



Buddy



ASX



ASX MARKET RELEASE

Buddy Agrees US\$10m Debt Reduction with Vendor Debt Holder

SUMMARY

- Following the acquisition of LIFX in March 2019, Buddy entered into a vendor debt agreement with Luminous Wide Limited to finance a portion of the acquisition
- Buddy has executed a deed of debt release under which Luminous will forgive US\$10 million (A\$14.2 million) of this debt, approximately 42% of the amount outstanding
- Luminous has also agreed that 50 million of the 100 million options previously issued to it will be cancelled
- Both the debt forgiveness and options cancellation are to occur contemporaneously with, and are subject to, payment of an agreed settlement amount as part of a refinancing with a third party financier
- Buddy is in advanced discussions with a third party financier to refinance the settlement amount into a new multi-year loan facility.

21 October 2020 - 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 deed of debt release ("Deed of Release") with (amongst others) Luminous Wide Limited ("Luminous") and Eastfield Lighting (Hong Kong) Co. Limited ("Eastfield") under which Luminous has agreed to release and forgive US\$10 million (A\$14.2 million) ("Released Debt") of the debt amount that is outstanding under the deferred consideration agreement associated with Buddy's acquisition of LIFX in 2019 (refer to the ASX announcements dated 18 March 2019, 19 March 2019, 1 April 2019, 31 March 2020, 28 May 2020 and 31 July 2020 for further details).

The key terms of the Deed of Release are as follows:

- 1) The release and forgiveness of the Released Debt by Luminous is subject to, and will occur following, receipt by Eastfield and Luminous of approximately US\$12.5 million owing under the deferred consideration agreement and other agreements with Eastfield and Luminous (together, the "Settlement Amount");
- 2) Luminous has also agreed that 50 million of their 100 million share options in the Company (each with an exercise price of A\$0.0759 and an expiry date of 5 years from issue) previously issued in respect to the new line of credit entered into by the

Company will be cancelled for nil consideration, following the release of the Released Debt;

- 3) In the event that the Company is unable to finalise a debt financing term sheet by 31 October 2020 to secure US\$7.5 million of the Settlement Amount, and pay the full Settlement Amount by 31 December 2020, Eastfield or Luminous may terminate the Deed of Release by notice in writing to the Company.

Buddy is in advanced negotiations with a third party financier to refinance the Settlement Amount and will provide Shareholders with progress updates by way of further ASX announcements.

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 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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