



23rd December, 2015

Market Announcements Platform
Australian Securities Exchange
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000

BUDDY PLATFORM LIMITED – PRE-QUOTATION DISCLOSURE

Buddy Platform Limited (ACN 121 184 316) (**Company**) confirms that all conditions precedent to the acquisition by the Company of the issued capital in Buddy Platform, Inc. (a US state of Delaware "C-Corporation") (**Buddy**) (**Acquisition**) have now been satisfied and completion of the Acquisition occurred on 17 December 2015.

The following information is required to be provided to ASX Limited (**ASX**) for release to the market in connection with the admission to the official list and official quotation of fully paid shares in the Company.

Capitalised terms which have not been otherwise defined in this document have the same meaning as they have in the Prospectus released to ASX by the Company on 3 November 2015

SETTLEMENT OF ACQUISITION

All of the conditions precedent to the binding heads of agreement dated 20 July 2015 (**HOA**) between the Company and Buddy pursuant to which the Company has the conditional right to acquire 100% of the issued capital in Buddy have been satisfied and settlement of the Acquisition has occurred, including the issue of:

- (a) 125,000,000 Shares at an issue price of \$0.10 per Share under the Public Offer and SPP Offer set out in the Prospectus to raise a total of \$12,500,000;
- (b) 499,999,946 Consideration Shares to the Buddy Shareholders in consideration for their Buddy Shares;
- (c) 91,000,000 Performance Shares to the Performance Share Recipients; and
- (d) 32,270,858 Performance Rights and 2,807,715 Replacement Options to the holder of Buddy Options in consideration for the cancellation of their Buddy Options.

The Acquisition was effectuated by way of a merger in accordance with the law in the state of Delaware (**Merger**). As a result of the Merger, a wholly owned subsidiary of the Company incorporated in Delaware (**US Subsidiary**) merged with Buddy resulting in Buddy becoming a wholly owned subsidiary of the Company and the US Subsidiary ceasing to exist.

In accordance with Delaware law and the formal merger agreement entered into in respect of the Merger, all entitlements to fractions of a Consideration Share were rounded down and the relevant Buddy Shareholder was paid a cash sum of up to \$0.03 each in respect of those fractional entitlements.

Immediately prior to settlement of the Acquisition, notes convertible into Buddy Shares with a total outstanding amount of \$2,231,659.68 were converted into Buddy Shares, with the former holders receiving Consideration Shares together with all other Buddy Shareholders.

At settlement of the Acquisition:

- (a) existing directors Ben Binninger and Richard Monti resigned from the board of the Company; and
- (b) David McLauchlan, Richard Borenstein and Alexander Gounares were appointed to the board of the Company.

A summary of the material terms of the HOA are set out in section 13.1 of the Prospectus.

CONFIRMATION OF THE ISSUE OF SECURITIES UNDER THE PROSPECTUS

The Company confirms that all conditions to the Prospectus have been satisfied and that securities have been issued with respect to the following offers under the Prospectus:

- (a) the Public Offer;
- (b) the SPP Offer;
- (c) the Consideration Offer;
- (d) the Optionholder Offer;
- (e) the Capital Raising Options Offer; and
- (f) the Transaction Options Offer.

CAPITAL STRUCTURE

The Company confirms its capital structure is as follows:

| | Shares ⁹ | Options | Performance Shares | Performance Rights |
|--------------------------|---------------------|------------|--------------------|--------------------|
| Current | 134,532,863 | - | - | - |
| Consideration Securities | 499,999,956 | 2,807,715 | 91,000,000 | 32,270,858 |
| Public Offer | 100,000,000 | - | - | - |
| SPP Offer | 25,000,000 | - | - | - |
| Capital Raising Options | - | 30,000,000 | - | - |

| | | | | |
|---------------------|--------------------|-------------------|-------------------|-------------------|
| Transaction Options | - | 12,500,000 | - | - |
| TOTAL | 759,532,819 | 45,307,715 | 91,000,000 | 32,270,858 |

In addition to the above, the Company proposes issuing an additional 10,000,000 Capital Raising Options following its re-instatement to trading on the ASX.

The Company also received Shareholder approval for the issue of up to 100,000,000 Performance Shares. As such, the Company retains the right to issue up to an additional 9,000,000 Performance Shares to directors and senior management of the Company (subject to compliance with the ASX Listing Rules and the Corporations Act).

NUMBER OF SECURITIES SUBJECT TO ESCROW

| Escrow Period | Shares | Options | Performance Shares | Performance Rights |
|--|---------------|----------------|---------------------------|---------------------------|
| Escrow for 24 Months from Quotation | 215,041,606 | 42,902,479 | 91,000,000 | 26,494,552 |
| Escrow for 12 Months from issue (17/12/15) | 284,958,350 | 2,405,236 | - | - |

NO MATERIAL SUBSEQUENT EVENTS

The Company confirms there have been no material subsequent events to alter the Company's statement of financial position as detailed at section 10 of the Prospectus.

PERFORMANCE SHARES

The Company will disclose the following in each annual report, annual audited accounts, half-yearly report and quarterly cashflow report issued by the Company in respect of any period during which any of the Performance Shares remain on issue or were converted or cancelled:

- (a) the number of Performance Shares on issue during the relevant period;
- (b) a summary of the terms of the Performance Shares, including, without limitation the number of ordinary shares into which they are convertible and the relevant milestones that must be satisfied;
- (c) whether any of the Performance Shares were converted or cancelled during that period; and
- (d) whether any performance milestones were met during the period.

The Company will disclose the following in item 9 of each Appendix 3B lodged by the Company while any of the Performance Shares remain on issue:

- (a) the number of Performance Shares on issue at the time of lodgement of the Appendix 3B; and
- (b) the conversion ratio of the Performance Shares into ordinary shares upon achievement of a relevant performance milestone.

COMPLIANCE WITH LISTING RULES

The Company confirms that it is in compliance with the ASX Listing Rules and, in particular, ASX Listing Rule 3.1.