Announcement Summary

Entity name
BUDDY TECHNOLOGIES LTD

Announcement Type
New announcement

Date of this announcement
Thursday May 28, 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

<table>
<thead>
<tr>
<th>ASX +Security Code</th>
<th>+Security Description</th>
<th>Maximum Number of +securities to be issued</th>
</tr>
</thead>
<tbody>
<tr>
<td>BUD</td>
<td>ORDINARY FULLY PAID</td>
<td>200,000,000</td>
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</tbody>
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Proposed +issue date
Tuesday June 2, 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

1.3 ASX issuer code
BUD

1.4 The announcement is
☐ New announcement

1.5 Date of this announcement
Thursday May 28, 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
200,000,000

Purpose of the issue
Operating expenses and growth initiatives.

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 0.01000

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

Oversubscription & Scale back details

May a scale back be applied to this event?
☐ No

Part 7C - Timetable

7C.1 Proposed issue date
Tuesday June 2, 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?
☐ No

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)?
☐ Yes

7D.1c (i) How many securities are proposed to be issued without security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A?
200,000,000

7D.1c (ii) Please explain why the entity has chosen to do a placement rather than a pro rata issue or an offer under a security purchase plan in which existing ordinary security holders would have been eligible to participate
BUD considered a range of capital raising options and decided to conduct a placement for these reasons: timely receipt of funds, minimises the pricing discount, provides flexibility with using and managing the equity financing arrangement announced on 5 May 2020.

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
Proposed issue of securities

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

7E.1a Who is the lead manager/broker?
Bell Potter

7E.1b What fee, commission or other consideration is payable to them for acting as lead manager/broker?
6% of funds raised by Bell Potter

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
None.

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