ASX MARKET RELEASE

Vendor Debt Finance Update; Webinar Recording Available

SUMMARY

- The Company is in discussions with third parties to refinance the debts associated with the Company’s acquisition of LIFX in March 2019.
- The Company is also in discussions with the Company’s manufacturer, and holder of these debts, to determine whether the manufacturer may be willing to forgive a portion of the debt to facilitate a refinancing.
- In light of the significant upscaling of manufacturing expected leading into the annual holiday elevation of demand, the manufacturer has indicated it is willing to explore options presented.
- A recording of the Company’s Q4FY20 Quarterly Investor Webinar is now available.

7 August 2020 - Adelaide, South Australia

Buddy Technologies Limited (“Company”) (BUD.ASX), a leader in IoT and cloud-based solutions for making spaces smarter, is pleased to provide an update on its current negotiations to refinance the vendor debt related to its March 2019 acquisition of LIFX.

While negotiations continue to progress, Eastfield Lighting (Hong Kong) Co. Limited (“Eastfield”) and Luminous Wide Limited (“Luminous”), together the manufacturer of the Company’s LIFX brand of smart lights, have indicated that they may be willing to agree a partial forgiveness of the outstanding debt to facilitate a refinancing. Any partial forgiveness, if given, would be subject to the completion of negotiations and binding agreements to effect the refinancing. The exact amount of this forgiveness, if granted, will depend upon negotiations currently underway, but negotiations to date indicate that it may be material in nature. If concluded, this forgiveness would reduce the goodwill created as part of the acquisition and in effect, reduce the overall purchase price that was paid by Buddy for LIFX.

While discussions for any refinancing are ongoing (and no final agreement on any forgiveness has yet been reached), the maturity date for the debt was recently extended to 30 October 2020 (refer to ASX announcement dated 31 July 2020). Further, with the Company recently securing purchase order financing, which is intended to unblock greater supply to meet demand, and the continued strength of demand in the market, the Company expects any agreed forgiveness of debt by the manufacturer to aid in expediting the conclusion of a refinancing deal.
Q4FY20 Investor Webinar Recording
A recording of the Q4FY20 Quarterly Investor Webinar is now available to view at http://www.buddy.com. The recording may be found in the section titled “Investor Centre”.

For and on behalf of Buddy Technologies Limited,

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), Dublin (IE), Shenzhen (CN) and Silicon Valley (US).

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

###

Buddy Technologies Contact:
Ben Secrett, Company Secretary
Email: cosec@buddy.com

Buddy Technologies Limited
Level 3, 12 Pirie Street
Adelaide, SA 5000
AUSTRALIA