

Appendix 4E

Preliminary Final Report to the Australian Securities Exchange

Part 1

Name of Entity	buyMyplace.com.au Limited
ABN	68 132 204 561
Financial Year Ended	For the year ended 30 June 2019
Previous Corresponding Reporting Period	For the year ended 30 June 2018

Part 2 – Results for Announcement to the Market

	\$	Percentage increase /(decrease) over previous corresponding period
Revenue from ordinary activities	217,351	-34%
Profit from ordinary activities after tax attributable to members	2,702,778	n/a
Net profit attributable to members	2,702,778	n/a

Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Record date for determining entitlements to the dividends (if any)	Not Applicable	

Brief explanation of any of the figures reported above necessary to enable the figures to be understood:

Refer to the following Review of Operations for further commentary on the results for the year ended 30 June 2019.

Part 3 – Contents of ASX Appendix 4E

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Part 4 – Consolidated Statement of Profit or Loss and Comprehensive Income

		Year Ended 30 June 2019 \$	Year Ended 30 June 2018 \$
Revenue			
Revenue		217,351	328,105
Other Income	9a	4,099,506	74,779
Expenses			
Cost of sales		(66,692)	(108,882)
Legal and business services		(564,210)	(1,148,725)
Advertising and marketing expenses		(6,845)	(10,804)
Salaries and employment expenses		(404,773)	(1,159,710)
Depreciation and amortisation expenses		(22,693)	(47,306)
Impairment of goodwill relating to acquisition of MPC		-	(226,946)
Share-based payments expenses	9b	698,398	(947,372)
Finance costs		(58,081)	(779)
Other expenses		(229,841)	(314,417)
Gain/Loss before income tax expense		3,662,120	(3,562,057)
Income tax expense		-	-
Profit/(loss) after income tax expense from continued operations		3,662,120	(3,562,057)
(Loss) after income tax expense from discontinued operations		(959,342)	(1,950,225)
Profit/(Loss) after income tax expense for the year attributable to the owners of buyMyplace.com.au Limited		2,702,778	(5,512,282)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive profit/(loss) attributable to members of buyMyplace.com.au Limited		2,702,778	(5,512,282)

Part 5 – Consolidated Statement of Financial Position

	30 June 2019 \$	30 June 2018 \$
ASSETS		
Current Assets		
Cash and cash equivalents	114,969	267,783
Trade and other receivables	23,538	204,790
Prepayments	51,703	82,237
Total Current Assets	190,210	554,810
Non-Current Assets		
Plant and equipment	7,465	88,972
Intangible assets	-	367,077
Other non-financial assets	-	40,506
Total Non-Current Assets	7,465	496,555
Total Assets	197,675	1,051,365
LIABILITIES		
Current Liabilities		
Trade and other payables	269,213	1,116,426
Borrowings	43,095	-
Employee benefits provisions	-	110,741
Total Current Liabilities	312,308	1,227,167
Non-Current Liabilities		
Borrowings	-	1,361,393
Provisions	-	61,225
Total Non-Current Liabilities	-	1,422,618
Total Liabilities	312,308	2,649,785
NET ASSETS/(LIABILITIES)	(114,633)	(1,598,420)
EQUITY		
Issued capital	16,502,746	16,502,746
Share-based payment reserve	2,054,679	3,080,607
Accumulated losses	(18,672,058)	(21,181,773)
TOTAL EQUITY	(114,633)	(1,598,420)

Part 6 – Consolidated Statement of changes in equity

	Year Ended 30 June 2019 \$	Year Ended 30 June 2018 \$
Accumulated losses at the beginning of the year	(21,181,773)	(16,007,794)
Profit/loss for the year	2,702,778	(5,512,282)
Adjustment on adoption of AASB 15	(331,670)	
Options expired or lapsed		338,303
Equity component of convertible notes	138,607	
Accumulated losses at the end of the year	(18,672,058)	(21,181,773)
Share-based payment reserve at the beginning of the year	3,080,607	2,202,907
Share based payments	243,317	1,077,396
Options expired or lapsed	(1,130,638)	(338,303)
Equity component of convertible notes	(138,607)	138,607
Share-based payment reserve at the end of the year	2,054,679	3,080,607

Part 7 – Consolidated Statement of Cash Flows

		Year Ended 30 June 2019 \$	Year Ended 30 June 2018 \$
Cash flows from operating activities			
Receipts from customers		268,334	2,830,456
Receipts from sub-lessee		61,409	73,477
Payments to suppliers and employees		(1,840,686)	(6,780,360)
Interest received		223	1,547
R&D tax incentive		109,791	49,622
Net cash used by discontinued operations		(1,339,424)	-
Net cash (used in) operating activities	11b	(2,740,353)	(3,825,258)
Cash flows from investing activities			
Payment for plant and equipment		-	(39,770)
Payment for intangible assets		-	(226,391)
Payments for acquisition of investments (net of cash acquired)		-	(149,115)
Proceeds from disposal of discontinued operations		100,000	-
Net cash (used in) investing activities		100,000	(415,276)
Cash flows from financing activities			
Proceeds from issue of shares		-	475,000
Payments for facility fees		(50,000)	(20,000)
Proceeds from borrowings		2,537,539	1,500,000
Net cash provided by financing activities		2,487,539	1,955,000
Net (decrease)/increase in cash held		(152,814)	(2,285,534)
Cash at the beginning of the financial year		267,783	2,553,317
Cash at the end of the financial year		114,969	267,783

Part 8 – Basis of Preparation

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

Part 9 – Profit from Ordinary Activities

The profit from ordinary activities before income tax includes the following items of revenue and expense:

	Year Ended 30 June 2019 \$	Year Ended 30 June 2018 \$
REVENUES AND EXPENSES		
(a) Other revenue		
Interest income	223	1,302
Sub-lease income	61,409	73,477
Research and development tax incentive	12,785	-
Gain on disposal of subsidiaries and settlement of liabilities	4,025,089	-
	<u>4,099,506</u>	<u>74,779</u>
(b) Share-based payment expenses		
Share-based payment expense	(146,170)	(947,372)
Gain on lapsed/expired options	844,568	-
	<u>698,398</u>	<u>(947,372)</u>

Part 10 – Commentary on Results

After a review of the Company's portfolio businesses, in December 2018, the Company sought shareholder approval to dispose of its interest in 100% of the shares in each of BuyMyHome Pty Ltd (**BMH**), BuyMyHome (Agency) Pty Ltd and BuyMyPlace Finance Pty Ltd in consideration for the payment of \$100,000 and the forgiveness of all debt owing to KM Custodians Pty Ltd (**Disposal**). The reason the Company resolved to proceed with the Disposal was that the businesses disposed were all unprofitable and the board of Directors of the Company (**Board**) did not believe it was likely these businesses would become profitable in the future.

As announced on 15 February 2019, the Company has executed a 12-month exclusivity agreement with BMH, which was continuing its operations under its new ownership structure (**Exclusivity Agreement**). In accordance with the terms of the Exclusivity Agreement, BMH has agreed to refer all conveyancing enquiries to MPC. During an initial period of adjustment under the new owners, BMH has provided a steady stream of leads and has indicated plans to increase this in coming months.

As a result of the Disposal, the net asset position of the Company significantly improved, providing a stronger foundation for further growth in continuing operations. Since the Disposal, the Company has examined opportunities to expand the Existing Business.

The core service offering of the Company is the provision of online conveyancing services. The company will focus on growing its online conveyancing presence through strategic marketing, additional referral arrangements and retaining repeat-customers. The Company has initiated discussions with a number of strategic and synergistic partners to build scale in property services and products. Potential partnerships will further add to the customer database and revenue stream of the Company's continuing core business operation, online conveyancing, as these businesses provide complementary services to the Existing Business.

The Company has reviewed its online presence and initiated plans to upgrade its website and online marketing strategy. It has identified an online marketing agency to assist it to build its online advertising capability and improve its lead management. Further investment in marketing resources within the company are envisaged in the 2020 Financial Year.

As part of the Company's growth strategy, the acquisition of sub-scale conveyancing businesses to increase scale of the Existing Business in the online real estate industry will be considered. The conveyancing industry within Australia is disaggregated and there are a large number of small, sub-scale operators. Consolidation of this industry is likely, as further investment in technology platforms to service the industry leads to increasing scale benefits to industry participants. The Company has invested in its technology platform and has the capability to add additional transactions and realise scale benefits from further acquisitions.

Part 11 – Notes to the Consolidated Statement of Cash Flows

	Year Ended 30 June 2019 \$	Year Ended 30 June 2018 \$
(a) Reconciliation of cash:		
For the purposes of the Statement of Cashflows, cash includes cash on hand, and in banks, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the Balance Sheet as follows:		
Cash and cash equivalents	114,969	267,783
Cash on hand and at bank	114,969	267,783
(b) Reconciliation of loss for the year to net cash flows from operating activities:		
Profit/(loss) for the year	2,702,778	(5,512,282)
<i>Non-cash flows in loss:</i>		
Depreciation	22,693	130,132
Share-based payments	(698,398)	1,077,396
Gain on disposal of subsidiaries and settlement of liabilities	(4,025,089)	-
Impairment of goodwill on acquisition of MPC	-	226,946
<i>Changes in assets and liabilities:</i>		
(Increase)/Decrease in trade and other receivables	181,252	(108,261)
(Increase)/Decrease in prepayments	30,534	(25,470)
Decrease/(increase) in other non-financial assets	40,506	(40)
Increase/(Decrease) in trade and other payables	(883,888)	331,106
Increase/(Decrease) in provisions	(110,741)	55,215
Net cash outflows from operating activities	(2,740,353)	(3,825,258)

Part 12 – Details Relating to Dividends

Date the dividend is payable	N/A
Record date to determine entitlement to the dividend	N/A
Amount per security	N/A
Total dividend	N/A
Amount per security of foreign sourced dividend or distribution	N/A
Details of any dividend reinvestment plans in operation	N/A
The last date for receipt of an election notice for participation in any dividend reinvestment plans	N/A

Part 13 – Loss per Share

	Year Ended 30 June 2019	Year Ended 30 June 2018
Basic gain/(loss) per share	4.00 cents	(8.35 cents)
Weighted average number of ordinary shares used in the calculation of basic profit/(loss) per share	67,508,545	66,037,302

Part 14 – Net Tangible Assets per Security

	Year Ended 30 June 2019	Year Ended 30 June 2018
Net tangible asset backing per ordinary security (cents)	(0.17)	(2.42)

Part 15 – Details of Entities Over Which Control has been Gained or Lost

Name of entity	BuyMyHomePty Ltd, BuyMyHome (Agency) Pty Ltd, BuyMyPlace Finance Pty Ltd
Date control lost	21 December 2018
Revenue from discontinued operations	1,122,650
Expense from discontinued operations	<u>(2,081,992)</u>
Contribution of the controlled entity (or group of entities) to the profit/(loss) from ordinary activities during the period, from the date of gaining or losing control	(959,342)
Revenue from discontinued operations	2,586,022
Expense from discontinued operations	<u>(4,536,247)</u>
Profit/(loss) from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period	(1,950,225)

Part 16 – Details of Associates and Joint Venture Entities

	Ownership Interest		Contribution to net profit/(loss)	
	30/06/19 %	30/06/18 %	Year ended 30/06/19 \$A'000	Year ended 30/06/18 \$A'000
Name of entity	N/A	N/A	N/A	N/A
Associate	N/A	N/A	N/A	N/A
Joint Venture Entities	N/A	N/A	N/A	N/A
Aggregate Share of Losses	N/A	N/A	N/A	N/A

Part 17 – Issued Securities

	Year Ended 30 June 2019	Year Ended 30 June 2018
Share capital		
67,508,545 (30 June 2018: 67,508,545) fully paid ordinary shares	16,502,746	16,502,746
<i>The following movements in issued capital occurred during the period:</i>		
	Year Ended 30 June 2019	Year Ended 30 June 2018
	Number of Shares	Number of Shares
Balance at beginning of the year	67,508,545	67,508,545
	67,508,545	67,508,545

Part 18 – Segment Information

The Group has identified its operating segments based on the internal reports that are used by the Board (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The Board as a whole will regularly review the identified segments in order to allocate resources to the segment and to assess its performance.

The Board considers that due to the sale of the entities in the year the Group has only one operating segment, being its conveyancing segment.

Where applicable, corporate costs, finance costs, and interest revenue are not allocated to segments as they are not considered part of the core operations of the segments and are managed on a Group basis.

The consolidated entity is domiciled in Australia. All revenue from external customers is generated from Australia only.

Part 19 – Subsequent Events

No subsequent events are noted

Part 20 – Audit/Review Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited		The accounts have been subject to review	
The accounts are in the process of being audited or subject to review	✓	The accounts have not yet been audited or reviewed	

If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:

The auditor has indicated that they are likely to issue an unqualified opinion but with an emphasis of matter on the going concern prospects for the business.