



For personal use only

ASX MARKET RELEASE

Buddy Launches New Products at Consumer Electronics Show

SUMMARY

- Both Buddy's Commercial and Consumer (LIFX) teams are on the ground in Las Vegas, attending the 2020 Consumer Electronics Show (CES)
- The Company is announcing a slew of new and enhanced products, including:
 - Launching LIFX Filament White, in clear, amber and smokey glass variants
 - Launching LIFX Z TV 360° Kit and LIFX Z Gamer Kit
 - Launching LIFX Candle White to Warm
 - Launching LIFX 100mm Downlight White to Warm
 - Launching the new LIFX App 4
 - Showcasing switching solutions with LIFX Switch and Flic integration
- The Company will be sharing key historical metrics with partners and customers, including
 - Year on year (CES 2019 to CES 2020) LIFX customer account growth of 51%
 - Year on year (CES 2019 to CES 2020) device growth of 56%
- New LIFX retail displays for Europe are being unveiled

7 January 2020 - Las Vegas, Nevada (8 January 2020 in Australia)

Buddy Technologies Limited ("Company" or "Buddy") (BUD.ASX), a leader in IoT and cloud-based solutions for making spaces smarter is pleased to share a summary of the new products and updates being provided to customers, partners and potential customers or partners at the 2020 Consumer Electronics Show in Las Vegas.

Both the Buddy Commercial team and Consumer (LIFX) team are on the ground in Las Vegas, where the Company has taken over a Sky Suite at the Aria Resort and Casino, creating a fully immersive demonstration experience involving LIFX lights, LIFX feature lights, LIFX Switches, and integration with voice assistant products from Amazon and Google. CES is the global stage where next-generation products are introduced to the marketplace, and is the single event each year where all the company's customers, partners and potential customers and partners congregate. More than 50 meetings with those entities are planned over the course of the four-day trade show, in addition to a media event that included CNN, Consumer Reports, Gizmodo and other major industry outlets hosted in the Company's demo suite.

New Products

The Company has announced the launch of coming retail availability of the **LIFX Filament White** smart light. With a targeted recommended retail price of US\$29.99 and targeted availability of (northern) Spring 2020, the new LIFX Filament range represents the growing trend towards

vintage Edison-type smart lights. Debuting at CES will be ST64 teardrop design (to be followed by a G95 globe) with vertical hanging LEDs. LIFX will launch smokey, amber and clear glass versions, providing a broader range of finishes than most competing products. The bulbs are a single warm white, are built upon the same technology platform as the rest of the LIFX range and support all voice assistants, cloud connectivity and remote on/off and dimming functionality. Vintage Edison-type lights are increasingly found in both retail and hospitality venues, which opens up a large number of new commercial opportunities for LIFX.



Figure 1. The new LIFX Filament White smart light with amber glass, launched at CES 2020.

The Company is today launching the **LIFX Z TV 360° Kit** and **LIFX Z Gamer Kit**, two additional members of the growing “Z strip” family of products - some of the most successful in the Company’s portfolio. These products are designed to adhere to the back of TVs and gaming monitors. The “360°” includes 2x 1m strips and 2x 50cm strips plus the corner connectors to run along all four edges of a flat screen TV, while the Gamer Kit is designed specifically for use on computer monitors with 2x 50cm strips. LIFX will offer additional 1m, 50cm and 25cm strip extensions to allow customisation for any TV or monitor size.

Both kits are targeted for release in northern Spring 2020. The LIFX Z TV 360° Kit is expected to retail for US\$99.99, while the LIFX Z Gamer Kit is expected to retail for US\$69.99.

CES 2020 marks the first public viewing of the new **LIFX Candle White to Warm**, which will join the previously announced LIFX Candle Color as a tunable white model in the Candle range. Customers will use the LIFX app or any of the popular voice assistants to adjust the light from the same cool white to warm white of the LIFX Mini Day & Dusk product. The new LIFX Candle White to Warm is expected to be available in northern Spring 2020, and has a targeted retail price of US\$29.99.



Figure 2. The new LIFX Candle White to Warm

The LIFX 100mm Downlight is amongst the most popular and successful products in the Australian portfolio, and will now be joined by the new **LIFX 100mm Downlight White to Warm**. This new product will fill a market gap where customers seek smart downlights, but don't need a full colour product in every downlight cavity in the house. The LIFX 100mm Downlight White to Warm will have the same form factor and design as the existing colour version, and is expected to ship in April 2020, with a targeted retail price of A\$69.99.

All of the new products to be revealed at CES are expected to contribute to LIFX growth in 2020.

New Mobile Application

LIFX has been successfully beta testing a new version of the LIFX mobile application over the past several months with overwhelmingly positive feedback on this ground-up redesign. The new app is the result of very considerable customer research and market testing, and is designed to support control of not just smart lights, but a whole range of smart home products (for example, smart blinds, such as those to be built in partnership with DIYBlinds - refer ASX Announcement on 25 October 2019). Today, LIFX announces that the new **LIFX App 4** is expected to launch by the end of January 2020.

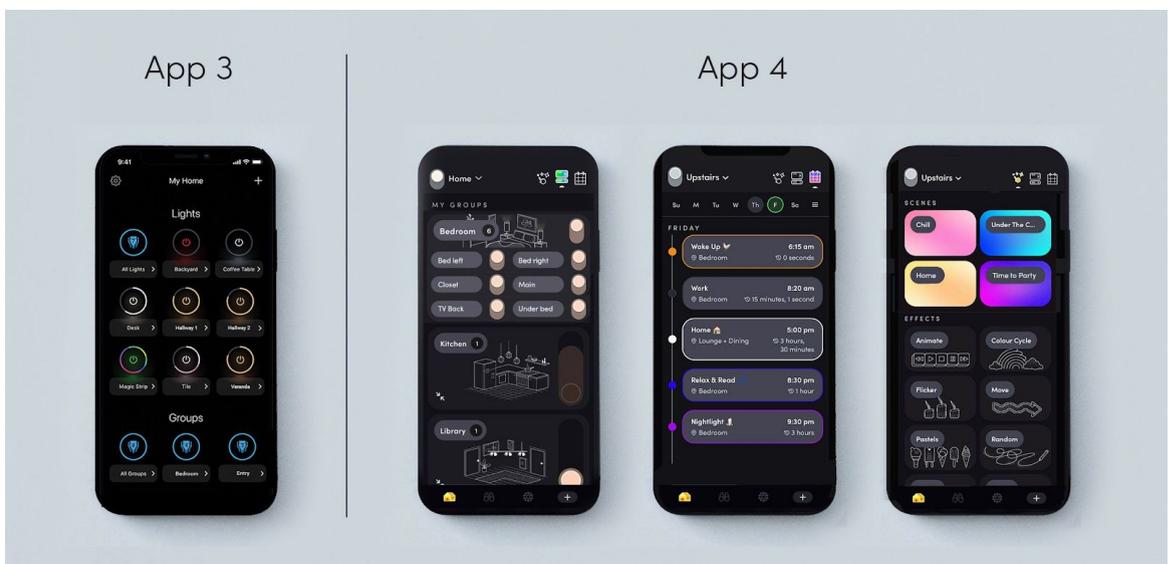


Figure 3. A comparison of the existing App 3 and the brand new App 4 user experiences.

Switching with LIFX - the LIFX Switch and Flic Integration

In recent months, LIFX has launched pre-sales for LIFX Switch in both Australia and the U.S., which follows (and has also subsequently driven) additional retailer interest in LIFX Switch across Australia, North America and Europe. In addition to showcasing LIFX Switch with fully operational demos, including voice assistant integration, the Company will be holding discussions about expanding LIFX Switch into bricks and mortar and online retailers worldwide.



Figure 4. Flic buttons integrate perfectly with the new LIFX Filament White (shown in smokey glass finish).

LIFX is also showcasing its integration with Flic, featuring the second generation, Bluetooth long-range Flic button. Customers and partners are being briefed on LIFX and Flic's plans to natively support setup and configuration of Flic buttons in the new LIFX App 4. The Flic button provides a low-cost, battery-operated, "place-anywhere" control solution for smart home products, and LIFX is proud to feature prominently in Flic's roadmap.

LIFX Tile

Every quarter the Company engages in a review of the commercial viability of each of its products and SKUs, and in doing so, has made the decision to end of life the LIFX Tile product. The Company has informed its retail partners that it expects to announce additional feature lighting products throughout 2020.

New Key Metrics

The sales and business development teams at LIFX will be reviewing the 2019 calendar year with the Company's major retail and distribution partners, including discussing the performance of

2019 sales in the context of whole-market growth and competitor performance. While revenues for the full holiday quarter are not yet available, the Company is sharing four important data points that provide some insight into the health of the LIFX smart light business and the importance of smart lighting to the voice assistant market. All figures below are historical growth figures between CES 2019 and CES 2020:

1. **Account growth on the LIFX cloud of 51% year on year**
2. **Device growth on the LIFX cloud of 56% year on year**
3. **Growth in customers using one of our voice assistant partner devices to control their lights of 200% year on year**
4. **Growth in utterances by customers using one of our voice assistant partner devices to control their lights of 72% year on year.**

With such outsized growth in the usage of voice assistants by customers to access and control LIFX smart lighting, it is clear that the investments made by the LIFX engineering team in top-tier support for these products have paid dividends. Accordingly, the Company expects to further its relationship with the major voice assistant vendors - all of whom are at CES 2020, and will be meeting with the LIFX team during the course of the week. The account and device growth figures are measured from the LIFX cloud (and not by sell-in or sell-through), so investors should not consider these figures to be a proxy for revenue.

New Retail Displays for Europe

With such a considerable focus being applied on Europe in 2020, it became clear that a re-imagining of the LIFX Point of Sale (“POS”) displays was required. In presentations to the major European retailers and distributors at CES 2020, the Company will be revealing a new, modular POS display system that will cater for the wide variety of SKUs and shelf space available at the various European retailers.

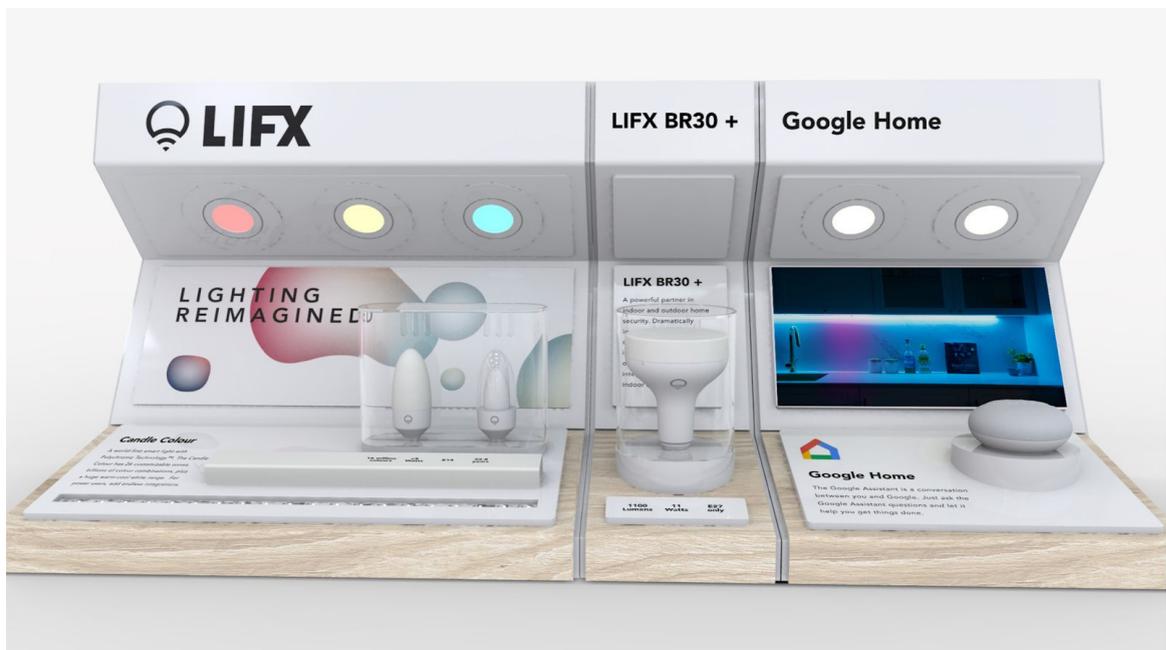


Figure 5. Incorporating video displays and room for partner integrations (such as Google Home in the above example), the new modular POS display provides a flexible new option for retailers assorting LIFX products.

Buddy Commercial Team

Representatives from the Buddy Commercial Team are attending CES 2020 to seek new customer opportunities for Buddy Ohm, which may include (amongst others) licensing of Buddy's core technology platforms and the pursuit of trade and commercial opportunities for LIFX Switch.

For personal use only

Buddy / LIFX Suite Takeover

As in prior years, the Company has obtained a suite at the Aria Resort and Casino, and replaced the lights in the suite with LIFX products to create a demonstration showroom. Doing so provides guests and meeting participants with the opportunity to experience LIFX in bedroom, dining room, living room and kitchen scenarios, all in a controlled environment. It allows for confidential meetings to be held in comfort and the relative silence of the hotel environment (as compared to the deafening noise of the CES trade show floor), and provides the Company with the opportunity to host multiple meetings at once. CES 2020 will see Company representatives attending more than 50 partner, customer and potential partner/customer meetings in the coming days.

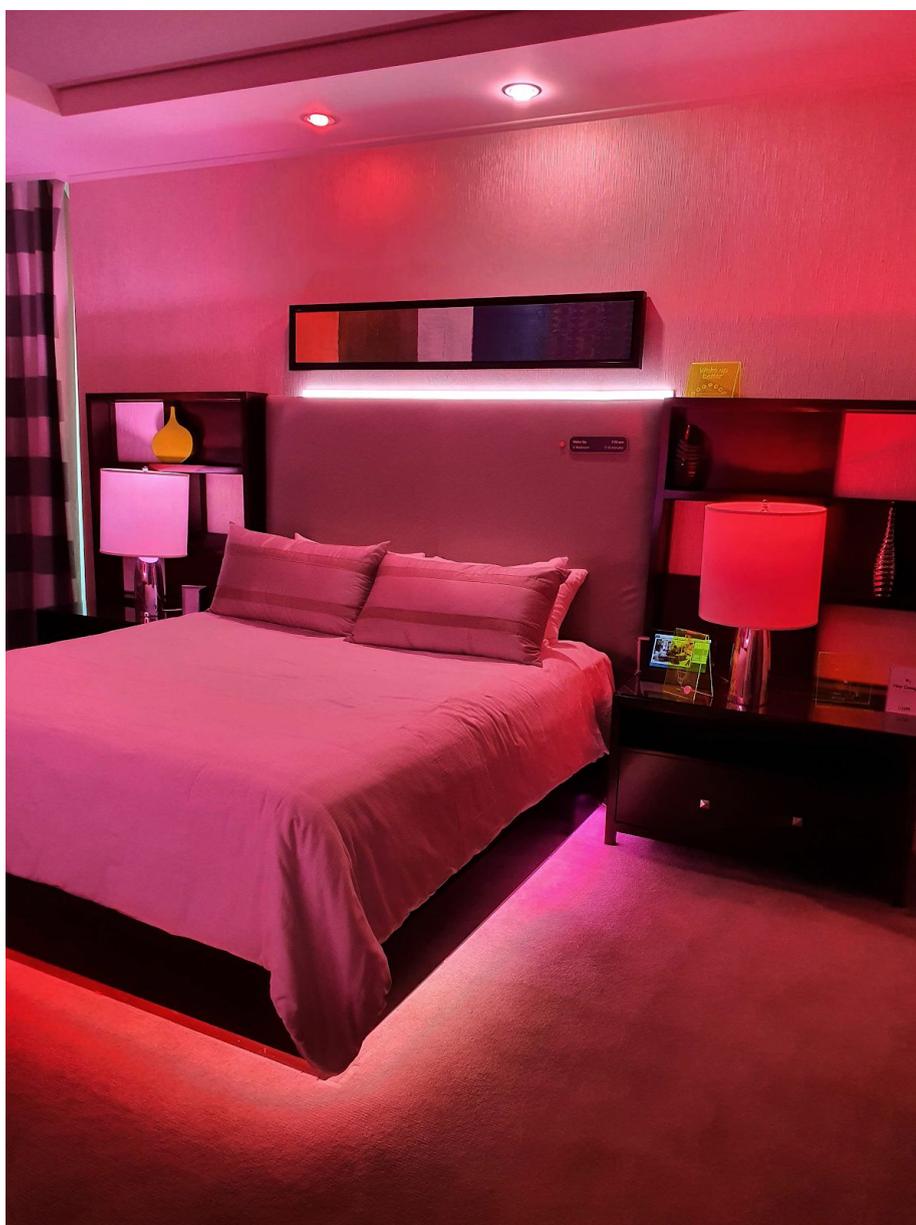


Figure 6. The bedroom display in the LIFX CES 2020 suite, showcasing LIFX Beam, LIFX Z Strips, LIFX Mini Color, LIFX A19+ and (not in picture) LIFX Z TV and Flic switch integration.

A further benefit of the suite takeover with LIFX products is it provides an opportunity to showcase LIFX-enabled hotel solutions to hoteliers who are in or visiting Las Vegas.

For and on behalf of Buddy Technologies Limited,



David P. McLauchlan
Chief Executive Officer
Buddy Technologies Limited.

For personal use only

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.

###

Buddy Technologies Contact:
Stuart Usher, Company Secretary
Email: ir@buddy.com

