



Announcement Summary

Entity name

BUDDY TECHNOLOGIES LTD

Announcement Type

New announcement

Date of this announcement

Tuesday May 5, 2020

The Proposed issue is:

☒ A placement or other type of issue

Total number of +securities proposed to be issued for a placement or other type of issue

| ASX +Security Code | +Security Description | Maximum Number of +securities to be issued |
|--------------------|-----------------------|--|
| BUD | ORDINARY FULLY PAID | 357,376,211 |

Proposed +issue date

Friday May 15, 2020

Refer to next page for full details of the announcement



Part 1 - Entity and announcement details

1.1 Name of +Entity

BUDDY TECHNOLOGIES LTD

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

1.2 Registered Number Type

ABN

Registration Number

21121184316

1.3 ASX issuer code

BUD

1.4 The announcement is

☒ New announcement

1.5 Date of this announcement

Tuesday May 5, 2020

1.6 The Proposed issue is:

☒ A placement or other type of issue



Part 7 - Details of proposed placement or other issue

Part 7A - Conditions

7A.1 - Are any of the following approvals required for the placement or other type of issue?

- +Security holder approval
- Court approval
- Lodgement of court order with +ASIC
- ACCC approval
- FIRB approval
- Another approval/condition external to the entity

☒ No

Part 7B - Issue details

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

☒ Existing class

Will the proposed issue of this +security include an offer of attaching +securities?

☒ No

Details of +securities proposed to be issued

ASX +Security Code and Description

BUD : ORDINARY FULLY PAID

Maximum Number of +securities proposed to be issued

357,376,211

Purpose of the issue

Comprises the following 3 proposed issues of securities under the Share Purchase Agreement dated 29 April 2020 between BUD and CST Investments Fund.

- To satisfy the Collateral Shares obligation.
- To satisfy the Facility's Tranche 1 Shares obligation.
- To satisfy the Facility Fee Shares obligation.

Pricing information is contained in Part 7F of this form.

Offer price details for retail security holders

In what currency is the cash consideration being paid?

AUD - Australian Dollar

What is the issue price per +security?

AUD



Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

☒ Yes

Oversubscription & Scale back details

May a scale back be applied to this event?

☒ No

Part 7C - Timetable

7C.1 Proposed +issue date

Friday May 15, 2020

Part 7D - Listing Rule requirements

7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the issue under listing rule 7.1?

☒ No

7D.1b Are any of the +securities proposed to be issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?

☒ Yes

7D.1b (i) How many +securities are proposed to be issued without security holder approval using the entity's 15% placement capacity under listing rule 7.1?

357,376,211

7D.1c Are any of the +securities proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)?

☒ No

7D.2 Is a party referred to in listing rule 10.11.1 participating in the proposed issue?

☒ No

7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?

☒ No

7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?

☒ No

Part 7E - Fees and expenses



7E.1 Will there be a lead manager or broker to the proposed issue?

☒ No

7E.2 Is the proposed issue to be underwritten?

☒ No

7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue

Refer to BUD's announcement dated 4 May 2020.

BUD will pay fees of \$200k cash, \$200k worth of shares (\$100k subject to shareholder approval), 50m options (subject to shareholder approval - exercise price \$0.018, expiring 3 years from issue) and up to 50m options depending on the aggregate amount drawn down under the facility (subject to shareholder approval - exercise to be determined according to issue date VWAP, expiring 3 years from issue).

Part 7F - Further Information

7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?

☒ No

7F.2 Any other information the entity wishes to provide about the proposed issue

No shares will be issued unless and until BUD decides to drawdown funds under the financing facility.

The actual number to be issued will be determined at the time of issue according to the following pricing formulas, and will be notified to ASX and the market by way of an Appendix 2A seeking quotation for those shares.

- To satisfy Collateral Shares obligation, to be issued at deemed nil price.
- To satisfy the Facility's Tranche 1 Shares obligation, to be issued at a price to be determined dependent on the date of issue of these shares which will be the 28th day after BUD receives the funds for this tranche, and priced at 90% of the average 5 lowest day VWAPs of the 20 trading days prior to the issue.
- To satisfy the Facility Fee Shares obligation, to be issued at a price to be determined dependent on the date BUD receives the funds for the first drawdown tranche, and priced at the 5-day VWAP prior to that date of receipt.