

## ASX MARKET RELEASE

### Buddy Platform Announces Intent to Acquire IoT Security & Device Management Platform, Zentri Inc.

- **Buddy Platform intends to acquire Los Gatos, CA and Sydney, NSW based Zentri, Inc.**
- **Deal brings together Zentri's leading IoT device connectivity & management technology with Buddy's IoT data management and control platform**
- **Zentri brings a highly experienced team, a much in-demand technology and over 1250 customers to date**
- **To realize the full consideration earn out value of the deal (300MM shares of BUD), Zentri would need to contribute at least US\$14.4 million in revenue by end of calendar year 2017**

**June 29, 2016 – Seattle, Wash.** – Buddy Platform Limited ([ASX:BUD](#)) today announced that the company has executed an indicative term sheet to acquire California-based secure Internet of Things (“IoT”) connected product platform, Zentri, Inc.

Zentri is a leading secure IoT software as a service provider, with a suite of technologies designed to help devices securely connect to the cloud. Zentri's Secure Connected Platform for IoT helps customers get connected devices to market in weeks instead of years. Leveraging ZentriOS, a complete product operating system for a wide range of commonly available IoT chipsets, Zentri offers customers a global device management system, secure product authentication, seamless over the air software updates, remote product diagnosis and analytics, and integration into popular IoT cloud platforms (such as Buddy).

“When one considers the billions of IoT devices to be deployed over the next few years, the problem of managing them, securing them and performing remote diagnosis of them becomes an extremely pressing one to solve. Our customers are already asking for solutions to these challenges, and in Zentri, we recognize an extremely high quality product built by an amazing team that can very much address these needs”, said Buddy Platform CEO, David McLauchlan. “With Zentri's embedded software expertise and Buddy's cloud and enterprise depth of talent, I believe there's an incredible opportunity to set the pace for this sector of the IoT industry moving forward.”

Buddy and Zentri had previously entered into a partnership agreement that allowed Zentri customers access to the Buddy Platform via ZentriOS. That partnership was on full display at the recent “IoT World” tradeshow in Santa Clara, CA where Zentri was an active participant and co-exhibitor in Buddy's prominent booth. The proposed transaction would provide first class connectivity, security and device management to customers of the Buddy Platform, while providing a leading cloud data management product to Zentri's customers. Furthermore, when considered in the context of the potential Noveda acquisition presently in progress, Buddy would soon be positioned to offer a globally competitive “silicon to visualization” IoT data offering at very significant scale.



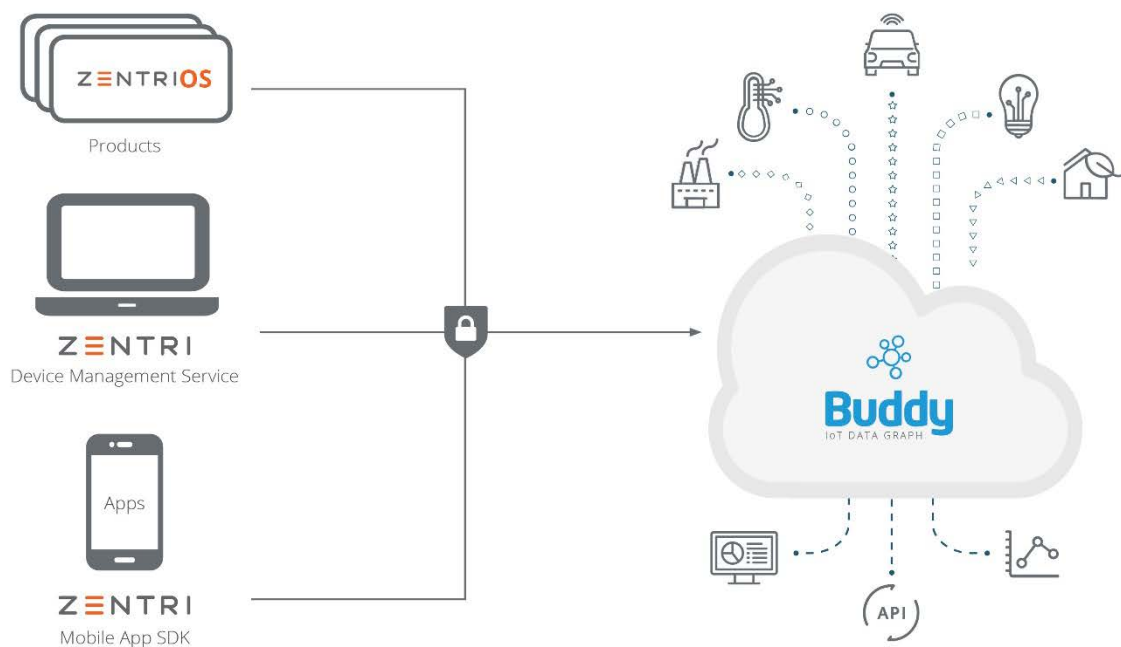


Figure 1 – Buddy previously entered into a partnership agreement with Zentri to connect ZentriOS and DMS as a data source feeding into the Buddy Platform. The two companies' products are highly complementary, sitting side-by-side in an IoT device implementation.

Subject to the completion of due diligence and the execution of a mutually acceptable binding acquisition agreement, the transaction is expected to result in the entirety of Zentri's business being acquired by Buddy, including a roster of over 1,250 customers that generate 6-figure monthly revenue today that is forecast to reach 8-figures annually in calendar year 2017.

"In offering ZentriOS, a full featured IoT operating system for a broad range of embedded chipset solutions, together with Zentri Device Management Service and mobile SDK, Zentri provides a truly pragmatic solution for reliable and secure fleet management of IoT devices", said Zentri CTO and co-founder, Jason Crawford. "Our customers want more ways to manage, process and visualize their IoT data, and Buddy's customers want a seamless solution for deploying and managing their fleets of IoT devices. It would be difficult to imagine a more perfect union, and accordingly we're very excited to be joining the Buddy team".

The term sheet provides for up front consideration of one hundred million Buddy shares payable in three tranches over an eight month period, with two additional milestone payments payable in subsequent years subject to achievement of significant revenue targets. In order to realize the full consideration earn out value of the deal, Zentri will need to meet revenue targets of US\$14.4 million by end of calendar year 2017. The consideration paid by Buddy to Zentri may be in shares of Buddy (subject to all requisite Australian regulatory and shareholder approvals), cash or a combination thereof (at the election of Buddy). If paid in cash, the consideration payment will be calculated using the 10 day VWAP of ASX:BUD as at the date of payment. The total value of the deal is capped at three hundred million (300,000,000) shares in Buddy if all performance and revenue targets are met.

While headquartered in Los Gatos, CA – in the heart of Silicon Valley – Zentri maintains a substantial engineering office in Sydney, Australia, providing yet another example of how well Buddy and Zentri expect to be able to integrate post-transaction.

The acquisition is subject to due diligence being completed by Buddy and agreement of a legally binding acquisition agreement. If completed, the proposed acquisition (together with the potential Noveda acquisition) will result in a change in the scale of activities of Buddy. Because of this, Buddy has liaised with the ASX, sought and received in-principle guidance that the proposed acquisitions will require shareholder approval pursuant to Listing Rule 11.1.2. ASX has advised that Buddy is not required to re-comply with Chapters 1 and 2 of the ASX Listing Rules.



## **About Buddy**

Buddy Platform Limited ([BUD.ASX](http://BUD.ASX)) provides one of the world's first data aggregation and management platforms for the IoT and connected devices. Buddy advances the Quantified Economy by providing the critical infrastructure by which businesses and organizations can, in real time, access and analyze the data generated by connected devices, and unlock the economic opportunities delivered by this data. Buddy Platform users represent a wide variety of industries, including airlines, agriculture, automotive, consumer electronics, robotics, software development, telecommunications, and transportation. Buddy is headquartered in Seattle, Washington, with offices in Adelaide, Australia. For more information, visit <http://www.buddy.com>.

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