

# BuildDirect Announces Private Placement of up to CAD \$3 Million and Key Changes to Senior Management

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VANCOUVER, BC, Aug. 30, 2022 /CNW/ - [BuildDirect.com Technologies Inc.](https://www.builddirect.com) (TSXV: BILD) ("**BuildDirect**" or "**Company**") is pleased to announce a non-brokered private placement (the "**Private Placement**") and also announce key changes to its senior management and Board of Directors.

## **The Private Placement:**

All references to dollars herein are in Canadian dollars (\$) unless otherwise specified.

BuildDirect is pleased to announce the Private Placement of up to approximately 6,522,000 common shares (each, a "**Common Share**") at a price of \$0.46 per Common Share for total gross proceeds of up to \$3,000,000. Pelecanus Investments Ltd. ("**Pelecanus**"), Lyra Growth Partners Inc. ("**Lyra**") and Beedie Investments Ltd. ("**Beedie**") will participate in the Private Placement. The Company will use the net proceeds from the Private Placement to continue to advance BuildDirect's strategy and for general working capital purposes.

Closing of the Private Placement is expected to occur in multiple tranches within the next 30 days and is subject to various conditions, including approval of the TSX Venture Exchange. No finder's fee is payable in connection with this financing.

Pelecanus, Lyra and Beedie are insiders by virtue of currently holding 37.7%, 12.9% and 11.4% respectively of the issued and outstanding common shares of the Company on a partially diluted basis. Accordingly, participation by these parties in the Private Placement constitutes a related party transaction as defined under Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The Company is exempt from the formal valuation and minority approval requirement under MI 61-101 as the fair market value of Pelecanus', Lyra's and Beedie's participation in the Private Placement will not exceed more than 25% of the market capitalization of the Company, as set forth in Sections 5.5(a) and 5.7(1)(a) of MI 61-101.

The securities referred to in this news release have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons absent U.S. registration or an applicable exemption from the U.S. registration requirements. This release does not constitute an offer for sale of, nor a solicitation for offers to buy, any securities in the United States. Any public offering of securities in the United States must be made by means of a prospectus containing detailed information about the issuer and its management, as well as financial statements.

## **Changes to Senior Management and the Board of Directors:**

The Company announces the following changes to its senior management and Board of Directors:

- Ethan Rudin is resigning as Chief Financial Officer of the Company effective August 31, 2022

but will remain with the Company in the role of an Advisor to ensure a smooth transition for the management team and Board. The Board of Directors of the Company has appointed Matthew Alexander to the role of Interim Chief Financial Officer effective September 1, 2022;

- David Lazar is resigning as Interim Chief Executive Officer of the Company effective September 11, 2022 and the Board of Directors of the Company has appointed Shawn Wilson as Chief Executive Officer effective September 12, 2022.
- Dan Park has stepped down from his role as Director of the Company's Board of Director's effective immediately.

Shawn Wilson is a seasoned home improvement executive with cross-functional experience throughout the building materials industry including e-commerce, big-box retail, manufacturing and installation services. He is a proven leader that is skilled in developing teams and effective strategies to deliver profitable growth. Most recently Shawn served as Vice President at Empire Today and previously held roles as Chief Executive Officer of Plum as well as senior management positions with Romanoff Renovations, The Home Depot and Mohawk Industries. Shawn received his BBA from Colorado Technical University and his MBA and Doctorate in Business Management from Kennesaw State University.

Matthew Alexander has worked under Ethan for the duration of Ethan's time as Chief Financial Officer of BuildDirect and partnered to help lead the Company's last two acquisitions as well as its reverse takeover transaction in August 2021. He has over 15 years of financial, strategic, and operational experience over a diverse set of industries, including SaaS, technology, financial services, and media. Matt joined BuildDirect in 2020 and has held the roles of Director, Finance and VP, Finance during his time with the Company. Prior to BuildDirect, Matt held positions as Senior Manager, FP&A with Hootsuite, Manager, FP&A at Dome Productions and as an accountant at Grant Thornton LLP. Matt is a CPA-CA Chartered Accountant and received his BA in economics from the University of Victoria.

*"Professional contractors are the lifeblood of the home improvement and commercial development industries who help drive industry market share through their own self-generated referrals and book of business said Shawn Wilson. I'm excited to lead the BuildDirect team in its ongoing focus on the pro customer market and its efforts to continue to improve its service to professional flooring contractors."*

*"We are excited to bring Shawn onboard as the CEO of BuildDirect after a rigorous search process," said Board Director Milan Roy. "His deep and diverse flooring experience aligns with the Company's goals of focusing on and serving our pro contractor customer base online or offline. Also, on behalf of the Board, we would like to thank David Lazar, Ethan Rudin and Dan Park for their respective service to the Company and wish them well in their current and future endeavors."*

The appointments of Shawn Wilson and Matthew Alexander remain subject to receipt of all required regulatory approvals, including the approval of the TSX Venture Exchange.

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

## **About BuildDirect**

BuildDirect (TSXV: BILD) is a growing omnichannel building material retailer. BuildDirect connects North American home improvement B2B and B2C organizations and homeowners with quality building materials and services through its robust global supply chain network. BuildDirect's growth trajectory, strong product offering and proprietary heavyweight delivery network are delivering value today, solidifying its position as an innovative player in the home improvement industry. For more information, visit [www.BuildDirect.com](http://www.BuildDirect.com).

## 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. These statements reflect management's current beliefs and expectations and are based on information currently available to management as at the date hereof. Forward-looking statements involve significant risk, uncertainties and assumptions.


Forward-looking statements in this press release may include, without limitation, statements relating to the expected closing and use of proceeds of the Private Placement, the participation of Pelecanus, Lyra and/or Beedie in the Private Placement, the deep, diverse and/or cross-functional experience of Shawn Wilson and Matthew Alexander within various industries, effective strategies to deliver profitable growth, professional contractors as the lifeblood of the home improvement and commercial development industries and their impact on industry market share, and the Company's focus on and service of pro customers.

Many factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking statements. Among those factors are changes in consumer spending, availability of mortgage financing and consumer credit, changes in the housing market, changes in trade policies, tariffs or other applicable laws and regulations both locally and in foreign jurisdictions, availability and cost of goods from suppliers, fuel prices and other energy costs, interest rate and currency fluctuations, retention of key personnel and changes in general economic, business and political conditions. 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. These factors should be considered carefully and readers should not place undue reliance on the forward-looking statements.

Although the forward-looking statements contained in this press release 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, the Company cannot assure readers that actual results will be consistent with these forward-looking statements. There may be other risks, uncertainties and factors that cause results not to be as anticipated, estimated or intended and such changes could be material. These forward-looking statements are made as of the date of this press release, and BuildDirect assumes no obligation to update or revise them to reflect new events or circumstances, except as required by law.

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CNW 06:30e 30-AUG-22

