



17 October 2016

Via E-Lodgement

Rights Issue and Placement

HIGHLIGHTS

- **Kabuni to undertake an equity capital raising up to \$5.15m.**
- **Funds will be used to accelerate growth in key areas of the business.**

Kabuni Ltd (ASX: **KBU**) ("Kabuni," or the "Company") is pleased to announce an equity capital raising of up to approximately \$5.15 million (before costs) via a placement of shares and listed options and a partially underwritten non-renounceable pro-rata rights issue.

Having laid the foundations of its omni-channel business for the home design industry, Kabuni is now prioritising the commercialisation phase of the business. The Company's focus is on adding new designers, consumers and makers to its platform, achieving a greater level of user engagement and increasing sales and memberships at the Kabuni House. This capital raising is of critical importance in providing Kabuni with the necessary resources to assist in achieving these objectives. The funds raised will also enable Kabuni to continue to enhance its technology platform and improve the user experience, providing a pathway to scalable revenue generation.

Alto Capital and CPS Capital Group Pty Ltd ("CPS Capital") will be acting as Joint Lead Managers ("JLMs") to the rights issue and placement and will also partially underwrite the rights issue.

Overview of the Placement

The Company will be undertaking a placement of 29,900,000 fully paid ordinary shares of the Company ("Shares") at \$0.027 each to sophisticated and professional investors to raise a total of \$807,300 (before costs) (the "Placement"). Applicants who subscribe under the Placement will also receive one free attaching option for every two Shares subscribed for, exercisable at \$0.05 each on or before 30 June 2019 (the "Placement Options").

Kabuni will also complete a placement to sophisticated and professional investors, of 15,000,000 options exercisable at \$0.05 on or before 30 June 2019, at an issue price of \$0.001 each ("Listed Options") to raise \$15,000 (before costs) ("Option Placement"). The Company will seek to have the Listed Options quoted on ASX.

Shares will be issued under the Placement using the Company's 15% placement capacity under listing rule 7.1 and 10% placement capacity under listing rule 7.1A. Shares to be issued pursuant to the Placement are to be issued on or about 21 October 2016, which is prior to the record date for the rights issue (see below).

BOARD & MANAGEMENT

Mr Tony King
CHAIRMAN

Mr Neil Patel
MANAGING DIRECTOR

Mr Colm O'Brien
NON-EXECUTIVE DIRECTOR

Mr Nik Ajagu
NON-EXECUTIVE DIRECTOR

Mr Nathan Sellyn
NON-EXECUTIVE DIRECTOR

Mr Ajai Sehgal
NON-EXECUTIVE DIRECTOR

Mr Aaron Bertolatti
COMPANY SECRETARY

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ASX CODE

KBU

The issue of the Listed Options and Placement Options will be subject to shareholder approval at the upcoming Annual General Meeting of shareholders and expected to be completed shortly thereafter.

Overview of the Rights Issue

Kabuni will be undertaking a partially underwritten non-renounceable pro-rata rights issue of Shares on a 1-for-1 basis at an issue price of \$0.027 per Share with one free attaching option exercisable at \$0.05 each on or before 30 June 2019 for every two New Shares issued to raise up to approximately \$4.33 million before costs ("Rights Issue").

The Rights Issue will be made available to shareholders with a registered address in Australia or New Zealand as at 5:00pm (WST) on Monday, 24 October 2016 ("Record Date") ("Eligible Shareholders"). The new shares issued under the Rights Issue will be fully paid ordinary shares and will rank equally with the Company's existing Shares on issue. The Rights Issue is not made to shareholders who on the Record Date have a registered address outside Australia or New Zealand.

A prospectus in relation to the Rights Issue has been lodged with ASX and will be dispatched to Eligible Shareholders with an entitlement and acceptance form in accordance with the timetable below.

Shareholders will have the ability to apply for Shares and Options in excess of their entitlements under the prospectus in the Rights Issue (the "Shortfall Offer"). Please refer to the Prospectus for further details.

Use of funds

Funds raised will be applied towards the costs of operations, sales, marketing and the ongoing development of Kabuni's business, the costs of the offers and for general working capital purposes. The Rights Issue, Placement and Options Placement will raise funds of up to \$5,147,948, which are planned to be used as follows:

Use of funds	Amount at partial subscription ¹	Amount at full subscription ²
Operations & Overhead	1,451,409	\$2,295,213
Sales & Marketing (net of revenue)	360,740	\$378,342
Technology Development	810,446	\$1,176,031
Costs of the Offers	215,250	\$348,176
Working capital	162,155	\$950,186
Total	3,000,000	\$5,147,948

Notes:

1. This column assumes a partial subscription to the extent of the underwriting commitment of \$2,192,700 and completion of the Placement to raise \$807,300.
2. This column assumes a full subscription of \$4,325,648 (based on the number of Shares to be on issue as at the Record Date, which includes the Shares to be issued pursuant to the Placement) and completion of the Placement to raise \$807,300, and of the Options Placement to raise \$15,000.

The information in this table is a statement of present intention as at the date of this announcement. The exact amount of funds spent by the Company will depend on many factors that cannot be ascertained at this time.

Underwriting Agreement

The Company has entered into an Underwriting Agreement with Alto Capital and CPS Capital to partially underwrite the Rights Issue ("Underwriting Agreement").

Under the Underwriting Agreement, the underwriters have agreed to partially underwrite the Rights Issue up to \$2,192,700.

The Underwriting Agreement contains terms and conditions, and the Company has given warranties and covenants to the underwriters, which are of the type and form that is usual in an underwriting agreement of this nature.

Indicative Offer timetable

The key dates for the Rights Issue are below. These dates are indicative only and the Company reserves the right to vary them, subject to the requirements of the ASX Listing Rules.

Event	Date
Announcement of Offers	Monday, 17 October 2016
Prospectus lodged with ASIC and ASX (Appendix 3B lodged with ASX)	Monday, 17 October 2016
Notice of Offers sent to Shareholders	Wednesday, 19 October 2016
Ex-date (date from which Shares begin trading without the Right to participate in the Offers)	Friday, 21 October 2016
Record Date (to identify Shareholders entitled to participate in the Offers)	Monday, 24 October 2016
Prospectus and Entitlement and Acceptance Forms sent to Eligible Shareholders	Tuesday, 25 October 2016
Offers open (Opening Date)	Tuesday, 25 October 2016
Last day to extend the Closing Date	Tuesday, 8 November 2016
Offers close (Closing Date)	Friday, 11 November 2016
New Shares quoted on a deferred settlement basis	Monday, 14 November 2016
Notice to ASX of Shortfall	Wednesday, 16 November 2016
New Securities issued	Friday, 18 November 2016
Quotation of New Securities on ASX commences	Monday, 21 November 2016

The Company also reserves the right not to proceed with the whole or part of the Rights Issue at any time prior to the issue date of the new Shares. In that event, application monies will be refunded in full without interest.

Full details of the terms and conditions of the Rights Issue are contained in the prospectus lodged with ASX which will be dispatched to Eligible Shareholders in accordance with the timetable set out above.



Commenting on the capital raising, Neil Patel, the Chief Executive Officer of Kabuni stated, "We are very proud of our accomplishments to date, and this financing comes at a critical time for the Company. This financing will enable the Company to reach our goals of having 5000 designers, 200 makers and 500 house memberships by 30 June 2017. The capital raising reinforces the commitment and belief from the investment community in our ability to enhance the user experience and scale our revenue channels which ultimately will create significant value for our shareholders."

**For further information please contact:
Kabuni Ltd.**

Neil Patel
Chief Executive Officer
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ABOUT KABUNI

Kabuni is a North American-based SaaS and e-commerce platform in the home design space that enables independent designers and home design professionals to grow their business through an omni-channel retail experience. Kabuni's platform enables designers worldwide to collaborate with clients anywhere in the US and Canada and earn income from the sale of home décor products and furnishings from Kabuni's catalogue through curated Inspiration Boards. Kabuni leverages proceeds from the platform to benefit local charitable organizations dedicated to combating homelessness. Kabuni believes in Better Homes for Everyone. For more information, please visit: <http://www.kabuni.com/>

Kabuni is owned by Kabuni Ltd (ASX: KBU), an Australian-based company publicly traded on the Australian Securities Exchange (ASX). The company's strategic focus is to build a global business in the home space by developing an ecosystem of innovative technologies and solutions to enhance the industry for professionals and consumers alike. For more information, please visit: <http://investor.kabuni.com/X>