



Announcement Summary

Entity name

BUDDY TECHNOLOGIES LTD

Announcement Type

New announcement

Date of this announcement

16/7/2021

The Proposed issue is:

- A standard pro rata issue (including non-renounceable or renounceable)
- A placement or other type of issue

Total number of +securities proposed to be issued for a standard pro rata issue (including non-renounceable or renounceable)

ASX +security code	+Security description	Maximum Number of +securities to be issued
New class-code to be confirmed	Listed options with an exercise price of \$0.05 and an expiry date of 30 July 2024	200,000,000
BUD	ORDINARY FULLY PAID	400,000,000

Ex date

21/7/2021

+Record date

22/7/2021

Offer closing date

20/8/2021

Issue date

24/8/2021

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
New class-code to be confirmed	Listed options with an exercise price of \$0.05 and an expiry date of 30 July 2024	20,000,000
New class-code to be confirmed	Listed options with an exercise price of \$0.05 and an expiry date of 30 July 2024	56,666,666



New class-code to be confirmed	Convertible Note	4,250,000
New class-code to be confirmed	Listed options with an exercise price of \$0.05 and an expiry date of 30 July 2024	130,000,000
BUD	ORDINARY FULLY PAID	410,766,557

Proposed +issue date

23/7/2021

Refer to next page for full details of the announcement

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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.

If the +securities are being offered under a +disclosure document or +PDS and are intended to be quoted on ASX, we also apply for quotation of all of the +securities that may be issued under the +disclosure document or +PDS on the terms set out in Appendix 2A of the ASX Listing Rules (on the understanding that once the final number of +securities issued under the +disclosure document or +PDS is known, in accordance with Listing Rule 3.10.3C, we will complete and lodge with ASX an Appendix 2A online form notifying ASX of their issue and applying for their quotation).

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

16/7/2021

1.6 The Proposed issue is:

A standard +pro rata issue (non-renounceable or renounceable)

A placement or other type of issue

1.6a The proposed standard +pro rata issue is:

+ Non-renounceable



Part 3 - Details of proposed entitlement offer issue

Part 3A - Conditions

3A.1 Do any external approvals need to be obtained or other conditions satisfied before the entitlement offer can proceed on an unconditional basis?

No

Part 3B - Offer details

Class or classes of +securities that will participate in the proposed issue and class or classes of +securities proposed to be issued

ASX +security code and description

BUD : ORDINARY FULLY PAID

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?

Yes

If the entity has quoted company options, do the terms entitle option holders to participate on exercise?

No

Details of +securities proposed to be issued

ASX +security code and description

BUD : ORDINARY FULLY PAID

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)

ISIN Code for the entitlement or right to participate in a non-renounceable issue (if Issuer is foreign company and +securities are non CDIs)

Offer ratio (ratio to existing holdings at which the proposed +securities will be issued)

The quantity of additional +securities to be issued

2

For a given quantity of +securities held

15



What will be done with fractional entitlements?

Fractions of 0.5 or more rounded up

Maximum number of +securities proposed to be issued (subject to rounding)

400,000,000

Offer price details for retail security holders

In what currency will the offer be made?

AUD - Australian Dollar

What is the offer price per +security for the retail offer?

AUD 0.02500

Oversubscription & Scale back details

Will individual +security holders be permitted to apply for more than their entitlement (i.e. to over-subscribe)?

Yes

Describe the limits on over-subscription

Shortfall securities will not be offered or issued to any applicant if, in the view of the Directors, to do so would increase the applicant's voting power in the Company above 19.9% or otherwise result in a breach of the Listing Rules, the Corporations Act or other applicable law.

Will a scale back be applied if the offer is over-subscribed?

Yes

Describe the scale back arrangements

Any shortfall securities applied for by eligible shareholders will be issued to those eligible shareholders in priority to the issue of shortfall securities to the lead manager (and/or its nominees) or other investors.

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

Yes

Attaching +Security

Is the proposed attaching 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)?

New class

Attaching +Security - New class (+securities in a class that is not yet quoted or recorded by ASX)

Details of attaching +securities proposed to be issued

**ISIN Code (if Issuer is a foreign company and +securities are non CDIs)****ISIN Code for the entitlement or right to participate in a non-renounceable issue (if Issuer is foreign company and +securities are non CDIs)**

Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?

Yes

Will the entity be seeking quotation of the 'new' class of +securities on ASX?

Yes

ASX +security code

New class-code to be confirmed

+Security description

Listed options with an exercise price of \$0.05 and an expiry date of 30 July 2024

+Security type

Options

Offer ratio (ratio of attaching securities at which the new +securities will be issued)

The quantity of attaching +securities to be issued

1

For a given quantity of the new +securities issued

2

What will be done with fractional entitlements?

Fractions of 0.5 or more rounded up

Maximum number of +securities proposed to be issued (subject to rounding)

200,000,000

Offer price details for retail security holders

In what currency will the offer be made?

AUD - Australian Dollar

What is the offer price per +security for the retail offer?

AUD 0.00000

Oversubscription & Scale back details

Will individual +security holders be permitted to apply for more than their entitlement (i.e. to over-subscribe)?

Yes

Describe the limits on over-subscription

Shortfall securities will not be offered or issued to any applicant if, in the view of the Directors, to do so would increase the applicant's voting power in the Company above 19.9% or otherwise result in a breach of the Listing Rules, the Corporations Act or other applicable law.

Will a scale back be applied if the offer is over-subscribed?

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Yes

Describe the scale back arrangements

Any shortfall securities applied for by eligible shareholders will be issued to those eligible shareholders in priority to the issue of shortfall securities to the lead manager (and/or its nominees) or other investors.

Will all the +securities issued in this class rank equally in all respects from their issue date?

Yes

Options details

+Security currency

AUD - Australian Dollar

Exercise price

AUD 0.0500

Expiry date

30/7/2024

Details of the type of +security that will be issued if the option is exercised

BUD : ORDINARY FULLY PAID

Number of securities that will be issued if the option is exercised

1 fully paid share to be issued for every 1 option exercised

Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities proposed to be issued or provide the information by separate announcement.

<https://buddy.com/asx-announcements/>

Part 3C - Timetable

3C.1 +Record date

22/7/2021

3C.2 Ex date

21/7/2021

3C.4 Record date

22/7/2021

3C.5 Date on which offer documents will be sent to +security holders entitled to participate in the +pro rata issue

23/7/2021



3C.6 Offer closing date

20/8/2021

3C.7 Last day to extend the offer closing date

17/8/2021

3C.9 Trading in new +securities commences on a deferred settlement basis

23/8/2021

3C.11 +Issue date and last day for entity to announce results of +pro rata issue

24/8/2021

3C.12 Date trading starts on a normal T+2 basis

25/8/2021

3C.13 First settlement date of trades conducted on a +deferred settlement basis and on a normal T+2 basis

27/8/2021

Part 3E - Fees and expenses

3E.1 Will there be a lead manager or broker to the proposed offer?

Yes

3E.1a Who is the lead manager/broker?

Bell Potter Securities

3E.1b What fee, commission or other consideration is payable to them for acting as lead manager/broker?

Fee: 6% of funds raised
20,000,000 Listed Options

3E.2 Is the proposed offer to be underwritten?

No

3E.3 Will brokers who lodge acceptances or renunciations on behalf of eligible +security holders be paid a handling fee or commission?

No

3E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed offer

N/A



Part 3F - Further Information

3F.1 The purpose(s) for which the entity intends to use the cash raised by the proposed issue

In AUD\$million
Working capital \$4.8-\$6.4
Eastfield and PFG Debt Reduction \$1.3-\$7.0
Cost of issue \$0.4-\$1.1
Total \$6.5-\$16.5

3F.2 Will holdings on different registers or subregisters be aggregated for the purposes of determining entitlements to the issue?

Yes

3F.2a Please explain how holdings on different registers or subregisters will be aggregated for the purposes of determining entitlements.

Holdings in the same name are aggregated for calculation of entitlements, to the extent permitted by the Listing Rules. If the Company considers that holdings have been split to take advantage of rounding, the Company reserves the right to aggregate holdings held by associated shareholders for the purpose of calculating entitlements, to the extent permitted by the Listing Rules.

3F.3 Will the entity be changing its dividend/distribution policy if the proposed issue is successful?

No

3F.4 Countries in which the entity has +security holders who will not be eligible to participate in the proposed issue

Only Australia or New Zealand security holders are eligible.

3F.5 Will the offer be made to eligible beneficiaries on whose behalf eligible nominees or custodians hold existing +securities

Yes

3F.5a Please provide further details of the offer to eligible beneficiaries

Shareholders resident in Australia and New Zealand acting as a nominee and holding shares on behalf of persons who are resident in other jurisdictions are responsible for ensuring that taking up any new securities does not breach regulations in the relevant jurisdiction and will need to assess whether indirect participation by the beneficiary in the entitlement offer is compatible with applicable foreign laws.

3F.6 URL on the entity's website where investors can download information about the proposed issue

<https://buddy.com/asx-announcements/>

3F.7 Any other information the entity wishes to provide about the proposed issue

N/A

3F.8 Will the offer of rights under the rights issue be made under a disclosure document or product disclosure statement under Chapter 6D or Part 7.9 of the Corporations Act (as applicable)?

Yes

3F.9 Any on-sale of the +securities proposed to be issued within 12 months of their date of issue will comply with the secondary sale provisions in sections 707(3) and 1012C(6) of the Corporations Act by virtue of:

The publication of a +disclosure document or +PDS for the +securities proposed to be issued



Part 7 - Details of proposed placement or other issue

Part 7A - Conditions

7A.1 Do any external approvals need to be obtained or other conditions satisfied before the placement or other type of issue can proceed on an unconditional basis? Yes

7A.1a Conditions

Approval/Condition	Date for determination	Is the date estimated or actual?	** Approval received/condition met?
+Security holder approval	23/8/2021	<input checked="" type="checkbox"/> Estimated	

Comments

The following securities will only be issued following shareholder approval:

Placement Listed Options 130,000,000

Convertible Notes 4,250,000

Restructure fee shares 13,440,000

Commitment fee Shares 113,333,333

Commitment Fee Listed Options 56,666,666

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)?

 New class

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

 No

Details of +securities proposed to be issued

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)

Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?

 Yes

Will the entity be seeking quotation of the 'new' class of +securities on ASX?

 Yes

**ASX +security code**

New class-code to be confirmed

+Security description

Listed options with an exercise price of \$0.05 and an expiry date of 30 July 2024

+Security type

Options

Number of +securities proposed to be issued

20,000,000

Offer price details**Are the +securities proposed to be issued being issued for a cash consideration?** No**Please describe the consideration being provided for the +securities**

To be issued to Lead Manger as part of fees in respect of Rights Issue

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

20.000000

Will all the +securities issued in this class rank equally in all respects from their issue date? Yes

Options details

+Security currency

AUD - Australian Dollar

Exercise price

AUD 0.0500

Expiry date

30/7/2021

Details of the type of +security that will be issued if the option is exercised

BUD : ORDINARY FULLY PAID

Number of securities that will be issued if the option is exercised

1 fully paid share to be issued for every 1 option exercised

Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities proposed to be issued or provide the information by separate announcement.<https://buddy.com/asx-announcements/>**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)?****Will the proposed issue of this +security include an offer of attaching +securities?** No



Existing class

Details of +securities proposed to be issued

ASX +security code and description

BUD : ORDINARY FULLY PAID

Number of +securities proposed to be issued

23,993,224

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

No

Please describe the consideration being provided for the +securities

Buddy has agreed to issue 23,993,224 Shares, at an issue price of A\$0.025 per Share, to PFG in respect to the T2 term loan facility (which if sold by PFG, the proceeds from which will be utilised to pay down the outstanding tranche 2 loan principal amount of US\$816,125, at 0.75 AUD\$1,088,166)

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

1,088,166.000000

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

Yes

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

Number of +securities proposed to be issued

13,440,000

Offer price details



Are the +securities proposed to be issued being issued for a cash consideration?

No

Please describe the consideration being provided for the +securities

3.5% back-end restructure fee based on the outstanding balance of the loan (being approximately US\$500,000) payable either in cash at maturity or Buddy can elect to pay 50% of this fee via the issue of Shares (subject to shareholder approval) ("Restructure Fee Shares")

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

336,000.000000

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

Yes

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

Number of +securities proposed to be issued

113,333,333

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

No

Please describe the consideration being provided for the +securities

A commitment fee of US\$875,000 plus 50% of any amount over US\$1.75m of Promissory Notes or Convertible Notes issued, with such amount to be satisfied by the issue of Shares at A\$0.025 per Share to PFG plus options, each with an exercise price of A\$0.05 and an expiry date of 30 July 2024 (subject to shareholder approval) ("Commitment Fee Securities")

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

2,833,333.000000



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

Yes

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)?

New class

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

No

Details of +securities proposed to be issued

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)

Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?

Yes

Will the entity be seeking quotation of the 'new' class of +securities on ASX?

Yes

ASX +security code

New class-code to be confirmed

+Security description

Listed options with an exercise price of \$0.05 and an expiry date of 30 July 2024

+Security type

Options

Number of +securities proposed to be issued

56,666,666

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

No

Please describe the consideration being provided for the +securities

A commitment fee of US\$875,000 plus 50% of any amount over US\$1.75m of Promissory Notes or Convertible Notes issued, with such amount to be satisfied by the issue of Shares at A\$0.025 per Share to PFG plus options, each with an exercise price of A\$0.05 and an expiry date of 30 July 2024 (subject to shareholder approval) ("Commitment Fee Securities")

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

56.670000

Will all the +securities issued in this class rank equally in all respects from their issue date?

Yes



Options details

+Security currency	Exercise price	Expiry date
AUD - Australian Dollar	AUD 0.0500	30/7/2024

Details of the type of +security that will be issued if the option is exercised

BUD : ORDINARY FULLY PAID

Number of securities that will be issued if the option is exercised

1 fully paid share to be issued for every 1 option exercised

Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities proposed to be issued or provide the information by separate announcement.<https://buddy.com/asx-announcements/>

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)?

 New class

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

 No

Details of +securities proposed to be issued

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)

Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?

 Yes

Will the entity be seeking quotation of the 'new' class of +securities on ASX?

 No**ASX +security code**

New class-code to be confirmed

+Security description

Convertible Note

+Security type

+Convertible debt securities

Number of +securities proposed to be issued

4,250,000

Offer price details



Are the +securities proposed to be issued being issued for a cash consideration?

No

Please describe the consideration being provided for the +securities

Under Debt restructure - pay the remainder of the Eastfield Payment (of up to an amount of US\$1.75 million) and/or make the PFG Payment (of up to an amount of US\$2.5 million)

USD\$4.25million

rate 0.75

AUD\$5.67million

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

5,670,000.000000

Will all the +securities issued in this class rank equally in all respects from their issue date?

Yes

+Convertible debt securities details

These securities are:

Convertible

Type of security

Convertible note or bond

+Security currency

USD - US Dollar

Face value

USD 1.0000

Interest rate type

Fixed rate

Frequency of coupon/interest payments per year

Monthly

First interest payment date

24/9/2021

Interest rate per annum

12.50000 %

Is the interest rate per annum estimated at this time?

No

s128F of the Income Tax Assessment Act status applicable to the +security

Not applicable

Is the +security perpetual (ie. no maturity date)?

No

Maturity date

4/5/2024

Select other features applicable to the +security

None of the above

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Is there a first trigger date on which a right of conversion, redemption, call or put can be exercised (whichever is first)?

No

Details of the type of +security that will be issued if the securities are converted, transformed or exchanged

BUD : ORDINARY FULLY PAID

Number of +securities that will be issued if the +securities are converted, transformed or exchanged (including, if applicable, any interest)

1 fully paid share to be issued for every 1 convertible note

Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities proposed to be issued or provide the information by separate announcement.

<https://buddy.com/asx-announcements/>

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?

Yes

Details of +securities proposed to be issued

ASX +security code and description

BUD : ORDINARY FULLY PAID

Number of +securities proposed to be issued

260,000,000

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

Yes

In what currency is the cash consideration being paid?

AUD - Australian Dollar

What is the issue price per +security?

AUD 0.02500

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

Yes



Attaching +Security

Is the proposed attaching 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)?

New class

Attaching +Security - New class (+securities in a class that is not yet quoted or recorded by ASX)

Details of attaching +securities proposed to be issued

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)

Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?

Yes

Will the entity be seeking quotation of the 'new' class of +securities on ASX?

Yes

ASX +security code

New class-code to be confirmed

+Security description

Listed options with an exercise price of \$0.05 and an expiry date of 30 July 2024

+Security type

Options

Number of +securities proposed to be issued

130,000,000

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

No

Please describe the consideration being provided for the +securities

Attaching Option

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

130.000000

Will all the +securities issued in this class rank equally in all respects from their issue date?

Yes

Options details

+Security currency

AUD - Australian Dollar



Exercise price

AUD 0.0500

Expiry date

30/7/2024

Details of the type of +security that will be issued if the option is exercised

BUD : ORDINARY FULLY PAID

Number of securities that will be issued if the option is exercised

1 fully paid share to be issued for every 1 option exercised

Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities proposed to be issued or provide the information by separate announcement.

<https://buddy.com/asx-announcements/>

Part 7C - Timetable

7C.1 Proposed +issue date

23/7/2021

Part 7D - Listing Rule requirements

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

Yes

7D.1a Date of meeting or proposed meeting to approve the issue under listing rule 7.1

23/8/2021

7D.2 Is a party referred to in listing rule 10.11 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

N/A

Part 7F - Further Information

7F.01 The purpose(s) for which the entity is issuing the securities

In AUD\$million
Working capital \$4.8-\$6.4
Eastfield and PFG Debt Reduction \$1.3-\$7.0
Cost of issue \$0.4-\$1.1
Total \$6.5-\$16.5

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

N/A

7F.3 Any on-sale of the +securities proposed to be issued within 12 months of their date of issue will comply with the secondary sale provisions in sections 707(3) and 1012C(6) of the Corporations Act by virtue of:

The publication of a +disclosure document or +PDS for the +securities proposed to be issued

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