



Buddy



ASX ANNOUNCEMENT

Discontinuance of Zentri Acquisition; Amendment of Proposed Terms of Noveda Acquisition; Adjournment of General Meeting

Buddy Platform Limited ("**Company**") (ASX: **BUD**) provides the following update in respect to the proposed acquisition of:

- the entire issued share capital of Zentri, Inc ("**Zentri**") (as detailed in the Company's ASX announcement of 30 June 2016); and
- substantially all of the assets, and the assumption of certain liabilities, of Noveda Technologies, Inc ("**Noveda**") (as detailed in the Company's ASX announcement of 18 May 2016).

A general meeting of the Company's shareholders is scheduled to be held at Level 2, 333 King William Street, Adelaide, South Australia on 14 October 2016 at 10.00am (ACST) today ("**General Meeting**") to approve (collectively and separately), for the purposes of ASX Listing Rule 11.1.2, the above transactions. Having regard to the matters detailed below, it is proposed that the General Meeting be adjourned.

Discontinuance of Zentri Acquisition

By way of background:

- (a) the Company entered into a non-binding letter of intent with Zentri on 27 June 2016 ("**Zentri Letter of Intent**") pursuant to which the Company proposed to acquire the entire issued capital of Zentri ("**Zentri Acquisition**"); and
- (b) the Zentri Acquisition is subject to the satisfaction of a number of conditions, including the execution of formal binding documentation.

Since the execution of the Zentri Letter of Intent, the Company has engaged in a due diligence process in respect to Zentri and its business and in the negotiation of the requisite formal binding documentation to give effect to the Zentri Acquisition.

On 13 October 2016, Zentri notified the Company that it had made a decision to terminate the proposed Zentri Acquisition. Accordingly, the Zentri Acquisition will not be completed.

Amendment of Proposed Terms of Noveda Acquisition

By way of background:

- a) the Company entered into a non-binding letter of intent with Noveda on 19 July 2016, ("**Noveda Letter of Intent**") pursuant to which the Company proposed to acquire substantially all of the assets and assume certain liabilities of Noveda ("**Noveda Acquisition**"); and
- b) the Noveda Acquisition is subject to the satisfaction of a number of conditions, including the execution of formal binding documentation.

Refer to the to the Notice of General Meeting dated 12 September 2016 ("**Notice**") for further details of the Noveda Acquisition. Note that the Notice disclosed that the Zentri Acquisition and the Noveda Acquisition are being considered by the Company independently of each other and that Shareholders should be aware that the Company may only eventually complete one of the acquisitions (refer to the Notice for further details).

Since the dispatch of the Notice, the Company has, in negotiating the formal binding acquisition agreement with Noveda, agreed to amend the initial consideration from US\$250,000 (payable at the Company's election in cash, shares or a combination thereof) to 15,574,914 Shares.

Notice of Proposed Adjournment of General Meeting

Attached to this announcement is a copy of an addendum ("**Addendum**") to the Notice of General Meeting dated 12 September 2016 ("**Notice**") in respect of the General Meeting.

The key matters effected by the Addendum are to account for:

- a) the termination of the Zentri Acquisition; and
- b) certain erroneous wording in the Notice and changes to the Noveda Technologies, Inc acquisition terms (as detailed above).

As detailed in the Company's ASX announcement dated 13 October 2016, it is intended that the General Meeting scheduled to be held on 14 October 2016 at 10am (ACST) be adjourned, to ensure that shareholders of the Company are provided with adequate notice to consider the Addendum, until:

New Date for General Meeting:	Friday, 21 October 2016
Time:	10am (ACST)
Place:	Level 2, 333 King William Street, Adelaide, South Australia

It is proposed that the chairman of the General Meeting will open the General Meeting at 10am (ACST) on 14 October 2016 only for the purpose of formally adjourning the General Meeting until 10am (ACST) on Friday, 21 October 2016. The business described in the Notice (as amended by the Addendum) will be transacted at the adjourned General Meeting.



The Company advises there has been no change to the proxy form originally despatched to shareholders together with the Notice, and votes that have already been cast remain valid. Shareholders who would like to alter their vote that has already been cast can do so by login into the Link investor centre at www.linkmarketservices.com.au to complete an on-line proxy.

Further to the Addendum, shareholders who have not yet cast a vote may vote on-line or by using their existing proxy form that has been previously posted with the Notice of Meeting, votes cast using the original proxy form will be accepted.

CEO Statement

"Yesterday we were notified by Zentri that they no longer wish to proceed with our previously disclosed proposed acquisition of their business, a transaction that was to have had Buddy purchase Zentri for up to an aggregate of 280 million shares and options. While this news came as a surprise, and undoubtedly is a disappointment, Zentri's leadership has expressed a clear desire to maintain our partner relationship and continue to service the customers and opportunities that we've been working on together. The team at Buddy is likewise very committed to those relationships, and accordingly I don't anticipate any negative business impact on those commercial deals", said David McLauchlan, CEO of Buddy Platform Limited.

About Buddy

Buddy Platform Limited (ASX:BUD) 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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BUDDY PLATFORM LIMITED

ACN 121 184 316

**NOTICE OF PROPOSED ADJOURNMENT AND
ADDENDUM TO NOTICE OF GENERAL MEETING
AND ACCOMPANYING EXPLANATORY
MEMORANDUM**

to be held at 10.00am (ACST) on 21 October 2016

at Level 2, 333 King William Street, Adelaide, South Australia

As at and dated 14 October 2016

IMPORTANT INFORMATION

This document is an addendum to the notice of general meeting ("**Notice**") dated 14 September 2016 for the general meeting of Buddy Platform Limited to be held on 14 October 2016 ("**Addendum**"). This Addendum varies the Explanatory Memorandum accompanying the Notice and should be read together with the Notice and Explanatory Memorandum. There have been no changes to the Proxy Form despatched to shareholders on 14 September 2016. A proxy form is provided with this Addendum for shareholders wishing to change their vote or submit a proxy form.

NOTICE OF PROPOSED ADJOURNMENT AND ADDENDUM TO NOTICE AND EXPLANATORY MEMORANDUM

Buddy Platform Limited (ACN 121 184 316) ("**Company**"), gives notice to Shareholders of amendments to the explanatory memorandum accompanying ("**Explanatory Memorandum**") the notice ("**Notice**") dated 14 September 2016 and of its intention to adjourn the general meeting of shareholders to be held at Level 2, 333 King William Street, Adelaide, South Australia on 14 October 2016 at 10am (ACST) ("**Meeting**") to:

New date for General Meeting: **10am (ACST) on 21 October 2016 ("Adjourned Meeting")**

Location unchanged: **Level 2, 333 King William Street, Adelaide, South Australia**

The adjournment is being proposed to provide Shareholders with adequate time to consider this Addendum.

SUMMARY

It is proposed that the Chairman will open the Meeting at 10am on 14 October 2016 only for the purpose of formally adjourning the Meeting until 10am (ACST) on 21 October 2016. The business described in the Notice (as amended by this Addendum) will then be transacted at the Adjourned Meeting.

BACKGROUND

The Company convened the Meeting by the Notice to, amongst other things, comply with Listing Rule 11.1.2 and seek Shareholder approval for the Noveda Acquisition and the Zentri Acquisition.

The Notice indicated that:

- (a) prior to the date of the Meeting, the Company entered into a non-binding letter of intent pursuant to which the Company (or a nominee) agreed to acquire substantially all of the assets and assume certain liabilities of Noveda and that the Noveda Acquisition is subject to a number of conditions, including the execution of the Noveda Definitive Agreement; and
- (b) prior to the date of the Meeting, the Company entered into a non-binding letter of intent pursuant to which the Company agreed to acquire the entire issued capital of Zentri and that the Zentri Acquisition is subject to a number of conditions, including the execution of the Zentri Definitive Agreement.

Since the dispatch of the Notice, the Company has:

- (a) been informed that the proposed Zentri Acquisition has been terminated (and accordingly, will not proceed with the Zentri Acquisition);
- (b) identified minor typographical errors in the Notice; and

- (c) in negotiating the Noveda Definitive Agreement with Noveda, agreed to amend the Initial Consideration from US\$250,000 (payable at the Company's election in cash, shares or a combination thereof) to 15,574,914 Shares¹.

The total consideration payable by the Company for the Noveda Acquisition remains the same, being a maximum of US\$24,000,000 (upon achievement of all performance based revenue targets detailed in the Notice) plus US\$3,000,000 in assumed liabilities.

Shareholders should disregard all references to Zentri and the Zentri Acquisition in the Notice.

Definitions in the Notice have the same meaning in this Addendum unless otherwise updated in this Addendum.

This Addendum is supplemental to the original Notice and Explanatory Memorandum and should be read together with the Notice and Explanatory Memorandum. To the extent of any inconsistency, this Addendum will prevail over the original Notice and Explanatory Memorandum.

IMPORTANT NOTICE

This Addendum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Adjourned Meeting are those who are registered as Shareholders on 19 October at 7pm (AEST).

Shareholders may vote by attending the Adjourned Meeting in person, by proxy or (in the case of corporations) by authorised representative.

VOTING BY PROXY

Proxy Forms already received by the Company in accordance with the instructions in the Notice will still be accepted by the Company and will be counted in relation to the Resolutions to be voted on by Shareholders at the Adjourned Meeting.

Shareholders who would like to alter their vote that has already been cast can do so by login into the Link investor centre at www.linkmarketservices.com.au to complete an on-line Proxy Form.

Shareholders who have not yet cast a vote may vote on-line or by using their existing Proxy Form that has been previously posted with the Notice, votes cast using the original Proxy Form will be accepted.

The deadline for the submission of Proxy Forms for the Adjourned Meeting will be extended from 10am (ACST) on 12 October 2016 to 10am (ACST) on 19 October 2016.

Should you wish to discuss the matters in this Addendum please do not hesitate to contact the Company Secretary on +61 499900044.

¹ Having a deemed value of approximately A\$1,308,293 (based on the closing price of A\$0.084 per Share on 10 October 2016) or approximately A\$1,713,241 (based on the closing price of A\$0.110 per Share on 12 October 2016).

ZENTRI RELATED AMENDMENTS TO THE EXPLANATORY MEMORANDUM

All references and disclosures in connection with Zentri and the Zentri Acquisition in the Explanatory Memorandum accompanying the Notice are removed.

For the avoidance of doubt, Shareholders should note that if voting in favour of Resolution 1 - Change to Scale of Activities, Shareholders will only be approving the Noveda Acquisition.

Shareholders should also be aware that in approving Resolution 1, the Company may not eventually complete the Noveda Acquisition as the completion of the Noveda Acquisition is subject to and conditional upon satisfaction of certain conditions precedent detailed in Section 3.6(c) of the Notice and the execution of a formal, binding definitive agreement.

NOVEDA RELATED AMENDMENTS TO THE EXPLANATORY MEMORANDUM

Section 3.6(a) of the Explanatory Memorandum accompanying the Notice is removed and replaced with the following:

(a) **Consideration**

Subject to Shareholder approval (if required) and the adjustments specified below, the consideration payable by the Company to Noveda is as follows (**Noveda Consideration**):

- (i) 15,574,914 Shares (**Initial Consideration**) will be issued on completion of the Noveda Acquisition (**Noveda Completion**) to Noveda, or for its benefit to certain third party finance providers who may enter into funding arrangements with Noveda;
- (ii) an additional three milestone consideration installments may be payable by the Company to Noveda, at the Company's election in Shares, cash, or a combination thereof, upon attainment of certain performance metrics defined below:
 - (A) existing and contracted revenues for the calendar year 2016 will be used as a baseline (**Baseline**), which shall total at least US\$500,000;
 - (B) the first milestone payment (**First Milestone Payment**) will be paid 60 days from the first anniversary of Noveda Completion (**First Milestone Date**) and is equal to three times the revenue recognised in accordance with US GAAP (**Noveda Revenue**) accumulated from all measurement, verification analytics controls and energy/water conservation business (**Specified Segments**) in the first year of operation. For the avoidance of doubt, the First Milestone Payment shall only be paid with respect to the portion of the actual Noveda Revenue from the Specified Segments during the period beginning on the date of Noveda Completion and ending on the First Milestone Date that exceeds the Baseline (or, if the Baseline is lower than US\$500,000, US\$500,000);

- (C) the second milestone payment (**Second Milestone Payment**) will be paid 60 days from the second anniversary of Noveda Completion (**Second Milestone Date**) and is equal to two times the Noveda Revenue from the Specified Segments achieved between the First Milestone Date and the Second Milestone Date; and
- (D) the third milestone payment (**Third Milestone Payment**) will be paid 60 days from the third anniversary of Noveda Completion (**Third Milestone Date**) and is equal to the Noveda Revenue from the Specified Segments achieved between the Second Milestone Date and the Third Milestone Date. If the Baseline is not at least US\$500,000 in the calendar year 2016, the Third Milestone Payment will not be paid,

(together, the **Milestone Consideration**).

The maximum Noveda Consideration which could be payable by the Company under the Noveda Definitive Agreement is US\$24,000,000 (upon achievement of all performance based revenue targets set forth above). The Company acknowledges and agrees that:

- (i) the Initial Consideration and a proportion of the Milestone Consideration may be issued or paid to Noveda or for its benefit to third party finance providers who may enter into funding arrangements with Noveda; and
- (ii) US\$500,000 of the First Milestone Payment will be held back for Noveda's potential indemnification obligations for a period of twelve months after Noveda Completion.

The Shares to be issued under the Initial Consideration shall be issued under the Company's Listing Rule 7.1 capacity.

Section 3.6(b) of the Explanatory Memorandum accompanying the Notice is removed and replaced with the following:

(b) **Assumed Liabilities**

In addition to payment of the Noveda Consideration, the purchase price under the terms of the Noveda Letter of Intent, includes the assumption by the Company of the following liabilities of Noveda:

- (i) the post-Noveda Completion performance obligations with respect to the contracts of Noveda to be assumed by the Company (but in any event excluding any liabilities for any breach of such contracts for matters arising prior to Noveda Completion);
- (ii) settling in full, all obligations in respect to the approximately US\$2,300,000 provided to Noveda by the New Jersey Economic Development Authority/NJ BPU (NJBPU Loan) prior to or at Noveda Completion; and

- (iii) such liabilities or payment obligations, as are agreed between the Company and Noveda, of an aggregate amount of up to approximately US\$700,000, after adjustment for net asset and liabilities,

such that the total net liabilities and/or net indebtedness assumed by the Company or settled by the Company prior to Noveda Completion will have a value equivalent to no more than US\$3,000,000.

The Noveda Consideration shall be adjusted on a dollar-for dollar basis for the net assets (liabilities) of Noveda based on target net assets (liabilities) to be agreed between the Company and Noveda.

Section 3.6(c)(iii) of the Explanatory Memorandum accompanying the Notice is removed and replaced with the following:

- (iii) the representations and warranties of Noveda (to be included in the Noveda Definitive Agreement) being true and correct as at Noveda Completion in all material respects;

New definitions are added to Schedule 1 - Definitions and Interpretations as follows:

First Milestone Date has the meaning given in Section 3.6(a)(ii)(B).

Milestone Consideration has the meaning given in Section 3.6(a)(ii).

Second Milestone Date has the meaning given in Section 3.6(a)(ii)(C).

Third Milestone Date has the meaning given in Section 3.6(a)(ii)(D).

By Order of the Board

Stuart Usher

Company Secretary

Dated: 14 October 2016

Enquiries: Shareholders should contact the Company Secretary on +61 499900044 if they have any queries in respect to this Addendum.