest online retailer, **Amazon** – both in time for the crucial holiday season.
● **Europe presents an incredible opportunity for LIFX in 2019.** It is a well-advanced market (smart lights being bought by mainstream consumers, not just tech enthusiasts).

● Philips Hue has an overwhelming market share in Europe (90%+) – which is expected seeing as they’re a European company, BUT nearly all the major retailers ONLY stock Hue. Of course their share is huge!

● Retailers need a strong competitor to Hue. LIFX can be that competitor, and we’re working aggressively to partner with retailers to help us enter the market.

● Retailers suggest that across the top 24 markets in Europe, smart lighting is a A$1.3 billion/yr segment and growing.
LIFX at IFA

• **IFA** is Europe’s largest consumer electronics trade show, held annually in Berlin, Germany. 250,000 attendees!

• Met with over **100 trade customers**, ranging from small stores to large retailers. New opportunities were landed, some of which will even have holiday (CYQ4) effect.

• (Verbal) agreement to launch in **Russia** with a **70 store** CE retailer

• Agreement to launch in a large EU retailer based in Germany

• Work started on channel opportunities in Poland, Czech Republic, Romania, Greece and Russia.
**LIFX at Dixons**

- **Dixons** is the leading consumer electronics retailer in the United Kingdom and Ireland, selling through their store brands of **Dixon’s Travel**, **Curry’s PC World** and **Carphone Warehouse**.

- In the Nordic region, Dixons operates their store brands **Elkjøp**, **Elgiganten** and **Gigantti** – we’re currently stocked in 100 of these stores.

- We’ve now just launched into 251 Dixons stores in the UK and Ireland.

- We’ll be heavily promoted via freestanding display units, only LIFX and Hue on offer in these stores.
Buddy Ohm Update

- We scaled back the Buddy Ohm business dramatically when we introduced our cost cutting program, with the goal of reaching cash-flow breakeven by EOY 2019.
- Accordingly, our sales focus is in two regions – CALA (Caribbean and Latin America) and the EU/UK.
- Buddy Ohm is growing once again, but from a small base. We have bid for some larger opportunities, but our daily focus is on growing the base and winning bigger deals by first winning smaller deals.
Buddy Ohm Update – CALA

- **Global Commerce Bank** in Antigua & Barbuda added a third location in less than a year, deployed in their data centres to trigger alerts from certain events (such as if the temperature goes above a certain threshold).

- Alstons Marketing Company Limited (**AMCO**) is a distribution and marketing company in Tobago. Earlier this year we successfully implemented Buddy Ohm at the Super Cold and Cold storage areas in Port of Spain and now a new installation at Tobago distribution center has been completed.

- **WGM Group** is a poultry/hatchery company in the Caribbean. Buddy Ohm’s Gas/Water/Climate solution displaced the then-current solution in use due to our cloud-based alerting capability from the Cloud. Initially installed in 7 hatcheries, opportunity for continued growth.
Buddy Ohm Update – CALA

- **Hayco** – an Australian founded company now with global operations, has deployed us across four production lines in the Dominican Republic and China, tracking electricity consumption and viewed in both the Buddy Ohm portal and dashboard.

- **Seguros Universal** – was an existing Buddy Ohm customer who is now expanding to additional facilities starting with their San Vicente branch, monitoring electricity consumption, solar energy generation, power diesel generation, amount of collected rainwater, A/C temperature.

- **Birgin Di Rosario** is Buddy Ohm’s first CALA healthcare industry customer. Originally sold in as a gas/water/climate monitoring solution, the customer has just added electricity monitoring to understand the efficiency of their cooling and lighting systems. This is a fourth installation, following three earlier installations this year.

- **America Movil – Claro Colombia**; America Movil is a Fortune Global 2000 business and through this reseller partner, we sold a cold storage monitoring solution. This is our first sale with this particular partner, and we’re looking forward to growing our business with them.
Buddy Ohm Update – EU/UK

- Fidelity energy launched their marketing campaign in September including a new website, magazine, email campaign, and telesales effort. This is starting to generate leads that their direct sales team is actively driving. They already have several wins from early sales over the summer.

- Fidelity was selected as a finalist for the Comms National Award – Best Enterprise Mobile/IOT Solution for Buddy Ohm.

- Ingram Micro UK is going through a complete reset of the IoT business. They have brought in a former Ingram MD to spearhead this effort and we have been partnering to develop the market strategy that is including Ohm as a flagship solution. Planning phases for this are just wrapping up so we would expect this to be put into motion in the new calendar year.
Managed Services Update

- The Company continues to service Airstream as a tier 1 customer – nearly $450k per quarter in fixed services revenue.

- Monthly variable services revenue has historically been climbing at around **10% per month** – still small numbers but will soon become interesting.

- Two near-term managed services contracts to be executed (currently in final negotiations) to license the **LIFX control platform**. These are Australia-based customers selling in Australia and overseas, for home appliances (not lighting).