

BuildDirect.com Technologies Inc. Announces Closing of Qualifying Transaction

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VANCOUVER, BC, Aug. 16, 2021 /CNW/ - BuildDirect.com Technologies Inc. (formerly, VLCTY Capital Inc.) (the "**Company**") (TSXV: BILD) is pleased to announce that it has completed its previously announced "**Qualifying Transaction**" (as defined by Policy 2.4 of the TSX Venture Exchange (the "**Exchange**")) involving a three cornered amalgamation where BuildDirect.com Technologies Inc., a private company, ("**BuildDirect**"), was amalgamated with a wholly-owned subsidiary of the Company (the "**Qualifying Transaction**").

Immediately prior to the closing of the Qualifying Transaction, the Company consolidated its issued and outstanding common shares on a 26.538 to 1 basis (each post-consolidation common share, a "**Common Share**") and changed its name from "VLCTY Capital Inc." to "BuildDirect.com Technologies Inc." The Company's new CUSIP number will be 12009C109 and its new ISIN will be CA12009C1095. Shareholders of the Company are not required to take any action with respect to the consolidation or the name change and are not required to exchange their existing share certificates for new certificates bearing the Company's new name. The Company's transfer agent, Computershare Investor Services Inc., will send registered shareholders a new Direct Registration System advice (DRS) representing the number of post-consolidation Common Shares held by such shareholders.

Upon completion of the Qualifying Transaction, including the completion of the Offering, the issued and outstanding share capital of the Company consists of 29,645,485 Common Shares with outstanding options to acquire an additional 2,873,766 Common Shares and outstanding warrants to acquire 8,133,505 Common Shares.

Final acceptance of the Qualifying Transaction will occur upon the issuance of the Final Exchange Bulletin by the Exchange. Subject to final acceptance by the Exchange, the Company will be classified as a Tier 1 issuer pursuant to Exchange policies. The Common Shares are expected to commence trading on the Exchange under the symbol "BILD.V" at the opening of the markets on August 18, 2021.

In connection with the Qualifying Transaction, certain members of the Company's board of directors have resigned and the board of directors is now comprised of the following individuals: Dan Park, Tim Howley, Milan Roy, Julie Todaro, Andrew Elbaz and John Farlinger. In addition, the board has appointed Dan Park as Chief Executive Officer, Natalie Ku as Chief Operations Officer and Ethan Rudin as Chief Financial Officer. Milan Roy will serve as Chair of the Company's audit committee.

"We are excited to announce the close of our Qualifying Transaction," said Dan Park, CEO of BuildDirect. "Becoming a publicly traded company is an important milestone for BuildDirect and a key step forward as we leverage our digital platform and expand our reach into brick and mortar independent retailers and capture the underserved B2B professionals."

Full details of the Qualifying Transaction and certain other matters are set out in the filing statement of the Company dated August 4, 2021 (the "**Filing Statement**"). A copy of the Filing Statement can be found under the Company's SEDAR profile on SEDAR at www.sedar.com.

Concurrent Financings

As previously announced, BuildDirect completed a private placement offering of 3,487,000

subscription receipts of BuildDirect (the "**Subscription Receipts**") at an issue price of \$5.75 per Subscription Receipt for aggregate gross proceeds of \$20,050,250 (the "**Brokered Offering**") and has also completed a non-brokered private placement offering of equity units of BuildDirect (each, a "**Unit**"), at an issue price of \$5.75 per Unit for aggregate gross proceeds of \$519,018 (the "**Unit Financing**").

Immediately prior to the closing of the Qualifying Transaction, each Subscription Receipt and each Unit were automatically converted into one common share and one common share purchase warrant of BuildDirect which securities were immediately exchanged for one Common Share and one common share purchase warrant of the Company (each such warrant, a "**Purchase Warrant**"). Each Purchase Warrant entitles the holder thereof to acquire one additional Common Share at an exercise price of \$6.90 per Common Share. If, prior to the expiry date of such Purchase Warrants, the daily volume-weighted average trading price of the Common Shares on the TSXV exceeds \$8.00 for a period of at least thirty (30) consecutive trading days, the Company may accelerate the expiry date of such Resulting Issuer Warrants to a date not earlier than the date that is thirty (30) days following the acceleration of such Purchase Warrants.

CIBC Capital Markets and Canaccord Genuity Corp. as co-lead agents and joint bookrunners (the "**Co-Lead Agents**"), acted as agents in connection with the Brokered Offering together with a syndicate comprised of Cormark Securities Inc., Raymond James Ltd. and PI Financial Corp.

It is expected that the net proceeds of the Brokered Offering and Unit Financing will be used primarily for repayment of debt, working capital and general corporate purposes.

In connection with the Brokered Offering, certain other shareholders and each of the applicable directors and officers of the Company have agreed that they will not, directly or indirectly, sell, grant, secure, pledge, or otherwise transfer any of their Common Shares or securities convertible into Common Shares (other than Common Shares acquired pursuant to the Offering) without the consent of the Co-Lead Agents until February 13, 2022.

Early Warning Disclosure as a result of Completion of the Qualifying Transaction

Pursuant to the Qualifying Transaction, Pelecanus Investments Ltd. ("**Pelecanus**") acquired control over 10,229,643 Common Shares all of which were issued in exchange for the common shares of BuildDirect held by Pelecanus prior to completion of the Qualifying Transaction. On a non-diluted basis, Pelecanus exercises control over 10,229,643 (34.6%) of the Common Shares. On a fully-diluted basis, Pelecanus exercises control over 11,611,612 (28.6%) of the issued and outstanding Common Shares. Pelecanus currently does not have any plan to acquire or dispose of additional securities of the Company. However, Pelecanus may acquire additional securities of the Company, dispose of some or all of the existing or additional securities it holds or will hold, or may continue to hold its current position, depending on market conditions, reformulation of plans and/or other relevant factors.

Pursuant to the Qualifying Transaction, Lyra Growth Partners Inc. ("**Lyra**") acquired control over 3,360,681 Common Shares all of which were issued in exchange for the common shares of BuildDirect held by Lyra prior to completion of the Qualifying Transaction. On a non-diluted basis, Lyra exercises control over 3,360,681 (11.3%) of the Common Shares. On a fully-diluted basis, Lyra exercises control over 3,826,610 (9.4%) of the issued and outstanding Common Shares. Lyra currently does not have any plan to acquire or dispose of additional securities of the Company. However, Lyra may acquire additional securities of the Company, dispose of some or all of the existing or additional securities it holds or will hold, or may continue to hold its current position, depending on market conditions, reformulation of plans and/or other relevant factors.

Pursuant to the Qualifying Transaction, MDV IX, L.P., as nominee for MDV IX, L.P., and MDV ENF IX, L.P. ("**MDV**") acquired control over 4,859,296 Common Shares all of which were issued in

exchange for the common shares of BuildDirect held by MDV prior to completion of the Qualifying Transaction. On a non-diluted basis, MDV exercises control over 4,859,296 (16.4%) of the Common Shares. On a fully-diluted basis, MDV exercises control over 5,358,909 (13.2%) of the issued and outstanding Common Shares. MDV currently does not have any plan to acquire or dispose of additional securities of the Company. However, MDV may acquire additional securities of the Company, dispose of some or all of the existing or additional securities it holds or will hold, or may continue to hold its current position, depending on market conditions, reformulation of plans and/or other relevant factors.

The foregoing disclosure regarding is being disseminated pursuant to National Instrument 62-103 – *The Early Warning System and Related Take-Over Bid and Insider Reporting*. Copies of the early warning reports with respect to the foregoing will appear on the Company's profile on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com and may also be obtained by contacting Ashley Nuell, Investor Relations of the Company at ir@BuildDirect.com.

For additional information concerning the Qualifying Transaction and the foregoing matters in connection therewith, please refer to the Company's press releases dated March 19, 2021, May 6, 2021, and August 6, 2021 and the Filing Statement, all of which are available under the Company's SEDAR profile at www.sedar.com.

About the Company

BuildDirect is an innovative marketplace for purchasing and selling building materials online. The BuildDirect platform connects homeowners and home improvement professionals in North America with suppliers and sellers of quality building materials from around the world, including flooring, tile, decking and more. BuildDirect's year-over-year growth, proprietary heavyweight delivery network, and digital reach have served to solidify its role as a ground-breaking player in the home improvement industry.

Cautionary Note Regarding Forward-Looking Information

This press release contains statements which constitute "forward-looking statements" and "forward-looking information" within the meaning of applicable securities laws (collectively, "forward-looking statements"), including statements regarding the plans, intentions, beliefs and current expectations of the Company with respect to future business activities and operating performance. Forward-looking statements are often identified by the words "may", "would", "could", "should", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" or similar expressions and includes information regarding the anticipated use of proceeds of the Offering and BuildDirect's role as a ground-breaking player in the home improvement industry.

Investors are cautioned that forward-looking statements are not based on historical facts but instead reflect the Company's expectations, estimates or projections concerning future results or events based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed thereon, as unknown or unpredictable factors could have material adverse effects on future results, performance or achievements of the Company. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking statements are the following: changes in general economic, business and political conditions, including changes in the financial markets; changes in applicable laws and regulations both locally and in foreign jurisdictions; compliance with extensive government regulation; the risks and uncertainties associated with foreign markets. These forward-looking statements may be affected by risks and uncertainties in the business of the Company and general market conditions, including COVID-19.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although the Company has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended and such changes could be material. The Company does not intend, and do not assume any obligation, to update the forward-looking statements except as otherwise required by applicable law.

Investors are cautioned that, except as disclosed in the management information circular or filing statement prepared in connection with the Qualifying Transaction, any information released or received with respect to the Qualifying Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of the Company should be considered highly speculative.

The TSXV has in no way passed upon the merits of the Qualifying Transaction and has neither approved nor disapproved the contents of this press release.

Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.

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