



# Buddy



## ASX MARKET RELEASE

### Buddy Platform CEO Announces Completion of Due Diligence in Zentri, Noveda Acquisitions; Commercial Traction Update

August 29, 2016 – Seattle, Washington

Dear Shareholders,

I wanted to briefly update shareholders about the current state of activities at Buddy Platform Limited (Company) ([ASX:BUD](#)) and Buddy Platform, Inc (Buddy Platform), especially in light of the pending acquisition of the business of Noveda Technologies, Inc. (Noveda), the acquisition of Zentri, Inc. (Zentri) and recent market and share price activity.

#### Noveda & Zentri Acquisitions

- I'm pleased to share that the Company has completed, to its satisfaction, its due diligence investigations on both Noveda and Zentri and is close to finalising a notice of meeting to obtain the requisite approvals for the acquisitions. The Company anticipates dispatching the notice of meeting to shareholders shortly.
- All parties are pleased with the progress of the transactions and sales, marketing and integration meetings have already begun between the three organisations.
- As a result of the acquisitions and the new hires that will be made subsequent to the deals closing, the Company targets having an Australian-based employee count of at least 27 people.
- We'll continue to keep the market up-to-date in accordance with our continuous disclosure obligations and stated goals of transparency.

#### Platform Transaction Growth

- I'm pleased to share that Buddy Platform is now processing in excess of 40 million transactions per day – up from 20 million transactions per day in late June; this is a jump of 100% over our first performance milestone in only 8 weeks.

#### Revenue Growth and Commercial Traction

- Commercially, Buddy Platform, Zentri and Noveda have all had an extremely successful month. Buddy Platform was notified last week that a major deal, with a well-known US based brand, projected to be worth over A\$1.2 million has been awarded to Buddy Platform and Buddy Platform is currently in the process of having binding contracts drawn up for execution. This deal will be booked and revenues are expected to be received non-linearly upon the satisfaction of certain milestones over seven months. We're excited to report that this deal includes a Zentri-based hardware component (the dollar figures quoted exclude hardware which is incremental to this figure and potentially a substantial additional component) and further details will be provided upon the execution of binding contracts.
- In addition, the Buddy Platform's sales pipeline continues to grow, and is now up to A\$5.8 million in total value.
- Fresh off the back of the NYSERDA win (representing a US\$100 million market opportunity over the next five years, detailed in a [previous ASX release dated 25 July 2016](#)), Noveda is working with other

cities in the US to institute similar programs. Based on proposals under this RTEM program and other contracts, Noveda is on track to exceed their forecasts for CY2016

- Finally, Zentri recorded a stellar period of revenue/shipments in July/August of A\$1.12 million (to date), bringing their year to date shipments to A\$2.6 million. They are managing a backlog of nearly A\$2 million in orders which may all ship this calendar year (and thus potentially bring revenue/shipments up to A\$4.6 million for the full calendar year).

Subject to receiving the requisite shareholder approvals and the satisfaction of certain conditions precedent, Zentri and the business of Noveda will be owned and operated by the Company, meaning all revenues will accrue to the Company. With the additional capital raising of A\$4.5 million recently completed, the Company is in a strong position to further capitalise on the combined opportunities the acquisitions will deliver to the business.

There is a tremendous amount of traction, growth and new business at Buddy Platform. The M&A transactions with Noveda and Zentri have been a lot of work on all sides but we're very excited for the outcome and look forward to providing further details once the binding contracts have been executed. In the meantime we hope shareholders join us in looking forward to an exciting FY17 which has started with a "bang" at the Company.

Thanks again for your support, please don't hesitate to contact us with any questions, and we look forward to sharing additional news as it materialises.



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