



Digi International Acquires TempAlert

October 23, 2017

Acquisition Doubles Subscribers, Cementing a Leadership Position in Real-time Temperature Monitoring and Task Management Solutions

MINNETONKA, Minn., Oct. 23, 2017 /PRNewswire/ -- Digi International®, (NASDAQ: DGII), (www.digi.com), a leading global provider of Internet of Things (IoT) products and services, today announced that it has acquired TempAlert, a provider of automated, real-time temperature monitoring and task management solutions for the healthcare, industrial and foodservice industries. TempAlert will join the Digi Smart Solutions™ team. Digi purchased Boston-based TempAlert for \$45 million in cash plus future earn out incentives.



With its origins at the Massachusetts Institute of Technology, TempAlert is now in use at more than 20,000 customer sites including Walmart, CVS Health, SpaceX, Apple, Coca-Cola, McDonald's, and the U.S. Department of State. With its fourth strategic acquisition in 24 months, Digi is a leader in the space with nearly 35,000 customer sites and a deep presence in the healthcare, transportation, industrial and foodservice markets. In aggregate, the Digi Smart Solutions team offers more than 25 years of condition-based monitoring experience gained through managing more than 6 billion sensor readings.

Digi Smart Solutions improves the integrity of product quality and safety while simultaneously lowering costs, achieving higher levels of customer satisfaction and improving brand reputation. Digi's automated, real-time monitoring solutions combined with task management software also address the needs of customers with unique challenges that span operational and safety regulatory requirements.

The TempAlert solution will not only be supported and enhanced, but also leveraged within Digi's existing products and services to expand its advanced portfolio of solutions. Digi is excited to welcome TempAlert CEO Harry Schechter and the TempAlert team as employees of Digi Smart Solutions. Schechter will play a leading role in the IoT strategy going forward. Schechter will report to COO Kevin Riley.

"The acquisition of TempAlert doubles our Smart Solutions team to over 100 professionals, allowing us to offer our customers unprecedented domain expertise and support," said Ron Konezny, president and chief executive officer, Digi International. "This acquisition firmly establishes Digi as a leader in condition-based monitoring, such as temperature and vibration, task management solutions and analytics."

"This is a perfect match of expertise and a shared vision of the market opportunity in front of us," said Schechter. "The combination of Digi's market presence and complementary technology in conjunction with the TempAlert customer base presents a fantastic opportunity for Digi Smart Solutions."

For more information visit: <https://www.digi.com/pr/tempalert>.

Stephens Inc. served as exclusive financial advisor to Digi on the transaction.

About Digi International

Digi International (NASDAQ: DGII) is a leading global provider of business and mission-critical Internet of Things (IoT) products and services. We help our customers create next-generation connected products and deploy and manage critical communications infrastructures in demanding environments with high levels of security, relentless reliability and bulletproof performance. Founded in 1985, we've helped our customers connect over 100 million things, and growing. For more information, visit Digi's website at www.digi.com, or call 877-912-3444 (U.S.) or 952-912-3444 (International).

About TempAlert

TempAlert was founded in 2005 to transform how organizations sense, monitor, and make decisions. TempAlert automates monitoring for food and medication safety and compliance, and monitors critical equipment and tanks for product quality and preventative maintenance. Today, TempAlert has earned the trust of the most critical government, commercial, and non-profit institutions in the world. The TempAlert systems enable real-time sensor-driven decisions at over 2,000 organizations including Walmart, CVS Health, SpaceX, Apple, Coca-Cola, McDonald's, and the U.S. Department of State.

Forward-Looking Statement

This press release contains forward-looking statements that are based on management's current expectations and assumptions. These statements often can be identified by the use of forward-looking terminology such as "anticipate," "believe," "estimate," "may," "will," "expect," "plan," "project," "should," or "continue" or the negative thereof or other variations thereon or similar terminology. Among other items, these statements relate to

expectations about the future business performance and adoption of the cold chain solution purchased in the above described acquisition as well as future actions, operations and performance of Digi's cold chain solutions group. Such statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions, including risks related to whether our business will perform as anticipated, our ability to integrate the acquired business effectively, the potential growth or entrance in the marketplace of competitors, some of whom may have significantly more resources than us, whether the intended target market for the cold chain solutions group will readily adopt our offerings, whether we will develop the appropriate channels to effectively sell our cold chain offerings into the marketplace, rapid changes in technologies that may displace products and services we intend to sell, delays in product development efforts, uncertainty in user acceptance of our products and services, the ability to integrate our products and services with those of other parties in a commercially accepted manner, potential liabilities that can arise if any of our products have design or manufacturing defects, our ability to defend or settle satisfactorily any litigation, uncertainty in global economic conditions and economic conditions within particular regions of the world which could negatively affect product demand and the financial solvency of customers and suppliers, the impact of natural disasters and other events beyond our control that could negatively impact our supply chain and customers, our ability to attract and retain important employees, potential unintended consequences associated with restructuring or other similar business initiatives that may impact our ability to retain important employees and our ability to execute on the business to achieve the anticipated benefits and synergies associated with the transaction. These and other risks, uncertainties and assumptions identified from time to time in our filings with the United States Securities and Exchange Commission, including without limitation, our annual report on Form 10-K for the year ended September 30, 2016 and subsequent quarterly reports on Form 10-Q and other filings, could cause the company's future results to differ materially from those expressed in any forward-looking statements made by us or on our behalf. Many of such factors are beyond our ability to control or predict. These forward-looking statements speak only as of the date for which they are made. We disclaim any intent or obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

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