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Company Announcements Office  
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*By E-Lodgement*

## Kabuni Signs Share Purchase Agreement with Print the Future

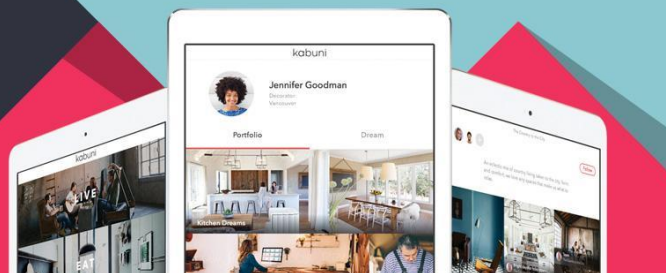
The Board of Kabuni Limited (ASX:KBU) (the “Company” or “Kabuni”) is pleased to advise that it has signed a Share Purchase Agreement (“SPA”) with Print the Future, Inc. (“PTF”). The signing of the SPA follows the letter of intent between the two parties and is legally binding.

PTF is an early stage technology company being pioneered by Kabuni founder Neil Patel, with operations in Vancouver and New York City. Most recently PTF held a highly successful pop up store in Midtown Manhattan, which underpinned its early stage capital raising efforts being supported by financial firm Wellington Shields & Co, LLC.

Under the SPA, PTF will acquire all of the issued and outstanding shares of Kabuni’s operating subsidiaries, which are Kabuni Technologies Inc. (“KTI”), a company incorporated under the laws of British Columbia, Canada, Kabuni USA, Inc. (“KB USA”), a corporation incorporated under the laws of Delaware, USA, and Kabuni Technologies (India) Private Limited (“KB India” and, together with KTI and KB USA, the “Corporations”), a corporation incorporated under the laws of India for a total consideration of approximately AUD \$6.52m.

The key terms of the SPA include the following:

- The purchase price for the acquisition shall be paid partly in cash and partly via the delivery of a convertible promissory note, as follows: (a) the portion of the purchase price to be paid in cash shall equal (i) AUD\$3,259,486.50 less (ii) 50% of the total amount of the service fees paid under the TSA (as defined below), and (b) the balance of the purchase price shall be paid by way of issuance of a convertible promissory note by PTF, in a principal amount equal to (i) AUD\$3,259,486.50 less (ii) 50% of the total amount of the service fees paid under the TSA.
- The convertible note will be guaranteed by the Corporations and secured by a general security interest in all of the present and after-acquired personal property owned by the Corporations. The maturity date for the note is 15 July 2017. The note may be repaid in whole or in part at any time at the election of PTF. Prior to the maturity date, the note will not bear interest. After maturity, the note bears interest at the rate of 22% per annum. On completion of PTF’s Reg A+ offering (see details below), PTF must apply the proceeds of the offering to the repayment of the note. After maturity, Kabuni has the option (but not the obligation) to convert the outstanding principal amount of the note into shares of common stock of PTF at a conversion price that is equal to the price per share of common stock issued by PTF in the most recent capital raising prior to the issue date of the note which raised an aggregate of at least USD\$500,000.



- On completion of PTF's initial financing (see details below), PTF will pay an amount of AUD\$3,750,000 into escrow, which will be held and applied to satisfy the payment of service fees under the TSA and the cash portion of the purchase price at closing.
- Due to certain requirements of Indian law, there may be a delay in transferring the shares of KB India at closing. If this happens, the convertible note amount will be reduced by AUD\$1,000,000, pending completion of the transfer. If the delay exceeds 90 days from the termination date (see below), the purchase price will be reduced by AUD\$1,000,000, unless the parties otherwise agree. The Company is currently working diligently with its legal counsel in India in order to comply with the relevant transfer requirements as soon as possible.
- The closing of the SPA is conditional upon the approval of the shareholders of the Company, all other required regulatory approvals having been received, and other customary conditions for agreements of this type.
- The closing of the SPA is also conditional upon PTF completing its initial financing, described below. If PTF fails to complete its initial financing and, as a result, closing does not occur, PTF is liable to pay to Kabuni a termination fee of AUD\$250,000.
- Until the date on which the shareholders of Kabuni approve the transaction, Kabuni has the right to solicit proposals from third parties and, if a superior proposal is obtained (as determined by an independent expert), to terminate the SPA and pursue the superior proposal. In such an event, Kabuni would be liable to pay to PTF a termination fee of AUD\$250,000 and reimburse the service fees received under the TSA.
- The SPA has an outside termination date of 15 July 2017, after which either party may terminate the SPA on notice if closing has not yet occurred.
- The SPA contains other representations, warranties, covenants and indemnities as are customary for agreements of this nature.
- The SPA is governed by the laws of Delaware, and any disputes must be submitted to binding arbitration in Palm Beach County, Florida.

PTF has advised that it has recently undertaken a four-day roadshow in New York City with the assistance of its financier Wellington Shields & Co LLC. PTF has now presented to over 65 individuals representing in excess of 30 financial institutions, brokers, fund managers, family offices and high net worth individuals. PTF is seeking to complete a US\$5m fund raising by 15 May 2017 as a precursor to a larger Reg A+ raising. PTF is actively negotiating with at least six of the above groups with respect to raising the initial US\$5m.

As announced on 5 April 2017, Kabuni has entered into a Temporary Service Agreement ("TSA") between the Company's operating subsidiary, KTI, as services provider, and PTF, and provides that KTI will, on PTF's reasonable request, make certain employees and equipment of Kabuni available to provide software development, marketing and other services ("Temporary Services") to PTF. In consideration for the Temporary Services, PTF has agreed to pay a monthly service fee. No payment has been received to date by Kabuni with respect to the TSA and the service fee for the month of March is currently past due. PTF



has advised that it is actively seeking a bridge loan in order to finance the outstanding commitments as soon as possible.

Shareholders are to be advised that there is no certainty that the sale as contemplated above will complete, nor is there certainty that the Company will receive amounts owing to it under the TSA from PTF.

As a result, the Board has taken the prudent step of further cutting Company expenditures. These measures include suspension of payment of directors' fees, as well as terminating certain consultancy arrangements and employees.

The Board will continue to closely monitor the Company's expenditures as the transaction progresses. In the event that the transaction is delayed with PTF, or in fact does not proceed for some reason, the Company will likely be required to raise further capital in order to continue operations.

**For further information please contact:**

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