

# iBuyNew Group Limited

## FY19 AGM Presentation

(ASX:IBN)

13 Dec 2019



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# CEO PRESENTATION

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**Bill  
Nikolouzakis** –  
CEO of iBuyNew Group

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**iBUYNEWGROUP**

NYKO  
PROPERTY

IBN

iBUYNEW

# Equity Raising Overview

**IBN is conducting an offer to issue up to 125,000,000 Shares at an issue price of \$0.02 per share to raise approximately \$2.5 million in two components**

## Offer Structure and Size

A maximum of 125,000,000 Shares are to be issued as Placement Shares which remains subject to a shareholder vote to be held at an Annual General Meeting (AGM), currently to take place on the 13<sup>th</sup> December 2019.

The Placement Shares will be issued in two components, comprising of:

- 1. Working Capital Placement:** up to \$1,500,000 in cash; and
- 2. Debt-to-Equity Swap:** conversion of up to \$1,000,000 of the Company's existing liabilities into Placement Shares.

## Offer Price

Working Capital Placement and Debt-to-Equity Swap Offer Price of A\$0.02 per new Share.

## Use of Proceeds

Proceeds to be applied towards funding working capital and reducing existing debt. See over page for further details.

## Board Participation

Entities associated to current and past directors to participate in the Debt-to-Equity Swap.\*

## Underwriting

The offer is not underwritten.

\* Board participation may be subject to separate shareholder approval

# Placement Shares and capital management

## Accelerating the development and discussions of potential acquisitions

Working capital placement brings forward the overall business health position.

Equity raising expected to significantly improve balance sheet

Provides de-risked business structure and working capital

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### Up to \$1.5m in Working Capital Cash

Working Capital Placement: up to \$1,500,000 in cash will be raised and used for the following purposes:

- payments to the Company's advisers: \$90,000;
- payments to the Company's trade creditors: \$435,000;
- payments to the Company's suppliers and contractors: \$425,000;

- general working capital: \$500,000; and

Costs associated with the issue of the Placement Shares, including:

- ASIC fees: \$2,000;
- ASX fees: \$7,000;
- legal fees: \$25,000;
- printing and distribution fees: \$6,000; and
- miscellaneous costs: \$10,000.

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### Up to \$1m Debt-to-Equity Swap

Debt-to-Equity Swap: conversion of up to \$1,000,000 of the Company's existing liabilities into Placement Shares.

It should be noted that although no funds will be received on issue of the Placement Shares under the Debt-to-Equity Swap, the Company received goods, services or capital from the various trade and unsecured creditors being issued the shares for an equivalent dollar value amount).

# Approach to maintain shareholder value

## Illustration of Financial Impact and position – Dec 19

<b>Summary of Liabilities</b>	<b>\$</b>
Secured Loan Creditors	1,885,000
Trade Creditors	1,470,942
<b>Total</b>	<b>3,355,942</b>
Summary of Cash and debt-to-equity swap impact	
Sale of Assets	500,000
Working Capital Placement	1,500,000
Debt-to-Equity Swap	1,000,000
<b>Total</b>	<b>3,000,000</b>
Liabilities post initiatives	355,942
Net Future Settlements book	1,850,000
<b>Net position</b>	<b>1,494,058</b>
<b>Average monthly costs associated with operating settlements book: Dec 2019 - Feb 2020</b>	<b>2,000</b>
<b>Anticipated average monthly OPEX, Dec 2019 - Feb 2020</b>	<b>70,000</b>

## Priority Outcomes

The Company plans to continue collecting receivables under the Commissions Book and this will be its sole business until a suitable acquisition or transaction is entered.

Until such transaction takes place, the collections of receivables from the Commissions Book will be the Company's only undertaking and as such, no additional receivables will be added to the Commissions Book.

# Pro-Forma – Balance sheet

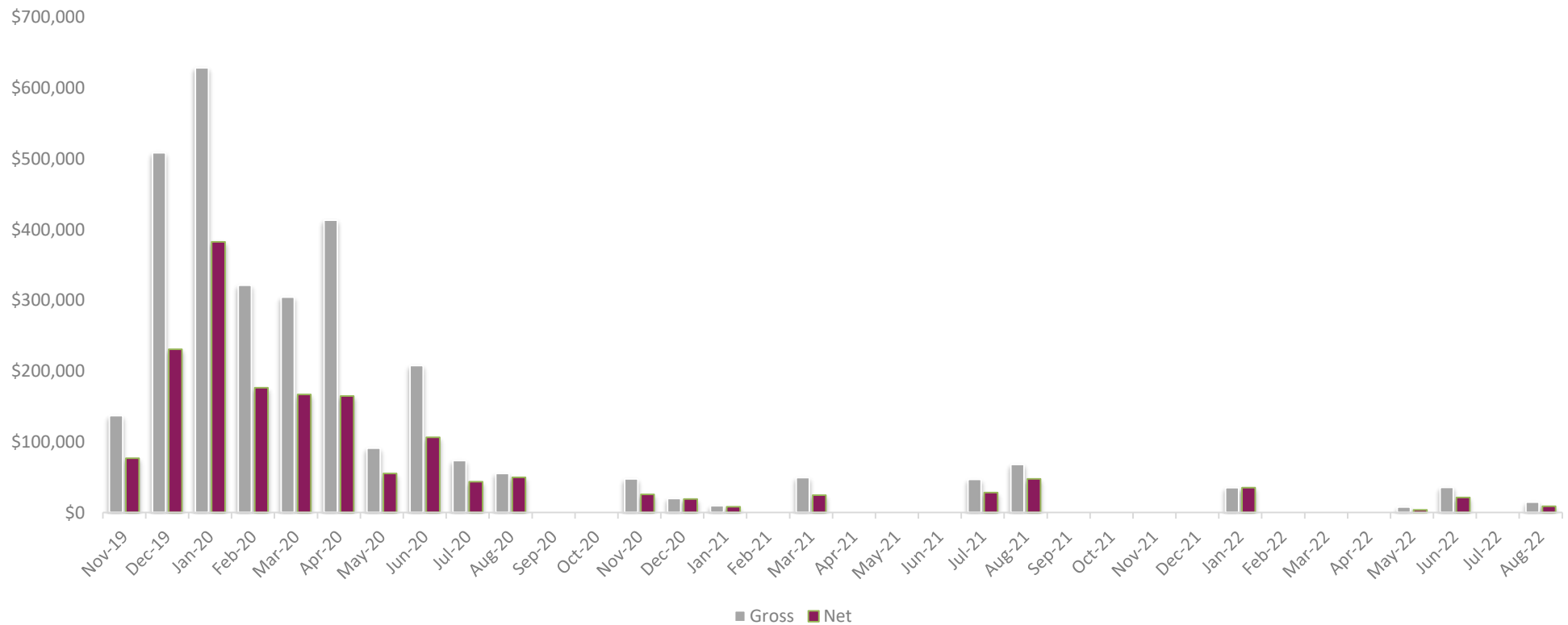
A summarised balance sheet is presented below reflecting the impact of the transaction, placement shares and pro-forma adjustments. As at the end of 30 June 2019

Consolidated	30-Jun-19	Sale of Assets	Working Capital from Placement shares	30 June 19 (Pro Forma)
	\$	\$	\$	\$
<b>ASSETS</b>				
CURRENT ASSETS				
Cash and cash equivalents	277,598	500,000	1,500,000	2,277,598
Trade and other receivables	122,431			122,431
Other assets	2,194,527			2,194,527
<b>TOTAL CURRENT ASSETS</b>	<b>2,594,556</b>	<b>500,000</b>	<b>1,500,000</b>	<b>4,594,556</b>
TOTAL NON-CURRENT ASSETS	415,786			415,786
<b>TOTAL ASSETS</b>	<b>3,010,342</b>			<b>5,010,342</b>
<b>LIABILITIES</b>				
CURRENT LIABILITIES				
Trade and other payables	1,870,205		1,000,000	870,205
Loans and borrowings	1,885,000			1,885,000
Other liabilities	1,122,532			1,122,532
Employee provisions	55,683			55,683
<b>TOTAL CURRENT LIABILITIES</b>	<b>4,933,420</b>		<b>1,000,000</b>	<b>3,933,420</b>
TOTAL NON-CURRENT LIABILITIES	98,739			98,739
<b>TOTAL LIABILITIES</b>	<b>5,032,159</b>			<b>4,032,159</b>
<b>NET (LIABILITIES)/ ASSETS</b>	<b>(2,021,817)</b>			<b>978,183</b>

# Settlements Book Overview

## Anticipated Settlements by Month

**Gross Book in excess of \$3.35m, Net \$1.85m\***



\*Subject to settlement and based on timelines provided by project suppliers. Factors outside of the Company's control may impact settlements and the proposed timelines.



# Transformation



As part of completion of the Transaction, the Company is required to change its name from "**iBuyNew Group Limited**" to "**RESA Group Limited**" to ensure that the registered company names of the Company (and its subsidiaries) differ significantly from the business names being acquired by iBuildNew under the Asset Sale Agreement. This change in name will not, in itself, affect the legal status of the Company or any of its assets or liabilities.

## RESA

### Group Limited

Real Estate Settlements Australia

- c. \$3.35m Gross Future receivables book
- c. \$1.85m Net value
- Placement shares to raise up to \$1.5 in working capital and up to \$1m of Debt-to-Equity Swap for current creditors.
- Reduced OPEX of c. \$70k per month to service maintenance plan
- Enhanced balance sheet
- New growth opportunities, stronger position to deliver shareholder value

Gross revenue treatment from the collection of settlements

The future receivables in the form of commissions owing to the Company from unconditional real estate sales contracts and the commission amounts payable by Group members to relevant referral partners or sub-agents in relation to such sales contracts (together, the **Commissions Book**) will remain with the Company. After completion of the Transaction (if approved by shareholders), 66% of all revenue from the Commissions Book will be used to pay the Company's secured loan facility (announced on 15 January 2019).

# Disposal Rationale

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**The Board of IBN unanimously considers the Sale to be in the best interest of IBN shareholders**

## **Recent events relating to the iBuyNew and Nyko Property businesses**

- declines in property sales and prices (affecting, in particular, new and off-the-plan properties);
- declining home loan approval rates (due to banks tightening their credit policies); and
- changes to stamp duty laws (which have resulted in significant increases payable by foreign purchasers).

### **Advantages of the Transaction:**

The key advantages to the Company if this resolution is approved are:

- the Company will be able to continue its sole operation of only collecting the receivables from the Commissions Book and cut significant costs associated with the conduct of its iBuyNew, Nyko Property and Indo-Pacific Group businesses (i.e. marketing, sales and sales support costs);
- the Company will be able to explore potential transactions to enhance shareholder value; and
- the Company will be able to reduce its debt position.

### **Disadvantages of the Transaction:**

The key risks and disadvantages to the Company if this resolution is approved are:

- the Company will be disposing of its main business undertaking;
- the Company will be left with only one undertaking (being the collection of receivables under the Commissions Book); and
- Shareholders may not agree with the Company undertaking a major change.

### **Use of funds from the Transaction**

The Company will use the proceeds from the Transaction as follows:

- **\$400,000 will be used to repay its secured loan facility; and**
- **\$100,000 will be used for general working capital and to explore potential transactions.**

# Group Capital Structure

## Illustration of Shares on issue post Placement Shares

	<b>Shares</b>
<b>Issued Share Capital</b>	21,792,888
Unlisted Options \$2 per share Ending FY20	605,000
CEO Performance Rights	300,000
Current fully diluted shares	22,697,888
Working Capital Placement - \$1.5m	75,000,000
Debt-to-Equity Swap - \$1m	50,000,000
Placement Shares	125,000,000
Sydney Rent roll Share buy-back	-268,845
<b>Potential fully diluted shares</b>	<b>147,429,043</b>

- Proposed structure based on the entire \$2.5m placement shares taken up; and
- The Sydney rent roll share buy-back relates to the NSW rent roll originally acquired from Nick Dellis and related entities. The loss making NSW rent roll has been assigned back to Nick Dellis and related entities the original vendors as of July 2019 for management and it has been agreed that the issued shares are to be provided back to the company.

# RESOLUTIONS

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## Resolution #

## Resolution Description

<b>01</b>	Financial report, directors' report and auditor's report
<b>02</b>	Adoption of remuneration report
<b>03</b>	Re-election of Vasilios (Bill) Nikolouzakis as Director
<b>04</b>	Approval of capacity to issue securities under Listing Rule 7.1A
<b>05</b>	Approval to issue the Placement Shares
<b>06</b>	Approval to dispose of main undertaking
<b>07</b>	Change of Company name

# BUSINESS OF THE ANNUAL GENERAL MEETING

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- **Quorum update**

Proxies have been received representing 8,548,751 shares or 39.23% of the issued capital of 21,792,888 shares.

- **Notice of AGM discussion**

- **Financial report, Directors' report and auditor's Report**

"To receive and to consider the Annual Financial Report of the Company for the financial year ended 30 June 2019 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report for that financial year."



# RESOLUTIONS

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## 2. Adoption of remuneration report

To consider and, if thought fit, to pass, the following resolution as an ordinary resolution:

“That, the Remuneration Report as contained in the Directors’ Report in the Company’s Annual Financial Report for the financial year ended 30 June 2019 be adopted.”

### Proxies

For	Against	Abstain
5,631,083	20,585	191
97.80%	0.36%	

# RESOLUTIONS

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## 3. Re-election of Vasilios (Bill) Nikolouzakis as Director

To consider and, if thought fit, to pass, the following resolution as an ordinary resolution:

“That Vasilios (Bill) Nikolouzakis, a Director appointed as an additional Director and holding office until the next general meeting of the Company after his appointment in accordance with the Company’s Constitution and ASX Listing Rule 14.4, be re-elected as a Director of the Company”

### Proxies

For	Against	Abstain
8,049,887	20,048	177
94.17%	0.23%	

# RESOLUTIONS

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## 4. Approval of capacity to issue securities under Listing Rule 7.1A

To consider and, if thought fit, to pass, the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, shareholders approve the issue of equity securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions described in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”

### Proxies

For	Against	Abstain
8,414,171	28,624	8
98.43%	0.33%	

# RESOLUTIONS

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## 5. Approval to issue the Placement Shares

To consider and, if thought fit, to pass, the following resolution as an Special resolution:

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to allot and issue up to 125,000,000 Shares at an issue price of \$0.02 per share to raise approximately \$2.5 million on terms and conditions described in the explanatory notes which accompany and form part of this Notice of Meeting”

### Proxies

For	Against	Abstain
8,422,562	20,233	8
98.52%	0.24%	

# RESOLUTIONS

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## 6. Approval to dispose of main undertaking

To consider and, if thought fit, to pass the following resolution as a special resolution:

“That, for the purposes of Listing Rule 11.2, approval is given for the Company to undertake the Proposed Transaction to dispose of its main undertaking comprising selected assets of the iBuyNew and Nyko Property platforms (but excluding the future receivables commission books from previous property sales generated by the Company) under the Asset Sale Agreement and on the terms set out in the Explanatory Notes”

### Proxies

For	Against	Abstain
8,413,105	28,023	1,675
98.43%	0.33%	



# RESOLUTIONS

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## 7. Change of Company name

To consider and, if thought fit, to pass the following resolution as a special resolution:

“Subject to the resolution at Item 6 of this Notice being passed, that, for the purposes of sections 157(1) and 136(2) of the Corporations Act and for all other purposes, the name of the Company be changed to RESA Group Limited effective from the date that ASIC alters the details of the Company’s registration in accordance with section 157 of the Corporations Act and all references to iBuyNew Group Limited in the Company’s constitution be replaced by references to RESA Group Limited”

### Proxies

For	Against	Abstain
8,441,106	1,694	3
98.74%	0.02%	

**RESA**  
**Group Limited**  
Real Estate Settlements Australia

# OTHER BUSINESS

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# MEETING CLOSED

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# CHAIRMAN'S ADDRESS

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# CONTACT

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