



BUYMYPLACE.COM.AU LIMITED
ACN 132 204 561

Notice of General Meeting

Explanatory Statement and Proxy Form

Date of Meeting:
Friday 21 December 2018

Time of Meeting:
11:00AM (AEDT)

Place of Meeting:

Gadens
Level 25 Bourke Place
600 Bourke Street
Melbourne Victoria, 3000

This Notice of General Meeting and Explanatory Statement should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor without delay

An Independent Expert Report has been prepared by PricewaterhouseCoopers Securities Ltd and is enclosed with this Notice of Meeting in Annexure A. Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of Shareholder approval under ASX Listing Rule 10.1.

The Independent Expert has concluded that the transaction related to the disposal the subject of Resolution 1 is fair and reasonable to the Shareholders of whose votes will not be disregarded.

All Shareholders are encouraged to read in the Independent Expert Report in detail and should you have any questions, speak to your professional adviser.

BUYMYPLACE.COM.AU LIMITED

ACN 132 204 561

Registered office: 8-12 Alma Road, St Kilda VIC 3182

NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of Members of buyMyplace.com.au Limited (the "Company") will be held at Gadens, Level 25, 600 Bourke Street, Melbourne VIC 3000 at 11:00am (AEDT) on Friday 21 December 2018.

AGENDA

The Explanatory Statement and proxy form which accompany and form part of this Notice, describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement and the proxy form in their entirety.

SPECIAL BUSINESS

Resolution 1: Approval of Disposal of Main Undertaking

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

"That, for the purposes of the ASX Listing Rules 10.1 and 11.2 and for all other purposes, approval is given for the Company to dispose of its interest in 100% of the shares in each of BuyMyHome Pty Ltd (ACN 126 563 746), BuyMyHome (Agency) Pty Ltd (ACN 143 987 772) and BuyMyPlace Finance Pty Ltd (ACN 624 392 034) pursuant to the Binding Term Sheet on the terms and conditions set out in the Explanatory Statement."

DATED 16 November 2018

By order of the Board



Melanie Leydin
Company Secretary

Notes

1. **Entire Notice:** The details of the resolutions contained in the Explanatory Statement accompanying this Notice of Meeting should be read together with, and form part of, this Notice of Meeting.
2. **Record Date:** The Company has determined that for the purposes of the General Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7.00pm AEDT on Wednesday 19 December 2018, for the purposes of the Meeting, to be held by the persons who held them at that time. Only those persons will be entitled to vote at the General Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the General Meeting.
3. **Proxies**
 - a. Votes at the General Meeting may be given personally or by proxy, attorney or representative.
 - b. Each shareholder has a right to appoint one or two proxies.
 - c. A proxy need not be a shareholder of the Company.
 - d. If a shareholder is a company it must execute under its common seal or otherwise in accordance with its constitution.
 - e. Where a shareholder is entitled to cast two or more votes, the shareholder may appoint two proxies and may specify the proportion of number of votes each proxy is appointed to exercise.
 - f. If a shareholder appoints two proxies, and the appointment does not specify the proportion or number of the shareholder's votes, each proxy may exercise half of the votes. If a shareholder appoints two proxies, neither proxy may vote on a show of hands.
 - g. A proxy must be signed by the shareholder or his or her attorney who has not received any notice of revocation of the authority. Proxies given by corporations must be signed in accordance with corporation's constitution and Corporations Act.
 - h. To be effective, proxy forms must be received by the Company's share registry (Boardroom Pty Limited) no later than 48 hours before the commencement of the General Meeting, this is no later than 11:00am (AEDT) on 19 December 2018. Any proxy received after that time will not be valid for the scheduled meeting.

4. Corporate Representative

Any corporate shareholder who has appointed a person to act as its corporate representative at the Meeting must provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

5. Independent Expert Report

Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of Shareholder approval under ASX Listing Rules 10.1 and 11.2. The Independent Expert Report comments on, pursuant to ASX Listing 10.10.2, the fairness and reasonableness of the transaction the subject of Resolution 1 to the Shareholders of whose votes will not be disregarded.

The Independent Expert has concluded that the transaction related to the Proposed Transaction the subject of Resolution 1 is fair and reasonable to the Shareholders of whose votes will not be disregarded.

6. Voting Exclusion Statement:

Resolution 1

The Company will disregard any votes cast in favour of Resolution 1 by or on behalf of KM Custodians Pty Ltd ACN 143 388 176; or an associate of KM Custodians Pty Ltd ACN 143 388 176.

However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

7. Enquiries

Shareholders are invited to contact the Company Secretary, Melanie Leydin on 1300 289 697 if they have any queries in respect of the matters set out in these documents.

EXPLANATORY STATEMENT

Resolution 1: Approval of Disposal of Main Undertaking

Background

On or about 1 December 2017, the Company obtained an unsecured loan of \$1,000,000 (**December 2017 Loan**) from KM Custodians Pty Ltd (**KMC**) for the purpose of funding the Company's ongoing working capital requirements. KMC is a significant shareholder in the Company and as at the date of this Explanatory Statement, has an aggregate shareholding in excess of 10% of the Company's Shares on issue.

Subsequent to the December 2017 Loan the Company undertook a review of its business operations. This review identified that the Company's technology could be substantially upgraded to enable greater automation and scalability. The review concluded that approximately \$1,000,000 would be required to update the Company's existing technology in order to allow the Company to significantly increase the scale of its existing business to achieve its strategic objectives and to become profitable. At the same time, the Company developed a strategy to pursue complementary acquisitions to help form a holistic digital property transaction facilitation platform. This included looking for acquisition opportunities that could bolster the Company's existing commission-free property sales facilitation business and conveyancing business, as well as adding new services such as finance and DIY rentals.

Subsequent loan from KMC

On or about 30 April 2018, KMC agreed to provide a further \$2,000,000 in funding through a \$3,000,000 finance facility (**April 2018 Loan**). The terms of the April 2018 Loan included, among other things, that:

- (a) \$1,000,000 of the loan be used to repay the December 2017 Loan of \$1,000,000. The net result of this additional funding from KMC was that the Company had an additional \$2,000,000 to fund working capital and technology investment through to a substantial capital raising;
- (b) a 25% premium on the amount of the loan would be payable to KMC if the loan was repaid before 31 December 2018;
- (c) a repayment date of 30 June 2020 unless the Company was in default; and
- (d) the loan be secured over all of the assets of the Company (**Security**) via a General Security Deed.

As announced on 4 July 2018, the ASX granted a waiver (**Waiver**) to the Company in respect of its requirement to obtain Shareholder approval to granting KMC a security interest over all of the Company's assets. It was a term of the Waiver that if an event of default occurs and KMC exercises its rights under the Security, neither KMC nor any of its associates can acquire any legal or beneficial interest in an asset of the Company or its subsidiaries in full or part satisfaction of the Company's obligations under the Security, or otherwise deal with the assets of the Company or its subsidiaries, without the Company first having complied with any applicable listing rules, including Listing Rule 10.1, other than as required by law or through a receiver, or receiver or manager (or analogous person) appointed by KMC exercising its power of sale under the Security and selling the assets to an unrelated third party on arm's length terms and conditions and distributing the cash proceeds to KMC or any of its associates in accordance with their legal entitlements.

Events subsequent to the April 2018 Loan

In pursuit of its strategy, and at the Board's direction, the Company made approaches to a number of potential acquisition targets that would complement the Company's business. These approaches resulted in a binding agreement to acquire all of the shares in Pleased Property Pty Ltd ACN 614 333 667 (**Pleased Property**) which was announced on 31 August 2018. It was the Company's view that Pleased Property's technology could lessen the cost of the Company's required technology investment and would facilitate the Company's strategy in respect of digital property leasing and management capability.

This transaction was subject to, among other things, the Company completing a substantial capital raising with its experienced advisers. From August to October the Company met, and was in advanced discussions with, a number of high quality, institutional investors in respect of the capital raising.

On 24 September 2018, the Company announced that its securities would be suspended from quotation under Listing Rule 17.2 pending the release of an announcement regarding another significant corporate transaction and completion of a capital raising that would finance the completion of that transaction and the Pleased Property acquisition.

Based on positive progress at that time with prospective investors, the Company held a reasonable expectation of being able to raise the required capital in a short period of time.

To continue to fund the working capital requirements of BMP, prior to completion of the capital raising, on 5 October 2018 the Company announced that it had entered into a variation of the April 2018 Loan. This variation resulted in KMC immediately providing the Company with an additional \$500,000 in funding. As this was a variation not covered by the Waiver, the additional \$500,000 is not covered by the Security.

Unfortunately, contemporaneous with increased volatility in listed equity markets (particularly micro-caps), a number of prospective investors have since declined to participate and BMP has been unable to complete the capital raising within its anticipated timeframe. Accordingly, BMP securities continue to be suspended from quotation.

Subsequently and in response to:

- (a) the low likelihood of raising capital;
- (b) ongoing working capital requirements of the Company and advice from KMC that it is not in a position to fund the Company's working capital requirements in a listed environment beyond the end of this calendar year; and
- (c) a confidential (non-binding and indicative only) approach from a party interested in acquiring the assets and business of the Company;

the Company has commenced discussions with a select group of parties in respect of the sale of BMP and / or its assets and the ongoing funding of the Company. Those discussions, which are otherwise ongoing, have culminated in a Binding Term Sheet between KMC and the Company. The obligation for BMP to proceed with the sale to KMC as set out below, is conditional upon BMP not receiving a superior offer.

Summary of Proposed Transaction

KMC and the Company have entered into a Binding Term Sheet under which KMC will acquire 100% of the Company's shares held in BuyMyHome Pty Ltd (ACN 126 563 746), BuyMyHome (Agency) Pty Ltd (ACN 143 987 772) and BuyMyPlace Finance Pty Ltd (ACN 624 392 034) in consideration for the payment of \$100,000 and forgiveness of all debt owing to KMC under the April 2018 Loan (as varied) (collectively, the **Proposed Transaction**).

There are further terms and conditions of the Proposed Transaction which provide, among other things, that:

- (a) KMC agrees to provide up to \$500,000 in further funding to BMP and / or its subsidiaries by way of a further variation to the April 2018 Loan, which is expected to enable the Company to fund its operations until the end of December; and
- (b) BMP is not obligated to complete the Proposed Transaction if BMP receives a superior offer for BuyMyHome Pty Ltd ACN 126 563 746, BuyMyHome Agency Pty Ltd ACN 143 987 772 and BuyMyPlace Finance Pty Ltd (ACN 624 392 034).

Therefore, the consideration given by KMC under the Binding Term Sheet will be equal to all amounts outstanding to KMC under the April 2018 Loan (as varied- this amount will be \$5,000,000 as at 21 December 2018) and payment of \$100,000.

Why is the Company seeking approval?

The Company is required to obtain Shareholder approval under ASX Listing Rules 10.1 and 11.2 in order to complete the Proposed Transaction. It is also a condition precedent of the Binding Terms Sheet that Shareholder approval be obtained for the Proposed Transaction. The purpose of Resolution 1 is to satisfy the requirements of the condition precedent in the Binding Terms Sheet and the requirements of ASX Listing Rules 10.1 and 11.2.

ASX Listing Rule 10.1

ASX Listing Rule 10 deals with transactions between an entity (or any of its subsidiaries) and persons in a position to influence the entity.

ASX Listing Rule 10.1 provides that an entity (or any of its subsidiaries) must not acquire a substantial asset from, or dispose of a substantial asset to, any of the following persons without the approval of holders of the entity's ordinary securities. These persons include:

- (a) a related party;
- (b) a subsidiary;
- (c) a substantial holder, if the person and the person's associates have a relevant interest, or had a relevant interest at any time in the 6 months before the transaction, in at least 10% of the total votes attached to the voting securities;

- (d) an associate of a person referred to in (a), (b) or (c) above; or
- (e) a person whose relation to the entity is such that, in ASX's opinion, the transaction should be approved by security holders.

Resolution 1 relates to the Proposed Transaction of 100% of the shares in each of BuyMyHome Pty Ltd ACN 126 563 746, BuyMyHome (Agency) Pty Ltd ACN 143 987 772 and BuyMyPlace Finance Pty Ltd ACN 624 392 034 being sold to KMC pursuant to the Binding Terms Sheet. KMC holds 10.25% of the Company's voting securities.

As KMC's holdings constitutes a relevant interest in excess of 10% of the Company's Shares, the Company is required to seek approval of Shareholders under Listing Rule 10.1 for the Proposed Transaction.

ASX Listing Rule 11.2

ASX Listing Rule 11.2 provides that where a company proposes to make a significant change in the nature or scale of its activities, which involves the disposal of its main undertaking, it must first obtain approval of Shareholders.

The disposal of the Company's shares in BuyMyHome Pty Ltd (ACN 126 563 746), BuyMyHome (Agency) Pty Ltd (ACN 143 987 772) and BuyMyPlace Finance Pty Ltd (ACN 624 392 034) would constitute the Company disposing of its main undertaking for the purposes of the ASX Listing Rules.

Shareholders should be aware that following the proposed disposal of the Company's main undertaking, ASX may require the Company to re-comply with the requirements in Chapters 1 and 2 of the Listing Rules pursuant to ASX Listing Rule 11.1.3 with respect of any future transaction the Company may enter into.

Advantages of the Proposed Transaction

The following advantages will arise if Resolution 1 is approved and the Proposed transaction proceeds:

- (a) the Company will be able to fulfil the conditions of the Binding Terms Sheet and complete the Proposed Transaction.
- (b) the Company will no longer be obliged to repay the debts owed to KMC under the April 2018 Loan (as varied), thereby clearing the Company of \$5,000,000 of debt.
- (c) the Company will receive \$100,000 in cash to fund its remaining operations until such time as a transaction in relation to it can be completed.
- (d) the Company will have the opportunity to sell the listed shell for valuable consideration.
- (e) it allows the continuation and growth of the Company's existing commission-free property sales facilitation business.

Disadvantages of the Proposed Transaction

The following disadvantages will arise if Resolution 1 is approved and the Proposed transaction proceeds:

- (a) the Company will have disposed of its main undertaking, being the commission-free property sales facilitation business, as well as the Company's financing business.
- (b) the Company will continue to operate its conveyancing business after completion of the Proposed Transaction, however the revenue generated by this component of the Company's business will be significantly less than the revenue generated by the Company's current diversified property business.

Effect of not approving Resolution 1

If Shareholder approval is not given to Resolution 1, it is likely that KMC will act upon its Security and either enter into possession of the shares BuyMyHome Pty Ltd, BuyMyHome (Agency) Pty Ltd and BuyMyPlace Finance Pty Ltd or appoint a receiver over the assets and undertaking of Company.

Independent Expert Report

For the purposes of Listing Rule 10.1, the Company is required to engage an independent expert to advise Shareholders whether the Proposed Transaction the subject of Listing Rule 10.1 approval is fair and reasonable to the Shareholders of whose votes will not be disregarded of the Company.

An Independent Expert Report has been prepared by PricewaterhouseCoopers Securities Ltd and is enclosed with this Notice of Meeting in Annexure A. Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of Shareholder approval under ASX Listing Rule 10.1.

The Independent Expert has concluded that the transaction related to the disposal the subject of Resolution 1 is fair and reasonable to the Shareholders of whose votes will not be disregarded.

All Shareholders are encouraged to read in the Independent Expert Report in detail and should you have any questions, speak to your professional adviser.

Board Recommendation

The Board unanimously recommends that Shareholders vote in favour Resolution 1.

Each Director who holds Shares in the Company (whose associates holds Shares) and is entitled to vote intends to vote those Shares in favour of Resolution 1.

Voting Exclusions

The Company will disregard any votes cast in favour of Resolution 1 by or on behalf of:

- a) KM Custodians Pty Ltd ACN 143 388 176 and
- b) or an associate of KM Custodians Pty Ltd ACN 143 388 176.

However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Enquiries

Shareholders are invited to contact the Company Secretary, Melanie Leydin on 1300 289 697 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

The following terms have the following meanings in this Explanatory Statement:

“**\$**” means Australian Dollars;

“**April 2018 Loan**” means the secured loan facility of \$3,000,000 created on or about 30 April 2018 between the Company and KMC;

“**ASX**” means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as the context requires;

“**AEDST**” means Australian Eastern Daylight Standard Time.

“**Binding Term Sheet**” means the Binding Terms Sheet between the Company and KMC dated 12 November 2018 to effect the Proposed Transaction;

“**Board**” means the Directors acting as the board of Directors of the Company or a committee appointed by such board of Directors;

“**Company**” means buyMyplace.com.au Limited ACN 132 204 561;

“**Constitution**” means the constitution of the Company as at the date of the Meeting;

“**Corporations Act**” means the Corporations Act 2001 (Cth);

“**December 2017 Loan**” means the unsecured loan of \$1,000,000 entered into on or about 1 December 2017 between the Company and KMC;

“**Director**” means a Director of the Company;

“**Explanatory Statement**” means the explanatory statement which forms part of the Notice;

“**Independent Expert**” means PricewaterhouseCoopers Securities Ltd;

“**Independent Expert Report**” means the Independent Expert Report prepared by PricewaterhouseCoopers Securities Ltd;

“**KMC**” means KM Custodians Pty Ltd ACN 143 388 176;

“**Listing Rules**” means the Listing Rules of the ASX;

“**Meeting**” has the meaning given in the introductory paragraph of the Notice;

“**Notice**” means the Notice of Meeting accompanying this Explanatory Statement;

“**Pleased Property**” means Pleased Property Pty Ltd ACN 614 333 667;

“**Proposed Transaction**” means the proposed sale of 100% of the shares in each of BuyMyHome Pty Ltd (ACN 126 563 746), BuyMyHome (Agency) Pty Ltd (ACN 143 987 772) and BuyMyPlace Finance Pty Ltd (ACN 624 392 034) to KMC pursuant to the Binding Term Sheet;

“**Proxy Form**” means the proxy form attached to the Notice;

“**Resolution**” means a resolution referred to in the Notice;

“**Schedule**” means schedule to the Notice;

“**Section**” means a section of the Explanatory Statement;

“**Security**” means the security interest in all of the Company’s assets held by KMC pursuant to the General Security Deed dated on or about 31 August 2018;

“**Share**” means a fully paid ordinary share in the capital of the Company;

“**Shareholder**” means shareholder of the Company; and

“**Waiver**” means the waiver granted by the ASX and announced on 4 July 2018 for the Company to obtain Shareholder approval in relation to granting KMC a security interest in all of the Company’s assets.

Appendix 1 – Independent Expert Report

Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of Shareholder approval under ASX Listing Rule 10.1.

The Independent Expert has concluded that the transaction related to the disposal the subject of Resolution 1 is fair and reasonable to the Shareholders of whose votes will not be disregarded.

buyMyplace.com.au Limited

Independent Expert's Report

16 November 2018

***PricewaterhouseCoopers Securities Ltd, ACN 003 311 617, ABN 54 003 311 617, Holder of
Australian Financial Services Licence No 244572***

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The Directors
buyMyplace.com.au Limited
8-12 Alma Road
St Kilda VIC 3182

16 November 2018

Dear Directors

Independent expert's report in relation to disposal of assets

Introduction

1. buyMyplace.com.au Limited (**BMP** or the **Company**) is an online real estate business enabling Australians to sell their homes without paying commissions to real estate agents (**DIY Business**). The business was established in 2007 with the expectation of a shift in the Australian market away from traditional agent sales to a sale-by-owner model, mirroring the adoption of this practice in the US, Canada and Europe.
2. BMP listed on the Australian Securities Exchange (**ASX**) in March 2016, following a reverse acquisition whereby Killara Resources Ltd (**Killara**) purchased all of the shares in BMP for the scrip in Killara Resources Ltd. Killara Resources Limited's principal activities involved coal exploration and mining in Indonesia.
3. Despite achieving sustained revenue growth since 2016, BMP has continued to generate negative earnings before interest, tax, depreciation and amortisation (**EBITDA**), as a result of operational difficulties. The management of BMP (**Management**) have observed that these difficulties have resulted from inefficient investment in marketing, the scaling of the business for growth and the investment in the agreed strategy. The technology previously required significant manual intervention which necessitated more backend resourcing.
4. Subsequently, BMP undertook various capital restructuring initiatives (discussed later in this report), securing various debt facilities from KM Custodians Pty Ltd (**KMC**) (**Debt Facilities**) to finance the update of the Company's existing technology and to support working capital requirements.
5. At the same time, BMP has pursued a strategy of undertaking complementary acquisitions to bolster existing operations and add new services. This included the acquisition of My Place Conveyancing Pty Ltd (**MPC**) in July 2017. In 2018, BMP pursued two potential acquisitions. The first, Pleased Property¹, an online property management platform with potential to lessen the cost of the Company's technology overhaul. The second, a major competitor. Neither of these transactions proceeded as they were contingent on capital raisings that have been unsuccessful to date.
6. In addition to the Company's pursuit of acquisition targets to complement the Company's business, BMP engaged corporate advisers to facilitate a significant capital raising, which was required to fund, amongst other things, short term working capital requirements. To date, the Company's capital raising endeavours have been unsuccessful.

¹ ASX announcement dated 31 August 2018

Debt Facilities

7. On 1 December 2017, BMP obtained an unsecured loan of \$1,000,000 from KMC to fund BMP's working capital requirements.
8. On 30 April 2018, KMC agreed to provide a further loan of \$3,000,000 (**April 2018 Loan**). The terms of the April 2018 Loan include, but are not limited to, the following:
 - \$1,000,000 of the loan be used to repay the December 2017 Loan. The net result of this additional funding from KMC was that the Company had an additional \$2,000,000 to fund working capital and technology investment.
 - There is no interest payable on the facility. However, KMC is entitled to a 5% facility fee at inception of the facility and a premium payment when the facility is repaid, the quantum of which is dependent on the date of repayment as follows:
 - i. a 25% premium on the total loan, if the loan was repaid before or on 31 December 2018
 - ii. a 35.7% premium on the total loan, if the loan was repaid between 1 January 2019 and 30 December 2019
 - iii. a 50.0% premium on the total loan, if the loan was repaid on or after 31 December 2019.
 - A repayment date of 30 June 2020 unless the Company was in default.
 - The loan be secured over all of the assets of the Company (**Security**) via a General Security Deed.
 - As announced on 4 July 2018, the ASX granted a waiver (**Waiver**) for the Company to obtain BMP shareholder (**Shareholder**) approval in relation to granting KMC a security interest over all of the Company's assets. It was a term of the Waiver that if an event of default occurs and KMC exercises its rights under the Security, neither KMC nor any of its associates can acquire any legal or beneficial interest in an asset of the Company or its subsidiaries, in full or part satisfaction of the Company's obligations under the Security, or otherwise deal with the assets of the Company or its subsidiaries, without the Company first having complied with any applicable listing rules, including Listing Rule 10.1, other than as required by law or through a receiver, or receiver or manager (or analogous person) appointed by KMC exercising its power of sale under the Security and selling the assets to an unrelated third party on arm's length terms and conditions and distributing the cash proceeds to KMC or any of its associates in accordance with their legal entitlements.
9. To continue to fund the working capital requirements of BMP, prior to completion of the capital raising, on 5 October 2018 the Company announced that it had entered into a variation of the April 2018 Loan. This variation resulted in KMC immediately providing the Company with an additional \$500,000 in funding. As this was a variation not covered by the Waiver, the additional \$500,000 is not covered by the Security.
10. KMC also owns 10.25% of the total BMP ordinary shares currently issued.

Current updates

11. On 24 September 2018, the Company announced that its securities would be suspended from quotation under Listing Rule 17.2, pending the release of an announcement regarding a corporate transaction and associated capital raising.

12. Based on positive progress at that time with prospective investors, the Company held a reasonable expectation of being able to raise the required capital in a short period of time.
13. As at 30 June 2018, BMP reported a net asset deficiency of approximately \$1.6 million. This included Debt Facilities of \$3 million which have been drawn to \$1.5 million.

Overview of the Proposed Transaction

14. In light of the Company's inability to fund its operations beyond the week commencing 19 November 2018, KMC and the Company have entered into the Binding Term Sheet under which KMC will acquire 100% of the Company's shares held in BuyMyHome Pty Ltd, BuyMyHome (Agency) Pty Ltd and BuyMyPlace Finance Pty Ltd in consideration for \$100,000 and the forgiveness of the Debt Facilities owing to KMC (under the April 2018 Loan and its variation) (collectively, the **Proposed Transaction**).
15. The Proposed Transaction will be subject to satisfaction of each of the following conditions.
 - a) BMP shareholder approvals
 - b) any necessary external regulatory approvals
 - c) KMC provides up to \$500,000 in further funding to BMP (or one or more of its subsidiaries) by way of a variation to the Loan Agreement between KMC as Lender and BMP as Borrower dated on or about 28 August 2018 as varied by Deed of Variation of Loan Agreement dated 3 October 2018
 - d) KM being satisfied that all assets and contracts necessary to conduct the business of each of BuyMyHome Pty Ltd ACN 126 563 746, BuyMyHome (Agency) Pty Ltd ACN 143 987 772 and BuyMyPlace Finance Pty Ltd ACN 624 392 034, are held by each of the aforementioned companies, and will be held as at Completion
 - e) the obligation of BMP to sell the Sale Shares is subject to BMP not receiving a superior offer (which includes, among other requirements to be determined by the Board of BMP, full repayment of the debt outstanding to KMC) and which is capable of acceptance prior to 20 December 2018 and completion prior to 1 February 2019.
16. The consideration given by KMC under the Binding Term Sheet would be equal to the amount repayable under the April 2018 Loan (as varied), including a 25% premium payable in the event of repayment before 31 December 2018. This amount will be \$5,000,000 as at 21 December 2018.

Purpose of report

17. KMC is a substantial shareholder of BMP as it holds more than a 10.0% interest in BMP. The Company is required to obtain Shareholder approval under ASX Listing Rules 10.1 and 11.2 in order to complete the Proposed Transaction. It is also a condition precedent of the Binding Term Sheet that Shareholder approval be obtained for the Proposed Transaction.
18. PricewaterhouseCoopers Securities Ltd (PwC Securities) has been engaged to prepare an independent expert's report (Independent Expert's Report) setting out whether, in our opinion, the Proposed Transaction is fair and reasonable to the Shareholders whose votes will not be disregarded and to state the reasons for that opinion, for the purpose of Listing Rules 10.1.

19. The Independent Expert's Report will be given to the Shareholders whose votes will not be disregarded together with the Notice of Meeting and Explanatory Statement, both of which are expected to be dated on or around 21 November 2018. The Notice of Meeting is expected to be circulated, asking the Shareholders whose votes will not be disregarded to consider approving the Proposed Transaction.
20. In preparing our report, we have had regard to the Corporations Act 2001 (Cth) (the Corporations Act) and Australian Securities and Investment Commission (ASIC) Regulatory Guide 111 (RG111) Content of expert reports.

Summary of opinion

We have concluded that the Proposed Transaction is Fair and Reasonable to the Shareholders whose votes will not be disregarded.

21. In forming our opinion, we have considered whether the Proposed Transaction is fair and reasonable, in accordance with the principles set out in RG111. The reasons for our opinion are set out below and should be read in conjunction with our detailed report which sets out our scope and findings.

The Proposed Transaction is Fair

22. To assess the fairness of the Proposed Transaction, we have considered the value of a share in BMP prior to the Proposed Transaction, on a controlling interest basis and compared this to the assessed value of a share in BMP on a minority interest basis, after the Proposed Transaction.
23. We have assessed the fair market value of a share in BMP before the Proposed Transaction (on a controlling interest basis) as at 31 October 2018 (the **Valuation Date**) to be nil.
24. We have assessed the potential value of a share in BMP after the Proposed Transaction (on a minority interest basis) to be in the range from \$0.005 to \$0.007 with a preferred (midpoint) value of \$0.006.

Comparison of fair value before and after the Proposed Transaction

\$/share	Reference	Low	Mid	High
Fair value of a BMP share on a controlling interest basis before the Proposed Transaction	Section 5	nil	nil	nil
Fair value of a BMP share on a minority interest basis after the Proposed Transaction	Section 6	0.005	0.006	0.007

Source: PwC Securities analysis

25. On the basis that the assessed value of a share in BMP before the Proposed Transaction, on a controlling interest basis, is lower than our valuation range for a fully paid ordinary share in BMP after the Proposed Transaction, on a minority interest basis, we consider that it is fair.

The Proposed Transaction is Reasonable

26. For the purpose of assessing whether or not the Proposed Transaction is reasonable to Shareholders whose votes will not be disregarded, we have considered the following likely advantages, disadvantages and other factors associated with the Proposed Transaction. In accordance with RG111, the Proposed Transaction is also reasonable if it is fair.

Advantages

27. The advantages of the Proposed Transaction are as follows:

- The Company will be able to fulfil the conditions of the Binding Term Sheet and complete the Proposed Transaction. This is expected to enable the Company to continue to fund its operations until the end of December 2018. If the Shareholders whose votes will not be disregarded decide not to vote in favour of the Proposed Transaction, it is uncertain whether BMP would be able to meet its principal obligations under the current terms of the Debt Facilities, and it may not be able to continue to operate as a going concern.
- The Company will no longer be obliged to repay the debts owed to KMC under the April 2018 Loan (as varied), thereby clearing the Company of \$5 million of debt. This is expected to provide the Company greater flexibility to raise additional capital and pursue other opportunities.
- The Company will receive \$100,000 in cash to fund its remaining operations until such time as a transaction in relation to it can be completed.
- The Company will have the opportunity to sell the listed shell for valuable consideration.
- If the Proposed Transaction does not go ahead, it is likely that KMC will act upon its Security and either enter into possession of the shares BuyMyHome Pty Ltd, BuyMyHome (Agency) Pty Ltd and BuyMyPlace Finance Pty Ltd or appoint a receiver over the assets and undertaking of Company.

Disadvantages

28. The disadvantages of the Proposed Transaction are as follows:

- The Company will have disposed of its main undertaking, being the DIY Business. As a result, the Company would not be able to enjoy any future benefit of an increase in the market value of the DIY Business.
- The revenue generated by the conveyancing business after completion of the Proposed Transaction will be significantly less than the revenue currently generated by the Company.

Overall conclusion

29. After consideration of the above factors, in our opinion, the advantages of the Proposed Transaction outweigh the potential disadvantages. Therefore, in the absence of a superior proposal, we consider that the Proposed Transaction is reasonable to the Shareholders whose votes will not be disregarded.

Other matters

30. In preparing this Independent Expert's Report we have considered the relevant regulatory guides issued by ASIC, with particular reference to RG111, RG112 *Independence of experts* and Australian Professional and Ethical Standard (APES) 225 Valuation Services.

31. The decision to accept or not to vote in favour of the Proposed Transaction is a matter for individual shareholders, based on each shareholder's view as to value, their expectations about future market conditions and their particular circumstances including risk profile, liquidity preference, investment strategy, portfolio structure and tax position. In particular, taxation consequences may vary from shareholder to shareholder. If shareholders are in any doubt as to the action they should take in relation to the Proposed Transaction, they may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist in this assessment.

32. This Independent Expert's Report has been prepared solely for the benefit of the directors of BMP and for the benefit of the Shareholders whose votes will not be disregarded. Neither PwC Securities nor its employees, officers or agents undertake responsibility to any person, other than the directors of BMP or the Shareholders whose votes will not be disregarded, in respect of this Independent Expert's Report, including any errors or omissions, howsoever caused.
33. BMP has indemnified PwC Securities, PwC and PwC's employees, officers and agents against any claim, liability, loss or expense, cost or damage, including legal costs on a solicitor client basis, arising out of reliance on any information or documentation provided by BMP or their advisors, which is false and misleading or omits any material particulars or arising from a failure to supply relevant documentation or information.
34. Our assessment was completed using available information as at the Valuation Date. We have reviewed publicly available information subsequent to the Valuation Date and do not consider this to alter our opinion presented above.
35. A draft of this report (excluding our consideration of the merits of the Proposed Transaction) was provided to the directors of BMP for factual checking on 13 November 2018 and a final draft was provided to BMP on 13 November 2018 for the purpose of ASX's review.

This letter must be read in conjunction with the remainder of this Independent Expert's Report, including the appendices attached.

Yours faithfully

A handwritten signature in black ink, appearing to read 'R Stewart'.

Richard Stewart
Authorised Representative
PricewaterhouseCoopers Securities Ltd.

A handwritten signature in black ink, appearing to read 'C Jaski'.

Campbell Jaski

1 Purpose of report

Scope of independent expert's report

36. PwC Securities has been engaged to prepare this Independent Expert's Report setting out whether, in our opinion, the Proposed Transaction is fair and reasonable to the Shareholders whose votes will not be disregarded and to state the reasons for that opinion, for the purpose of Listing Rule 10.1.
37. The Company is required to obtain Shareholder approval under ASX Listing Rules 10.1 and 11.2 in order to complete the Proposed Transaction. It is also a condition precedent of the Binding Term Sheet that Shareholder approval be obtained for the Proposed Transaction.
38. Resolution 1, as set out in the Notice of Meeting, relates to the Proposed Transaction of 100% of the shares in each of BuyMyHome Pty Ltd ACN 126 563 746, BuyMyHome (Agency) Pty Ltd ACN 143 987 772 and BuyMyPlace Finance Pty Ltd ACN 624 392 034 being sold to KMC pursuant to the Binding Term Sheet. KMC holds 10.25% of the Company's voting securities.
39. The purpose of Resolution 1 is to satisfy the requirements of the condition precedent in the Binding Term Sheet and the requirements of ASX Listing Rules 10.1 and 11.2.
40. ASX Listing Rule 10 deals with transactions between an entity (or any of its subsidiaries) and persons in a position to influence the entity.
41. ASX Listing Rule 10.1 provides that an entity (or any of its subsidiaries) must not acquire a substantial asset from, or dispose of a substantial asset to, any of the following persons without the approval of holders of the entity's ordinary securities. These persons include:
 - a) a related party
 - b) a subsidiary
 - c) a substantial holder, if the person and the person's associates have a relevant interest, or had a relevant interest at any time in the 6 months before the transaction, in at least 10% of the total votes attached to the voting securities
 - d) an associate of a person referred to in (a), (b) or (c) above
 - e) a person whose relation to the entity is such that, in ASX's opinion, the transaction should be approved by security holders.
42. ASX Listing Rule 10.2 states that an asset is substantial if its value, or the value of the consideration or in the ASX's opinion, is 5% or more of the equity interest or the entity as set out in the latest financial statement provided to the ASX.
43. As KMC's holdings constitutes a relevant interest in excess of 10% of the Company's Shares, the Company is required to seek approval of Shareholders under Listing Rule 10.1 for the Proposed Transaction.
44. The Proposed Transaction is also covered by Listing Rule 11.2 relating to a change involving the main undertaking of the business. However, an independent expert report is not required under this Listing Rule.

Basis of assessment

45. We have prepared this Independent Expert's Report for the purpose of stating, in our opinion, whether or not the Proposed Transaction is considered fair and reasonable to the Shareholders whose votes will not be disregarded, and to set out our reasons for that opinion. This report has been prepared in accordance with the Corporations Act and RG111.
46. RG111 discusses the separate concepts of 'fair' and 'reasonable' to be applied by an independent expert assessing an offer. An offer is regarded as fair if the value of the offer price or consideration is equal to or greater than the value of the securities the subject of the offer. An offer is reasonable if it is fair, or despite not being fair, but after considering other significant factors, shareholders should accept the offer in the absence of any higher bid before the close of the offer.
47. RG111.11 requires that the assessment of fairness of a control transaction assumes 100% ownership of the target, irrespective of whether the consideration is made by way of scrip or cash, and therefore reflects ASIC's underlying philosophy that the premium for control of a company, subject to a takeover, be shared by all members of that company.
48. Accordingly, our assessment of the value of BMP's ordinary shares, prior to the Proposed Transaction, is assessed on a controlling interest basis, and our assessment of the value of BMP's ordinary shares immediately post the Proposed Transaction, is on a minority interest basis.
49. In assessing fairness, we have relied on the following definition of fair value

“the price which would reasonably be negotiated by an informed, willing but not anxious purchaser and an informed, willing but not anxious seller, acting at arm's length and within a reasonable timeframe”
50. In evaluating the reasonableness of the Proposed Transaction, we have considered whether the advantages afforded to the Shareholders whose votes will not be disregarded in approving the Proposed Transaction outweigh the potential disadvantages, the likelihood of an alternate funding proposal on better terms being received by the Company and the likely position of Shareholders whose votes will not be disregard if the Proposed Transaction is rejected.

2 Overview of BMP

Business overview

51. BMP is an online real estate business enabling Australians to sell their homes without paying commissions to real estate agents. BMP listed on the ASX in March 2016, following a reverse acquisition whereby Killara purchased all of the shares in BMP for scrip in Killara. Killara's principal activities involved coal exploration and mining in Indonesia.

DIY Business

52. Since its establishment in 2007, BMP's DIY Business has helped more than 5,500 customers to successfully sell their own home and save thousands of dollars in traditional real estate agent commissions and fees. BMP also provides support for customers seeking to rent out their home.
53. The DIY Business was established with the expectation of a shift in the Australian market away from traditional agent sales to a sale-by-owner model, mirroring the adoption of this practice in the US, Canada and Europe.
54. Services provided to customers include listing the property online, marketing materials, provision of legal requirements to sell a home and step-by-step instructions to effectively sell or rent a property.
55. BMP holds real estate licenses in every state of Australia and offers three packages to customers with varying levels of support, alongside automatic listing on major Australian property portals.
56. Revenue is generated via an upfront fixed fee, dependent upon the package selected by customers. A range of additional products and services are also available, including negotiation support, professional photography, auctioneers, expert agent advice and featured listings.
57. The DIY Business also includes a financing business. However, Management has advised the business is still in its infancy and no financial statements are prepared for the financing business on a standalone basis.

Conveyancing business

58. In July 2017 BMP acquired MPC, an incorporated legal practice founded in 2014 that provides on-line conveyancing services to both property buyers and sellers across Australia at a fixed fee.
59. MPC's low cost on-line business model enables it to offer its conveyancing services at a discount to traditional solicitors and enable settlement to be achieved electronically, rather than via a physical meeting of banks and/or solicitors.

Growth strategy

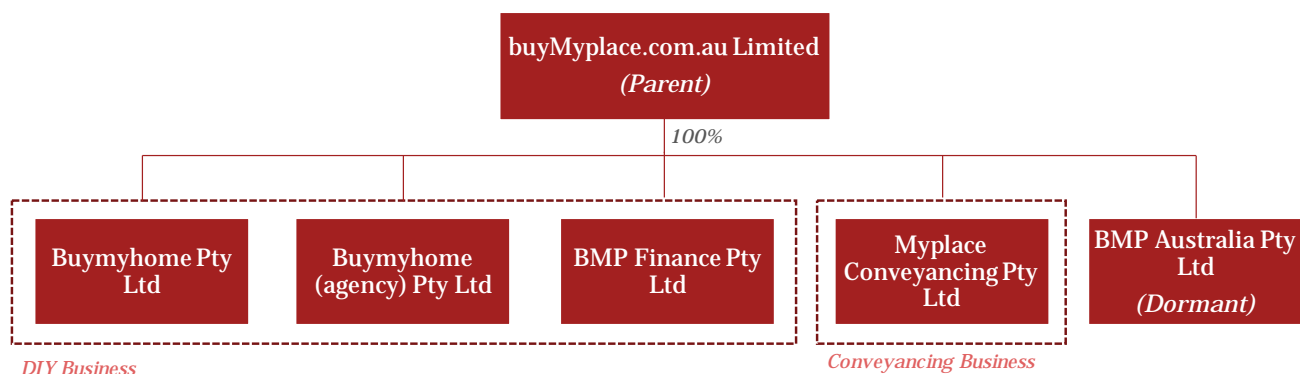
60. BMP has invested in technology to provide a sufficient amount of automation to allow the business to increase the scale of its existing operations and become profitable on a significant scale.
61. BMP has pursued a strategy of undertaking complementary acquisitions to bolster existing operations and add new services. Recently, BMP has pursued the potential acquisition of Pleased Property¹, an online property management platform, as well as the potential acquisition of a major competitor². However, both transactions were unable to proceed as they were contingent on capital raisings that have not been successful.

¹ ASX announcement dated 31 August 2018

² ASX announcement dated 8 October 2018

Company structure

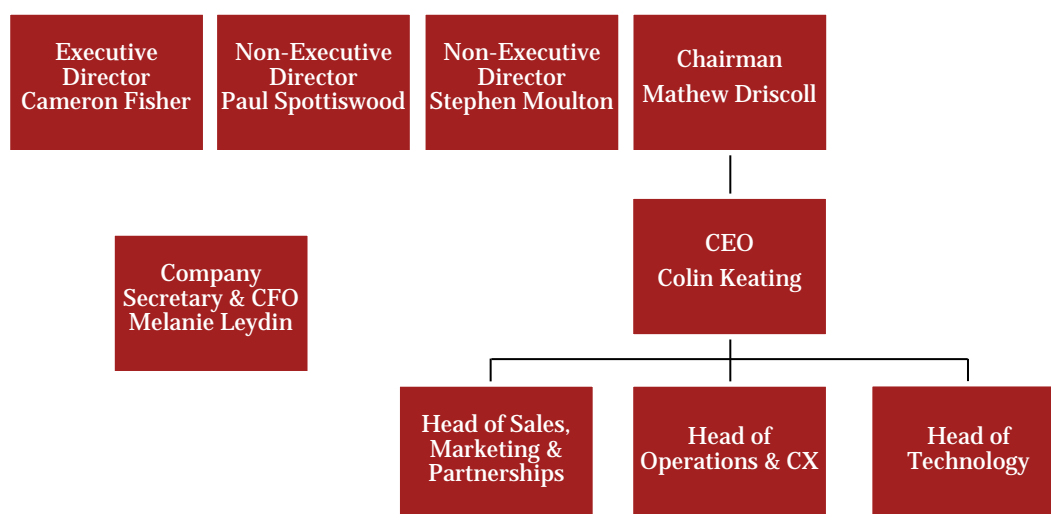
62. The charts below summarises the BMP company structure¹.



Source: Management

Organisation structure

63. The charts below summarises the BMP organisation structure.



Source: Management

¹ Consistent with the treatment in the FY18 Preliminary Final Report, for the purpose of our assessment, we have included the financing business as part of the DIY Business as Management has advised the business is in its infancy.

Capital structure and ownership

64. As at 30 June 2018, BMP had on issue:

- 67,508,545 ordinary shares
- 18,550,000 options over ordinary shares issued
- 11,625,000 performance rights over ordinary shares issued.

65. The top 20 shareholders and their respective holdings as at 30 June 2018 are set out in the table below:

Rank	Name	Shares	% held
1	CHANGING PLACES REAL ESTATE CONSULTANTS PTY LTD	7,183,024	10.64%
2	KM CUSTODIANS PTY LTD	6,919,513	10.25%
3	BUTTERSS RESOURCES PTY LTD <P & N BUTTERSS A/C>	2,563,109	3.80%
4	M & M DRISCOLL NOMINEES PTY LTD <THE DRISCOLL FAMILY A/C>	2,385,353	3.53%
5	BENTALE PTY LTD <ALLAMBI ROAD FAMILY A/C>	1,425,000	2.11%
6	KARLUSIC INVESTMENTS PTY LTD <KARLUSIC FAMILY A/C>	1,239,435	1.84%
7	ENTERPRIZE PTY LTD <ENTERPRIZE A/C>	1,202,980	1.78%
8	GARSIND PTY LTD <RUTH ROSS SUPER FUND A/C>	1,196,250	1.77%
9	METRANOME DESIGN PTY LTD <PAUL BECCA FAMILY A/C>	961,883	1.43%
10	HOT CLOTHING COMPANY PTY LTD <C D WILKS SUPER FUND A/C>	915,871	1.36%
11	POWERWRAP LIMITED <SCHEME A/C>	900,993	1.34%
12	MORRMAC PTY LTD <MIMIE MACLAREN PENSION A/C>	900,000	1.33%
13	MR LAURENCE HOLYOAKE	728,404	1.08%
14	TWG INVESTMENTS PTY LTD <TWG SUPER FUND A/C>	673,663	1.00%
15	MRS ROSALIND LAWRENCE <ROSALIND LAWRENCE PSF A/C>	641,506	0.95%
16	MR PETER RONEC <RONEC FAMILY A/C>	638,130	0.94%
17	CITICORP NOMINEES PTY LIMITED	580,204	0.86%
18	FIONICA PTY LTD <DAVDEV FAMILY A/C>	574,213	0.85%
19	LOUANDI SUPER FUND PTY LTD <LOUANDI SUPER FUND A/C>	560,387	0.83%
20	CATWILLY PTY LTD <HARRIS FAMILY SUPERFUND A/C>	528,942	0.78%
Total top 20 shareholders		32,718,860	48.47%
Remaining Shareholders		34,789,685	51.53%
Total all shareholders		67,508,545	100.00%

Source: FY18 Preliminary Final Report

Historical financial performance

66. The operating performance of BMP for the financial years FY15 to FY18 are summarised in the table below.

Income Statement				
A\$000s	FY15	FY16	FY17	FY18
Revenue	880	1,085	2,102	2,909
Other Revenue	51	-	-	-
Total Revenue	931	1,085	2,102	2,909
Cost Of Goods Sold	(478)	(965)	(2,364)	(3,372)
Gross Profit	453	120	(262)	(463)
Advertising and marketing expenses	(1)	(669)	(1,464)	(1,463)
Legal and business services	(18)	(405)	(928)	(1,564)
Stock-Based Compensation	-	(1,040)	(856)	(1,077)
R & D Exp.	-	-	-	-
Other Operating Expense/(Income)	(152)	(297)	(245)	(414)
EBITDA	283	(2,291)	(3,755)	(4,981)
Depreciation & Amort.	(18)	(11)	(69)	(130)
Net Interest Expense	4	1	5	(108)
Other Non-Operating Inc. (Exp.)	(2)	(1)	-	-
EBT Excl. Unusual Items	266	(2,302)	(3,819)	(5,219)
Impairment of Goodwill	-	-	-	(227)
Other Unusual Items	-	(2,338)	-	-
EBT Incl. Unusual Items	266	(4,640)	(3,819)	(5,446)
Income Tax Expense	0	7	-	-
Earnings from Continuing Operations	266	(4,647)	(3,819)	(5,446)

Source: FY15 to FY17 Audited Financial Statements and FY18 Preliminary Final Report

67. In relation to the historical financial performance of BMP, we make the following observations:

- BMP showed strong revenue growth from \$880k¹ in FY15 to \$2.9 million in FY18 (49% CAGR).
- Despite strong revenue growth, gross profit declined from \$453k to (\$463k). This was primarily due to a \$3.44 million increase in COGS, comprising employee and property listing expenses.
- Over the four year period from FY15 to FY18 the earnings before interest, tax, depreciation and amortisation (EBITDA) margin declined from 30% in FY15 to (171%) in FY18.
- BMP invested heavily in advertising and marketing in FY17 and FY18, spending \$1.46 million in each year, mainly attributable to TV advertising. This represented a significant increase on prior years expenditure of (\$1k) and (\$669k) in FY15 and FY16 respectively, as BMP pursued a growth strategy for the business. Legal and business services expenditure also increased on a similar scale from \$18k in FY15 to \$1.56 million in FY18.
- In FY16, BMP incurred one-off costs of \$2.34 million relating to the reverse merger with Killara to list on the ASX.

¹ Excludes \$51k of Other Revenue in FY15 which is assumed to be non-operating in nature

Historical financial position

68. The summary of financial position for BMP as at 30 June 2015, 2016, 2017 and 2018 is set out in the table below.

Statement of Financial Position				
A\$000s	Jun-15	Jun-16	Jun-17	Jun-18
Total Cash & Cash Equivalents	265	2,473	2,553	268
Total Accounts Receivables	0	79	72	337
Prepaid Exp.	-	44	57	82
Other Current Assets	-	-	-	-
Total Current Assets	266	2,596	2,682	687
Net Property, Plant & Equipment	7	101	105	89
Goodwill	-	-	-	61
Other Intangibles	14	44	160	306
Deferred Tax Assets, LT	7	-	-	-
Other Long-Term Assets	2	40	40	41
Total Non-Current Assets	30	185	306	497
Total Assets	296	2,782	2,987	1,183
Accounts Payable	51	103	363	1,073
Accrued Expenses	26	380	516	111
Short-term Borrowings	-	28	-	1,609
Other Current Liabilities	-	-	-	-
Total Current Liabilities	77	511	878	2,793
Other Non-Current Liabilities	-	27	-	61
Total Non-Current Liabilities	0	27	0	61
Total Liabilities	77	538	878	2,854
Net Assets	219	2,243	2,109	(1,671)

Source: FY15 to FY17 Audited Financial Statements and FY18 Preliminary Final Report

69. In relation to the historical financial position of BMP, we make the following observations:

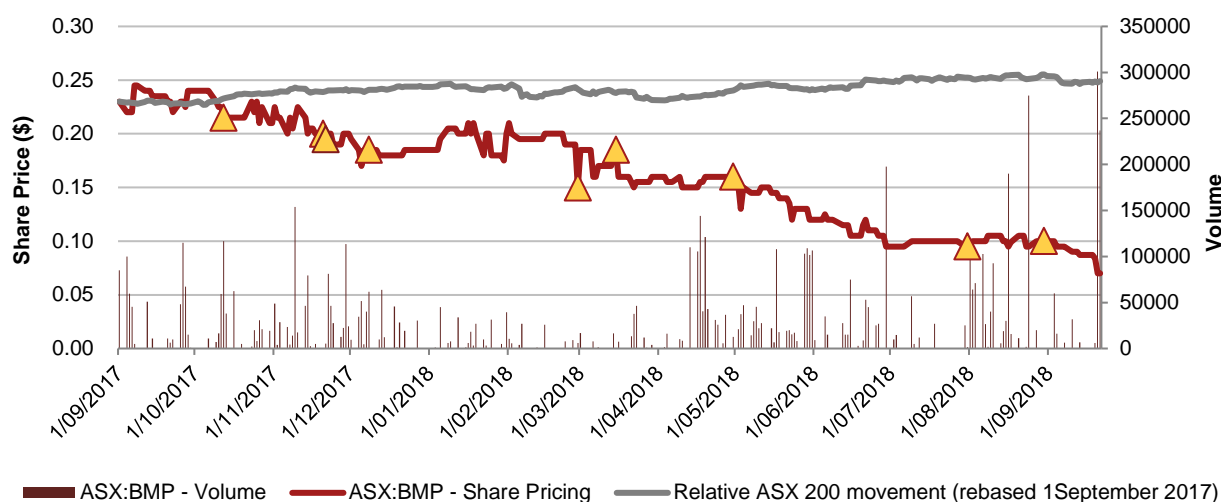
- Fixed assets comprises furniture and fixtures and represents less than 2% of the net assets in FY18.
- Net debt as at 30 June 2018 was \$1,341, comprising:
 - \$268k cash and cash equivalents, a 98% decline from the 30 June 2017 balance of \$2,553k
 - \$1,609k of short-term borrowings, as part of the Debt Facilities with KMC.
- Net working capital was (\$736k) as at 30 June 2018, comprising:
 - accounts payable of (\$1,073k)
 - accounts receivable of \$337k.
- Identifiable intangible assets are recorded at \$306k, comprising:
 - software of \$220.5k
 - website development \$85.3k.
- Goodwill of \$61.2k at 30 June 2018 relates to the acquisition of 100% of MPC, which reflects an impairment of \$226.9k from the original goodwill recorded on the acquisition date of 27 July 2017.

Recent share price analysis

70. The chart below sets out the BMP share price from 1 September 2017 to 21 September 2018, the last day of share trading for BMP.
71. On 24 September 2018 BMP shares were suspended from trading, pending an announcement regarding a material corporate transaction and associated capital raising.
72. BMP shares were trading at \$0.07 per share as at 21 September 2018, implying a market capitalisation of \$4.7 million. This represents a decline of 71% from a high of \$0.25 per share on 8 September 2017.

BMP historical share price and trading volume

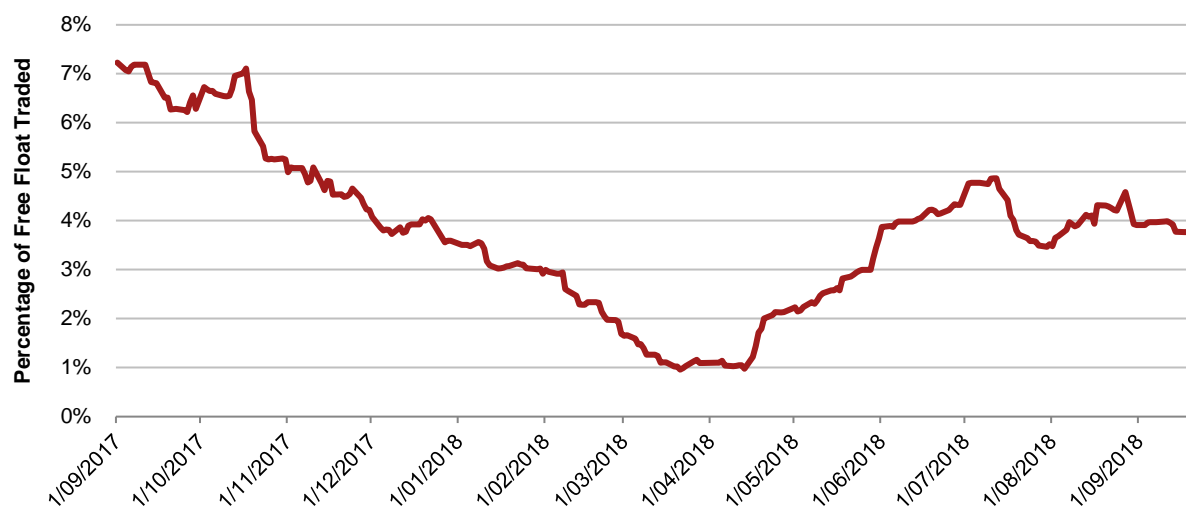
September 2017 - September 2018



Source: S&P Capital IQ and ASX Announcements

73. As illustrated in the chart below, BMP shares have a low level of liquidity, with daily volumes traded of less than 5% of free-float over the past 12 months.

BMP 90 day trading volumes as a percentage of total free float



Source: S&P Capital IQ and ASX Announcements

74. The table below summarises the key events that occurred between 1 September 2017 and 21 September 2018.

Key events

1	13 October 2017	<ul style="list-style-type: none"> Paul Heath resigns from his position as CEO and Stephen Moulton appointed as an experienced board member
2	21 November 2017	<ul style="list-style-type: none"> Colin Keating appointed as permanent CEO and announced the successful completion of a \$1 million working capital facility with KM Custodians Pty Ltd.
3	24 November 2017	<ul style="list-style-type: none"> Results of the BMP Annual General Meeting are released
4	12 December 2017	<ul style="list-style-type: none"> BMP announced that it has received \$0.5 million of funding from Shaw and Partners Limited
5	28 February 2018	<ul style="list-style-type: none"> BMP Half year accounts are released
6	15 March 2018	<ul style="list-style-type: none"> 10,886,560 ordinary shares of BMP limited are subject to a lock-up agreement ending on 11 March 2018.
7	30 April 2018	<ul style="list-style-type: none"> Quarterly activity reports are released and BMP announces it has entered into an unsecured \$3 million financing facility with KMC.
8	31 July 2018	<ul style="list-style-type: none"> BMP announces new corporate strategy
9	31 August 2018	<ul style="list-style-type: none"> BMP announces acquisition of online property management platform and releases Preliminary Final Report
10	21 September 2018	<ul style="list-style-type: none"> BMP shares are placed into a trading halt pending an announcement regarding a corporate transaction and associated capital raising

Source: S&P Capital IQ and ASX Announcements

3 *Industry overview*¹

Industry description

75. BMP operates within the 'For Sale By Owner' (**FSBO**) 'Commission-free Estate Sector' where home owners sell their own property without engaging a traditional real estate agent. The segment operates within the broader real estate services industry, which is dominated by traditional real estate agents.
76. The FSBO method of sale allows property owners to deal directly with prospective buyers and save on commission fees payable to traditional real estate agents. The FSBO market in Australia is currently small and BMP estimates that FSBO sales represent approximately 3%² of the total real estate services market in 2018, up from 2% in 2015³.
77. The FSBO market is more established in the US, Canada and Europe, representing between 10% to 22% of total residential property sales⁴.
78. The future growth of FSBO market is primarily dependent on:
- growth in the overall real estate services market
 - the migration rate from the use of traditional real estate agents to the FSBO method of sale.

Key industry drivers

79. The key drivers of the broader real estate services industry are summarised below.

House transfers

80. Total housing transfers in Australia are expected to decline by 5.4% in FY19, however industry revenues are expected to grow at an annual rate of 3.0% between 2019 and 2024, driven by an increase in house prices.

Interest rates

81. Residential housing loan interest rates are expected to increase in FY19. Historically, the volume of house transfers, listing prices and general demand for property is typically inversely related to interest rates, because higher interest rates result in an increased financing cost for the property.

Household income

82. The proportion of total household income dedicated to mortgage repayments is expected to decline in FY19, which puts downward pressure on the purchasing power of house buyers, affecting both the volume of listings and transaction sizes.

¹ Source: IBISWorld Industry Report L6720 – Real Estate Services in Australia

² Source: BMP Ltd Investor Presentation dated April 2018

³ Source: BMP Prospectus dated 21 December 2015

⁴ Source: BMP website <https://www.buymyplace.com.au/killara/>

Consumer sentiment

83. Consumer sentiment is expected to remain positive in FY19 supporting growth in industry revenues. Consumer sentiment indicates how confident consumers feel about their present and future financial position and stability. Negative consumer sentiment is often associated with reduced residential housing purchases as households choose to hold off on property purchases due to pessimistic outlook on the economy and their own financial situation.

Key competitors

84. The FSBO market in Australia is small and BMP has only a small number of direct competitors including:

- Property Now, an unlisted company that operates in the Australian FSBO market and provides services in relation to both sale and rental of residential properties
- For Sale By Owner, an unlisted company that operates in the Australian FSBO market and provides services in relation to both sale and rental of residential and commercial properties
- PurpleBricks, a listed company that was founded in the UK in 2014 and expanded into the Australian market in August 2016.

4 Valuation approach

Valuation date

85. We have undertaken our assessment of value as at 31 October 2018 (the Valuation Date).

Basis of value

86. For the purpose of our opinion, we have relied on the following definition of fair value:

“the price which would reasonably be negotiated by an informed, willing but not anxious purchaser and an informed, willing but not anxious seller, acting at arm’s length and within a reasonable timeframe”.

87. Fair value does not include potential special value that may be available to specific parties. RG 111.11 states that any special value of the target to a particular bidder (eg synergies that are not available to other bidders) should not be taken into account.

Valuation approaches considered

88. There is no single generally accepted approach to determining value and the approach adopted depends upon the specific circumstances. We have considered common market practices and the valuation methodologies recommended by ASIC Practice Note 43 – *Valuation Reports and Profit Forecasts* and guidance provided by RG 111. The approaches we have considered are discussed below.

Discounted cash flow (DCF) approach

89. The DCF approach is premised directly on the principle that the value of a company is dependent upon the future economic benefits it can generate.

90. This method indicates the value of a business enterprise based on the present value of the free cash flows that the business is expected to generate in the future. Such cash flows are discounted at a discount rate (the cost of capital) that reflects the time value of money and the risks associated with the forecast cash flows.

91. This approach is typical for companies with:

- high levels of growth
- reasonably accurate forecast cash flows (preferably 5 years)
- earnings or cash flows that are expected to fluctuate from year to year or are of a limited life
- irregular capital expenditure requirements.

Market based approaches

92. Market based approaches estimate the value of a company through reference to the market value of comparable companies and trading in the company’s own shares. There are a number of variants including the following three approaches:

- **capitalisation of earnings** - this method is commonly used for the valuation of relatively mature businesses. It involves the application of an earnings multiple (derived from an analysis of comparable companies and/or transactions) to an assessment of the future earnings of a business. The earnings must be maintainable by the business and must not include one-off gains or losses. Hence, this method is generally not appropriate for a business with fluctuating earnings. The method is appropriate for businesses with indefinite lives where stable earnings or trends in earnings are evident.
- **revenue multiple** – this method involves the application of a revenue multiple to the current revenue of a business. It is commonly used to value early stage companies that have historically generated earnings losses but are in a growth phase and expected to achieve profitability in the short to medium term.
- **dividend based valuations** – this approach involves capitalising the future maintainable dividend payments of the company. The capitalisation rate reflects the investor’s required rate of return. This method is appropriate for companies with:
 - stable growth rates and profits
 - high payout ratios that approximate the free cash flows to equity
 - stable leverage.
- **ASX market price valuation** - this valuation approach can be used at the prevailing spot price at the valuation date or volume weighted average price (**VWAP**) across a given period up to the valuation date, such as 30, 60 or 90 days. ASX Market Price Valuation is an indication of minority interest value if:
 - the shares are actively traded
 - the market is assumed to be efficient.

Asset based approach

93. This method analyses the value of the assets used in the business. This is done by separating the business into assets which can be readily sold and determining a value for each asset based on the net proceeds that could be obtained in the market place if the asset were sold. The value of the assets can be determined in the context of:
- **orderly realisation** - this method estimates the value by determining the net assets of the underlying business including any allowances or costs involved in carrying out the sale. This method is not a valuation under a forced liquidation where the value could be materially different from their market value
 - **liquidation** - this method is based on the premise of a forced sale in terms of liquidation. In this case, the price the assets could be sold at (and hence value) is typically materially lower than their market value
 - **going concern** - this method estimates the value of the net assets on a replacement cost basis, but does not consider realisation costs.
94. An asset based approach is typically used for asset rich companies, dormant companies or loss making companies.

Adopted valuation approach

95. We have adopted the revenue multiple method as the primary valuation methodology having regard to the following:

- BMP has historically reported negative EBITDA and is expected to generate a loss in FY19, precluding the use of capitalisation of earnings methodology
- BMP has exhibited strong revenue growth since FY15 (49% CAGR)
- the FSBO industry in which BMP operates, is a growing industry
- Management is projecting strong growth for BMP, moving towards positive earnings
- revenue multiple is an applicable method to value a start-up or a growth business such as BMP¹
- sufficiently robust long-term earnings projections are not available, therefore precluding the use of DCF methodology
- BMP is operating as a going concern²
- the availability of information in respect of broadly comparable transactions and companies
- BMP shares traded on the ASX were in a trading halt on the Valuation Date.

¹ Chapter 10 revenue multiples NYU Stern School of Business

² We note that the auditor expressed concern regarding the going concern prospects for the business in the FY18 Preliminary Final Report.

5 Valuation – Before the Proposed Transaction

Summary of value of BMP before the Proposed Transaction

96. On a per share basis, we have assessed the value of BMP before the Proposed Transaction to be nil as at the Valuation Date, summarised in the table below.

Valuation summary

31 October 2018

	Units	Before the Proposed Transaction		
		Low	Mid	High
Selected revenue - DIY Business	\$m	2.54	2.54	2.54
Selected revenue - MPC	\$m	0.37	0.37	0.37
Total selected revenue	\$m	2.91	2.91	2.91
Selected revenue multiple	times	0.9x	1.0x	1.1x
Enterprise Value	\$m	2.62	2.91	3.20
Less: Borrowings	\$m	(5.00)	(5.00)	(5.00)
Plus: Cash and cash equivalents	\$m	0.24	0.24	0.24
Implied equity value (100%)	\$m	(2.14)	(1.85)	(1.56)
Adopted equity value (100%)	\$m	-	-	-
Number of shares	million	67.5	67.5	67.5
A\$/share	A\$	-	-	-

Source: PwC Securities analysis

97. Our assessment of value was derived using the revenue multiple methodology. This methodology yielded a negative implied equity value, which we consider appropriate, given the value yielded by our Net Assets Value cross-check is also negative.

98. In accordance with the requirements of RG111, we have assessed the value per share of BMP before the Proposed Transaction on a control basis.

99. Our revenue multiple assessment involves the following steps:

- (i) identifying the level of revenue for BMP before the Proposed Transaction
- (ii) determining an appropriate capitalisation multiple to apply to the selected revenue to determine the enterprise value of BMP
- (iii) adjusting the enterprise value for any surplus assets or liabilities to determine the equity value
- (iv) dividing the equity value by the number of shares outstanding to determine the value per BMP share.

100. Each of these steps is discussed in the sections below.

Revenue of BMP before the Proposed Transaction

101. For the purpose of our revenue multiple assessment, we have selected a revenue figure of \$2,910,382.

102. Our selected revenue figure is based on the actual operating revenue generated by BMP in FY18 of \$2,864,219, adjusted to reflect a full year of operations for MPC, comprising:

- \$2,536,114 of actual revenue generated by the DIY Business
- \$374,268, reflecting \$328,106 generated by MPC in the 11 months ending 30 June 2018 under the ownership of BMP plus \$46,162 in July 2017 prior to the BMP acquisition.¹

103. Management has not provided any formal guidance to the ASX for FY19 earnings.

Selected revenue multiple

Selected multiple

104. For the purpose of our revenue multiple assessment, we have selected a revenue multiple of 0.9x to 1.1x, to be applied to both the DIY Business and MPC.

105. In our selection of an appropriate revenue multiple, we have had regard to:

- implied multiples from recent transactions involving comparable companies (**Comparable Transactions**)
- implied multiples from comparable companies trading on a listed exchange (**Comparable Trading Companies**)
- BMP's previous transactions
- specific risk profile of BMP relative to its competitors.

106. Each of the above considerations is discussed in the sections below.

Comparable Transactions

107. We have performed a search of global transactions involving business that operate in the FSBO and the online conveyancing industries. Given the niche nature of the industries, we have only identified one transaction for each industry that we consider to be sufficiently comparable. The revenue multiple for each transaction is summarised in the table below. A more detailed summary, including brief descriptions of the business activities of each target, is provided in Appendix G.

¹ Source: FY18 Preliminary Final Report and Management. We have not included other income of \$124.7k in our selected current revenue as we have assumed it is non-operating in nature.

Summary - Comparable transaction multiples

EV / Revenue

Target	Target country	Acquirer	Closing Date	EV (A\$m)	EV / Revenue
Online real estate services industry					
1 ComFree Commonsense Network Inc.	Canada	Purplebricks Group PLC	Jul 18	51.0	1.1x
Conveyancing industry					
2 Runnett & Co Ltd.	United Kingdom	In-Deed Online plc	May 12	4.0	1.0x

Source: S&P Capital IQ

108. In assessing an appropriate revenue multiple for BMP, based on the Comparable Transactions, we note that ComFree Commonsense Network:

- has been assessed to provide a high degree of comparability to the DIY Business, based on our assessment of its business operations
- was acquired in close proximity to the Valuation Date
- was generating positive EBITDA as at the date of the transaction
- is significantly larger than the DIY Business, and will typically attract a higher multiple than an otherwise similar smaller sized business
- operates in Canada, where the FSBO market is larger than Australia.

109. We note that Runnet & Co:

- has been assessed to provide a high degree of comparability to MPC, based on our assessment of its business operations
- is larger than MPC, and will typically attract a higher multiple than an otherwise similar smaller sized business
- operates in the United Kingdom, which is a larger market than Australia
- was acquired in 2012, when the market conditions at the transaction date may not have been reflective of the conditions at the Valuation Date.

Comparable Trading Companies

110. We have performed a search of companies traded on listed exchanges that operate in the FSBO and the online conveyancing industries. We have identified four companies that we consider to be sufficiently comparable to the DIY Business. The revenue multiple for each company is summarised in the table below. A more detailed summary, including brief descriptions of the business activities of each target, is provided in Appendix H.

111. We were not able to identify any companies trading on a listed exchange with operations sufficiently comparable to MPC.

Summary - Comparable company multiples (controlling, marketable basis)

EV / Revenue as at the Valuation Date

	Country	EV (A\$m)	LTM	FY+1	
Potentially comparable companies in Australia					
1	Rent.com.au Limited	Australia	13.3	5.7x	n/a
2	iBuyNew Group Limited	Australia	5.6	1.0x	n/a
3	Real Estate Investar Group Limited	Australia	2.6	0.9x	n/a
Average			2.6x	n/a	
Average - Excluding Rent.com.au			1.0x	n/a	
Potentially comparable companies overseas					
1	Purplebricks Group PLC	United Kingdom	886.2	3.7x	2.3x

Source: S&P Capital IQ

Note:

(1) Outliers are highlighted in pink

(2) Multiples shown on a control basis incorporating a 20% control premium. Publicly available research indicates that the average equity control premium in Australia for full control has been in the order of 15% to 35%, however this varies widely depending on the circumstances and may, in some circumstances, include an element reflecting a strategic premium paid by purchasers.

112. The average LTM revenue multiple for our selected Australian comparable companies is 1.0x, after excluding Rent.com.au.

113. The selected Australian comparable companies are all broadly comparable to BMP on the basis that they:

- are similar in size and scale of operations
- operate exclusively in Australia
- are online based real estate services businesses
- are growth businesses generating negative EBITDA.

114. However, we consider Rent.com.au to be less comparable because it is focused exclusively on the rental market, which has different characteristics to the property sales market in respect of market size, pricing and customer spending patterns.

115. iBuyNew Group and Real Estate Investar both focused primarily on the property sales market, similar to the DIY Business, and therefore in our opinion provide stronger evidence of an appropriate revenue multiple for the DIY Business.

116. We have also considered the implied revenue multiple for Purplebricks Group, a direct competitor to BMP in the Australian FSBO market. However, in our opinion we do not consider it to be an appropriate comparator on the basis that:

- it is significantly larger in size and scale of operations
- has diversified operations across multiple countries (eg US, Canada, UK and Australia)
- the UK operation are more mature and generate positive earnings.

BMP previous transactions

117. In the selection of an appropriate revenue multiple we have also considered the implied multiples from the following transactions involving BMP:

- BMP's reverse takeover of Killara
- BMP's acquisition of MPC.

Reverse takeover of Killara

118. We have calculated an implied revenue multiple of 1.1x from the reverse takeover of Killara, which provides guidance as to an appropriate multiple for the DIY Business.

119. In March 2016, BMP listed on the ASX, following a reverse merger transaction whereby BMP acquired Killara Resources Limited for a consideration of \$5.0 million. At the time of the acquisition, BMP had a net cash position of approximately \$3.8 million, which implies an enterprise value of \$1.2 million¹.

120. At the time of the acquisition, BMP was generating operating revenue of approximately \$1.085 million in FY16 (refer to historical financial performance section), which implies a revenue multiple of 1.1x.

MPC acquisition

121. We have calculated an implied FY18 revenue multiple of 0.8x from the acquisition of MPC by BMP in July 2017.

122. MPC was acquired by BMP for \$400k in July 2017. The implied revenue multiple for the transaction was not publicly disclosed by BMP. Based on MPC's FY18 revenue of \$374k, the implied revenue multiple is 1.1x.

Specific risk profile of BMP

123. In selecting an appropriate multiple, we have considered the risk profile and specific characteristics of BMP, relative to the Comparable Transactions and Comparable Trading Companies, including:

- size, nature and scale of operations
- stage of operating life cycle and growth prospects
- degree of diversification
- scalability of operations and market position
- local regulatory environment
- general economic conditions.

Net Debt

124. We have assessed net debt to be \$4.76 million, comprising:

- \$241k cash and cash equivalents as at 30 September 2018¹, the most recent publicly available information prior to the Valuation Date.

¹ ASX announcement dated 11 March 2016: Updated Pro-Forma Statement of Financial Position

- \$5.0 million of debt comprising:
 - \$4.0 million of Debt Facilities from KMC
 - 25% debt premium payable on the \$4.0 million Debt Facilities.

Number of shares outstanding

125. As at the Valuation Date there were 67,508,545 ordinary shares outstanding.

126. We have ignored all of the outstanding options and share based payments on the basis that they are all significantly out of the money as at the Valuation Date and subject to a number of vesting conditions relating to revenues, earnings and number of listings.

Valuation cross-check

ASX market price

127. Our assessment of BMP appears reasonable, having regard to the most recent market price of BMP's shares.

128. BMP's shares have been suspended from trading since 24 September 2018. The last trading price of BMP's shares prior to the trading halt was \$0.07 per share on 21 September 2018, which equated to a market capitalisation of \$4.73 million and an enterprise value of \$6.07 million, summarised in the table below.

Implied Enterprise Value as at 21 September 2018

\$A

Last Traded Share Price as at 21 September 2018	0.07
Total Shares Outstanding	67,508,545
Total Market Capitalisation	4,725,598
Debt - Latest Disclosed	1,608,920
Cash - Latest Disclosed	267,783
Net Debt	1,341,137
Implied Enterprise Value	6,066,735

129. We consider our assessed value for BMP as at the Valuation Date to be reasonable, having regard to the following events that have occurred since 21 September 2018, the last trading day of BMP shares:

- Debt has increased from \$1.61 million to \$4.0 million (excluding the premium payable on the debt)
- BMP has reported soft results for the quarter ending 30 September 2018, including:
 - listings of 524, down 5% compared to the previous quarter of 549
 - cash receipts of \$634k, down 15% on the prior corresponding period
 - net cash outflows from operating activities of \$1.037 million for the quarter ending 30 September 2018

¹ ASX announcement dated 1 November 2018: Quarterly Report – September 2018

- BMP was unable to complete the capital raising prior to suspension of trading upon 21 September 2018, suggesting that the value pre-suspension was overstated compared to more recent expectations.

130. We also note that BMP shares have a relatively low liquidity and therefore the market price may not be reflective of the fair value at any given point in time.

Net Asset Value on a going concern basis

131. The Net Asset Value typically represents the lowest value for a going concern business as it does not reflect any potential goodwill or future growth of the business. We have calculated a Net Asset Value on a going concern basis of (\$5.049 million) as at the Valuation Date, based on:

- the reported Net Asset Value as at 30 June 2018
- the most recently available net debt figures
- the assumption that the value of all assets and liabilities, other than debt and cash, have not changed between 30 June 2018 and the Valuation Date, and are reported at fair value.

132. Our Net Asset Value calculation is summarised in the table below.

Net Asset Value
31 October 2018

A\$m	Before the Proposed Transaction
Net assets as at 30 June 2018	(1.671)
Less:	
Cash as at 30 June 2018	(0.268)
Borrowings as at 30 June 2018	1.609
Plus:	
Cash as at 30 September 2018	0.241
Current borrowings (incl. 25% premium)	(5.000)
Adjusted net assets as at the Valuation Date	(5.089)

Source: FY18 Preliminary Final Report and Management

6 Valuation – After the Proposed Transaction

Summary of value of BMP after the Proposed Transaction

133. On a per share basis, we have assessed the value of BMP after the Proposed Transaction to be \$0.005 to \$0.007 as at the Valuation Date, summarised in the table below.

Valuation summary

31 October 2018

	Units	After Proposed Transaction		
		Low	Mid	High
Selected revenue - DIY Business	\$m	n/a	n/a	n/a
Selected revenue - MPC	\$m	0.37	0.37	0.37
Total selected revenue	\$m	0.37	0.37	0.37
Selected revenue multiple	times	0.9x	1.0x	1.1x
Enterprise Value	\$m	0.34	0.37	0.41
Less: Borrowings	\$m	-	-	-
Plus: Cash and cash equivalents	\$m	0.10	0.10	0.10
Implied equity value (100%)	\$m	0.44	0.47	0.51
Minority discount	%	(20%)	(20%)	(20%)
Implied equity value (minority interest basis)	\$m	0.36	0.40	0.43
Adopted equity value (100%)	\$m	0.35	0.40	0.45
Number of shares	million	67.5	67.5	67.5
A\$ /share	A\$	0.005	0.006	0.007

Source: PwC Securities analysis

134. Our assessment of value was derived using the revenue multiple methodology.

135. Our revenue multiple assessment involves the following steps:

- identifying the level of revenue for BMP after the Proposed Transaction
- determining an appropriate multiple to apply to the selected revenue to determine the enterprise value of BMP
- adjusting the enterprise value for any surplus assets or liabilities to determine the equity value
- Applying a discount to the equity value to determine the minority interest equity value
- dividing the equity value by the number of shares outstanding to determine the value per BMP share.

136. Each of these steps is discussed in the sections below.

Revenue of BMP after the Proposed Transaction

137. For the purpose of our revenue multiple assessment, we have selected a revenue figure of \$374,268, consistent with our selected revenue for the MPC business before the Proposed Transaction .

138. After the Proposed Transaction, the DIY business will not be owned by BMP.

Selected revenue multiple

139. For the purpose of our revenue multiple assessment, we have selected a revenue multiple of 0.9x to 1.1x, to be applied to MPC, consistent with our selected revenue multiple before the Proposed Transaction.

Minority interest discount

140. In accordance with the requirements of RG111, we have assessed the value per share of BMP after the Proposed Transaction on a minority interest basis.

141. We have applied a discount of 20% based on publicly available research that indicates that the average equity control premium in Australia for full control has been in the order of 15% to 35%. The control premium varies widely depending on the circumstances and may, in some circumstances, include an element reflecting a strategic premium paid by purchasers.

Number of shares outstanding

142. The number of shares outstanding will remain at 67,508,545 after the Proposed Transaction.

Valuation cross-check

BMC's acquisition of MPC in July 2017

143. Our assessed enterprise value for MPC is broadly in line with the \$400k purchase price paid by BMP to acquire MPC in July 2017.

Net Asset Value on a going concern basis

144. The Net Asset Value typically represents the lowest value for a going concern business as it does not reflect any potential goodwill or future growth of the business. Our assessed value of BMP after the Proposed Transaction is higher than the pro forma Net Asset Value after the Proposed Transaction.

145. Our pro forma Net Asset Value is summarised in the table below.

Net Asset Value 31 October 2018

A\$m	After the Proposed Transaction
Total assets	0.415
Total liabilities	(0.061)
Net assets post the Transaction Date	0.354

Source: Management

7 *Evaluation of the Proposed Transaction*

146. In forming our opinion, we have considered whether the Proposed Transaction is fair and reasonable, in accordance with the principles set out in RG111. The reasons for our opinion are set out below and should be read in conjunction with our detailed report which sets out our scope and findings.

The Proposed Transaction is Fair

147. To assess the fairness of the Proposed Transaction we have considered the value of a share in BMP prior to the Proposed Transaction on a controlling interest basis and compared this to the assessed value of a share in BMP, on a minority interest basis, after post the Proposed Transaction.

148. We have assessed the fair value of a share in BMP before the Proposed Transaction (on a controlling interest basis) as at 31 October 2018 (the Valuation Date) to be nil

149. As shown in the table below, we have assessed the potential value of a share in BMP after the Proposed Transaction (on a minority interest basis) to be in the range of \$0.005 to \$ 0.007 with a preferred (midpoint) value of \$0.006.

Comparison of fair value before and after the Proposed Transaction

\$/share	Reference	Low	Mid	High
Fair value of a BMP share on a controlling interest basis before the Proposed Transaction	Section 5	nil	nil	nil
Fair value of a BMP share on a minority interest basis after the Proposed Transaction	Section 6	0.005	0.006	0.007

Source: PwC Securities analysis

150. On the basis that the assessed value of a share in BMP after the Proposed Transaction on a minority interest basis is higher, than our valuation range for a fully paid ordinary share in BMP before the Proposed Transaction on a controlling interest basis, we consider that the Proposed Transaction is fair.

The Proposed Transaction is Reasonable

151. For the purpose of assessing whether or not the Proposed Transaction is reasonable to Shareholders whose votes will not be disregarded, we have considered the following likely advantages, disadvantages and other factors associated with the Proposed Transaction. In accordance with RG111, the Proposed Transaction is reasonable if it is fair.

Advantages

152. The advantages of the Proposed Transaction are as follows:

- The Company will be able to fulfil the conditions of the Binding Term Sheet and complete the Proposed Transaction. This is expected to enable the Company to continue to fund its operations until the end of December 2018. If the Shareholders whose votes will not be disregarded decide not to vote in favour of the Proposed Transaction, it is uncertain whether BMP would be able to meet its principal obligations under the current terms of the Debt Facilities, and it may not be able to continue to operate as a going concern.

- The Company will no longer be obliged to repay the debts owed to KMC under the April 2018 Loan (as varied), thereby clearing the Company of \$5 million of debt. This is expected to provide the Company greater flexibility to raise additional capital and pursue other opportunities.
- The Company will receive \$100,000 in cash to fund its remaining operations until such time as a transaction in relation to it can be completed.
- The Company will have the opportunity to sell the listed shell for valuable consideration.
- If the Proposed Transaction does not go ahead, it is likely that KMC will act upon its Security and either enter into possession of the shares BuyMyHome Pty Ltd, BuyMyHome (Agency) Pty Ltd and BuyMyPlace Finance Pty Ltd or appoint a receiver over the assets and undertaking of Company.

Disadvantages

153. The disadvantages of the Proposed Transaction are as follows:

- The Company will have disposed of its main undertaking, being the DIY Business. As a result, the Company would not be able to enjoy any future benefit of an increase in the market value of the DIY Business.
- The revenue generated by the conveyancing business after completion of the Proposed Transaction will be significantly less than the revenue currently generated by the Company.

Overall conclusion

154. After consideration of the above factors, in our opinion, the advantages of the Proposed Transaction outweigh the potential disadvantages. Therefore, in the absence of a superior proposal, we consider that the Proposed Transaction is reasonable to the Shareholders whose votes will not be disregarded.

Appendices

Appendix A Financial Services Guide

PricewaterhouseCoopers Securities Limited

This Financial Services Guide (FSG) is dated 6 November 2017.

About us

PricewaterhouseCoopers Securities Ltd (ABN 54 003 311 617, Australian Financial Services Licence no 244572) (**PwC Securities**) has been engaged by the directors of buyMyplace.com.au Limited to provide a report in the form of an IER in relation to the Proposed Transaction, to accompany the Company's announcement.

You have not engaged us directly but have been provided with a copy of the Report as a retail client because of your connection to the matters set out in the Report.

This Financial Services Guide

This Financial Services Guide (**FSG**) is designed to assist retail clients in their use of any general financial product advice contained in the Report. This FSG contains information about PwC Securities generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the Report, and how complaints against us will be dealt with.

Financial services we are licensed to provide

Our Australian financial services licence allows us to provide a broad range of services, including providing financial product advice in relation to various financial products such as securities, interests in managed investment schemes, derivatives, superannuation products, foreign exchange contracts, insurance products, life products, managed investment schemes, government debentures, stocks or bonds, and deposit products.

General financial product advice

The Report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs.

You should consider your own objectives, financial situation and needs when assessing the suitability of the Report to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

Fees, commissions and other benefits we may receive

PwC Securities charges fees to produce reports, including this Report. These fees are negotiated and agreed with the entity who engages PwC Securities to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this Report our fees are charged on a fixed basis and are \$55,000 (excluding GST) and will be reimbursed for out of pocket expenses incurred.

Directors or employees of PwC Securities, PricewaterhouseCoopers, or other associated entities, may receive partnership distributions, salary or wages from PricewaterhouseCoopers.

Associations with issuers of financial products

PwC Securities and its authorised representatives, employees and associates may from time to time have relationships with the issuers of financial products. For example, PricewaterhouseCoopers may be the auditor of, or provide financial services to, the issuer of a financial product and PwC Securities may provide financial services to the issuer of a financial product in the ordinary course of its business.

Complaints

If you have a complaint, please raise it with us first, using the contact details listed below. We will endeavour to satisfactorily resolve your complaint in a timely manner. In addition, a copy of our internal complaints handling procedure is available upon request.

If we are not able to resolve your complaint to your satisfaction within 45 days of your written notification, you are entitled to have your matter referred to the Australian Financial Complaints Authority (**AFCA**), an external complaints resolution service. AFCA can be contacted by calling 1800 931 678. You will not be charged for using the AFCA service.

Contact details

PwC Securities can be contacted by sending a letter to the following address:

Mr Richard Stewart
Authorised Representative
PricewaterhouseCoopers Securities Limited
GPO Box 1331
MELBOURNE VIC 3001

Appendix B Sources of information

In preparing this IER, we have had access to and relied upon the following major sources of information:

Client information

- BMP Annual Financial Report for the year ended 30 June 2015, 2016 and 2017
- BMP Preliminary Annual Financial Report for the year ended 30 June 2017 and YTD September 2018
- BMP Budget for the year ending 30 June 2017
- BMP Prospectus as at 21 December 2015
- BMP September 2018 Pro Forma Balance Sheet post the Proposed Transactions
- BMP Investor Presentation April 2018
- Project Archer Forecasts October 2018
- BMP Board Packs for meetings held between March 2017 and October 2018
- BMP Organisational Chart
- MPC acquisition impairment report
- APP Securities: BMP research dated 27 March 2017
- Discussions and correspondence with BMP Management
- BMP website

External sources

- Share market data and financial information from S&P Capital IQ and Bloomberg
- Investec, JP Morgan and UBS Research Purplebricks Broker Report dated 18 July 2018
- IBISWorld Industry Report L6720 – Real Estate Services in Australia
- Other publicly available information including company web sites, government statistical data sets, industry web sites, industry reports, media releases and ASX announcements.

The information on BMP contained in the Independent Expert Report has been prepared by PwC Securities using publicly available information and limited non-public information made available to PwC Securities by BMP. The assets and liabilities, financial position and performance, profits and losses and prospects of these entities have not been independently verified by PwC Securities. Accordingly PwC Securities does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

Appendix C Qualifications, disclaimers and consents

Qualifications

PricewaterhouseCoopers Securities Ltd (PwC Securities) is beneficially owned by PwC, a large international firm of Chartered Accountants. The individuals responsible for the preparation of this report are Richard Stewart and Campbell Jaski.

Mr Richard Stewart OAM is a Senior Fellow of the Financial Services Institute of Australasia, Chartered Accountants in Australia and New Zealand (CAANZ) and the Society of Certified Practising Accountants in Australia. He is also an adjunct professor in Business Valuation at the University of Technology, Sydney and is Business Valuations Specialist Accredited, CAANZ. He holds a Bachelor of Economics and a Masters of Business Administration. He has over 30 years of experience with PwC and extensive experience in preparing valuations and independent expert reports as well as providing merger and acquisition advice. He is also a partner of PwC, and is an authorised representative of PwC Securities.

Mr Campbell Jaski is a partner in the Corporate Value Advisory practice of PricewaterhouseCoopers Australia. He holds a Bachelor of Science (Honours) and Masters of Business Administration (Rupert Murdoch Fellow) and is an Affiliate of Chartered Accountants Australia and New Zealand, an accredited Business Valuation Specialist and a Fellow of the Financial Services Institute of Australasia. Campbell has over 20 years' professional experience in corporate finance and management and specialise in the financial analysis and valuation of businesses, shares, major projects, markets and financial instruments. Campbell's experience covers public and private company valuations both in Australia and overseas and the preparation of IERs.

Declarations

Neither PwC Securities nor PwC has any interest in the outcome of the Proposed Transaction. PwC Securities is entitled to receive a fixed fee for the preparation of this IER of \$55,000 (excluding GST) and will be reimbursed for out of pocket expenses incurred. The fee payable to PwC Securities is payable regardless of the outcome of the Proposed Transaction. None of PwC Securities, PwC, Mr Stewart or Mr Jaski holds securities/units in BMP and have not held any such beneficial interest in the previous two years.

Purpose of Report

This IER has been prepared at the request of the Company's directors to accompany the Company's announcement of the Proposed Transaction and should not be used for any other purpose. Neither the whole or any part of this IER nor any reference to it may be included in or attached to any document, circular, resolution, letter or statement without the prior written consent of PwC Securities to the form and context in which it appears.

Special note regarding forward-looking statements and forecast financial information

Certain statements in this IER may constitute forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance and achievements of BMP, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among other things, the following:

- general economic conditions

- the future movements in interest rates and taxes
- changes in laws, regulations or governmental policies or the interpretation of those laws, the regulations or BMP in particular
- other factors referenced in this IER.

Disclaimer and consents

PwC Securities has consented to the inclusion of this IER in the form and context in which it is included as an attachment to the Company's Notice of Meeting relating to the Proposed Transaction. PwC Securities' sole involvement in the Company's Notice of Meeting relating to the Proposed Transaction has been the preparation of this IER and PwC Securities' liability is limited to the inclusion of this IER in the Company's announcement of the Proposed Transaction. PwC Securities has not been involved in, makes no representation regarding, and has no liability for, any other statements or other material in, or any omissions from, the Company's announcement of the Proposed Transaction.

In preparing this IER, BMP has indemnified PwC Securities, PwC and its employees, officers and agents against any claim, liability, loss or expense, cost or damage, including legal costs on a solicitor client basis, arising out of reliance on any information or documentation provided by BMP which is false and misleading or omits any material particulars or arising from a failure to supply relevant documentation or information.

In addition, BMP has agreed that if it makes any claim against PwC or PwC Securities for loss as a result of a breach of our contract, and that loss is contributed to by its own actions, then liability for its loss will be apportioned and is appropriate having regard to the respective responsibility for the loss, and the amount BMP may recover from PwC Securities will be reduced by the extent of its contribution to that loss.

APES 225 Valuation Services

This IER has been prepared in accordance with APES 225 *Valuation Services*.

Appendix D *Glossary of terms*

Term	Definition
AS, S, or AUD	Australian Dollars
AGM	Annual General Meeting
APES	Australian Professional and Ethical Standard
April 2018 Loan	Loan provided by KMC to BMP on 30 April 2018 of \$3,000,000
ASIC	Australian Securities and Investment Commission
ASX	Australian Securities Exchange
BMP or the Company	buyMyplace.com Limited
CAGR	Compound Annual Growth Rate
Corporations Act	The Corporations Act 2001 including the Corporations Regulations 2001
DCF	Discounted Cash Flow
Debt Facilities	Various borrowings provided by KMC to BMP
DIY Business	The online real estate business operated by BMP, enabling Australians to sell their homes without paying commissions to real estate agents
EBIT	Earnings Before Interest & Tax
EBITDA	Earnings Before Interest, Tax, Depreciation & Amortisation
Enterprise Value or EV	Value of the business (including all values attributable to all security holders)
FSBO	For Sale by Owner
FSG	Financial Services Guide
FY	Financial year ended 30 June
FY15, FY16, FY17, FY18 and FY19	Financial years for the periods ended 30 June 2015, 30 June 2016, 30 June 2017, 30 June 2018, and 30 June 2019 respectively.
IER	Independent Expert's Report
Independent Expert	PricewaterhouseCoopers Securities Ltd (in relation to this IER)
Killara	Killara Resources Limited
KMC	KM Custodians Pty Ltd
LTM	Last twelve months
Management	The Management of BMP Ltd
MPC	My Place Conveyancing Pty Ltd
NAV	Net Asset Value
PP&E	Property, plant and equipment
Proposed Transaction	The proposed disposal of 100% equity shares in BuyMyHome Pty Ltd, BuyMyHome (Agency) Pty Ltd and BuyMyPlace Finance Pty Ltd.
PwC	PricewaterhouseCoopers
PwC Securities	PricewaterhouseCoopers Securities Ltd
R&D	Research and development
S&P	Standard and Poor's
Security	The security interest over all of the Company's assets granted to KMC following the Waiver
Shareholders	The shareholders of BMP
VWAP	Volume weighted average price
Waiver	the waiver granted by the ASX for the Company to obtain Shareholder approval in relation to granting KMC the Security

Appendix E Comparable Transactions







Closed	Target	Country (Target)	Transaction description	Acquirer	Stake (%)	Transaction Value (AUD \$m)	LTM Revenue (AUD \$m)	EV / Revenue (LTM)
Jul 18	ComFree Commonsense Network Inc.	Canada	ComFree Commonsense Network Inc. provides real estate brokerage services in Canada.	Purplebricks Group PLC	100%	52.7	47.1	1.1x
May 12	Runnett & Co Ltd.	United Kingdom	As of May 14, 2012, Runnett & Co Ltd. operates as a subsidiary of In-Deed Online plc.	In-Deed Online plc	100%	6.4	6.3	1.0x
Median					100%	29.6	26.7	1.1x
Mean					100%	29.6	26.7	1.1x

Source: S&P Capital IQ, PwC analysis

Note: Grey indicates narrow set adopted. Comparability has been assessed based on operational & geographical nature of the company, transaction size and how recently the transaction closed.

Appendix F Comparable Trading Companies descriptions



				
	<i>PurpleBricks</i>	<i>Rent.com</i>	<i>iBuyNew Group Limited</i>	<i>Real Estate Investar Group</i>
LTM Revenue	\$170m	\$2.3m	\$5.5m	\$2.9m
LTM EBITDA	\$(43.5m)	\$(2.8m)	\$(0.9m)	\$(2.2m)
Enterprise Value	\$715m	\$9.5m	\$4.8m	\$1.7m
Business segments	<p>Australia:</p> <ul style="list-style-type: none"> - Revenue: \$24.5m - EBITDA: (\$21.4m) <p>UK:</p> <ul style="list-style-type: none"> - Revenue: \$141.4m - EBITDA: \$14.7 <p>United States:</p> <ul style="list-style-type: none"> - Revenue: \$3.7m - EBITDA: (\$29.0m) 	<p>Online Real Estate Portal:</p> <p>This segment operates an online real estate portal in Australia, providing a database of rental properties</p>	<p>Corporate Entity e-Commerce - This segment owns and operates a property platform offering online real estate services</p> <p>Advisory Travel & Online Booking – owns and operates an online travel agency and technology platform</p>	<p>Subscriptions:</p> <ul style="list-style-type: none"> - Revenue: \$2.3m <p>Transaction Services:</p> <ul style="list-style-type: none"> - Revenue: \$141.4m <p>Property:</p> <ul style="list-style-type: none"> - Revenue: \$3.7m <p>Real Estate Information Services:</p> <ul style="list-style-type: none"> - Revenue: \$3.7m
Listings in Australia	4544	n.a.	7990	n.a.

Appendix G Comparable Trading Companies



Company	Market Cap. (AUD \$m)	EV (AUD \$m)	LTM Revenue (AUD \$m)	Historical growth (CAGR)	EV / Revenue
				Revenue (3 year)	LTM
iBuyNew Group Limited	5.2	5.6	5.5	15%	1.0x
Purplebricks Group PLC	1,161.6	886.2	240.1	71%	3.7x
Rent.com.au Limited	15.6	13.3	2.3	39%	5.7x
Real Estate Investar Gr...	2.4	2.6	2.9	-16%	0.9x
Average	296.2	227.0	62.7	27%	2.8x
Median	10.4	9.5	4.2	27.0%	2.4x
Average - Excluding Purplebricks Group	7.7	7.2	3.6	12.7%	2.6x
Median - Excluding Purplebricks Group	5.2	5.6	2.9	15.3%	1.0x

Source: PwC analysis, Capital IQ

Notes:

(1) Grey indicates narrow set

(2) Market capitalisation assessed on a controlling basis (adopting a 20% control premium)

All Correspondence to:

-  **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia
-  **By Fax:** +61 2 9290 9655
-  **Online:** www.boardroomlimited.com.au
-  **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 11:00am (AEDT) on Wednesday, 19 December 2018.**

TO VOTE ONLINE

BY SMARTPHONE

- STEP 1: VISIT** <https://www.votingonline.com.au/bmpgm2018>
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **11:00am (AEDT) on Wednesday, 19 December 2018.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

-  **Online** <https://www.votingonline.com.au/bmpgm2018>
-  **By Fax** + 61 2 9290 9655
-  **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
-  **In Person** Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

Please note, you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of buyMyplace.com.au Limited (Company) and entitled to attend and vote hereby appoint:

the **Chair of the Meeting (mark box)**

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the General Meeting of the Company to be held at **Gadens, Level 25, Bourke Place 600 Bourke Street, Melbourne Victoria, 3000 on Friday, 21 December 2018 at 11:00am (AEDT)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

The Chair of the Meeting intends to vote undirected proxies in favour of each of the items of business.

STEP 2 VOTING DIRECTIONS
* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Approval of Disposal of Main Undertaking	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SECURITYHOLDERS
This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2018