



ASX ANNOUNCEMENT

28 February 2017

Company Update

iBuyNew Group Limited (**ASX: IBN**) ("**Company**") is pleased to release a new company update presentation, which is attached to this announcement. The presentation outlines iBuyNew's compelling investment case and strategy.

iBuyNew is one of Australia's leading online new property sales platforms. It connects property developers with new property buyers on a platform with over 4,700 properties and 190+ developer projects. iBuyNew provides investors with exposure to a large addressable market using a scalable sales model that can be leveraged globally.

Investment highlights

- A leading online new property sales platform in Australia
- Underpinned by \$4m+ future commissions receivable book
- Approaching a value inflection point associated with sales reach and capability
- Powerful distribution platform with online reservations system capabilities
- Leveraging unique proposition to achieve better terms with developers
- Highly experienced senior team, recently strengthened with new hires in B2B sales and international distribution

iBuyNew's CEO and founder, Mark Mendel, commented:

"iBuyNew is at a very exciting value inflection point. We have spent the last 3+ years developing the Company's unique proposition and building a scalable sales platform that provides the best service for our customers. FY17 is expected to be a transformational year for the Company. Our online reservation system has only been operating for 10 weeks and we have already had our first customer independently complete the reservation process online. We are excited to continue this growth as we build a highly efficient sales model that is scalable globally."

The logo for iBUYNEW, featuring a stylized lowercase 'i' in white on a dark red background, followed by 'BUYNEW' in a bold, sans-serif font. 'BUY' is dark red and 'NEW' is a lighter shade of red.

iBUYNEW

Company Update

28 February 2017

ASX ticker: IBN

Investment highlights

OUR VISION

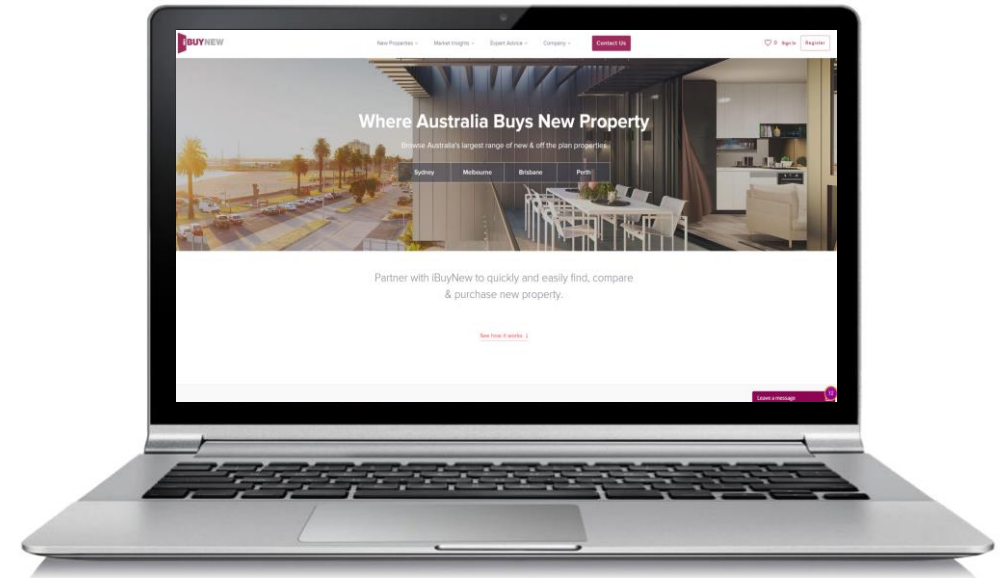
To become the leading online destination for new property buyers in Australia and internationally

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iBuyNew – where Australia buys new property

iBuyNew's platform facilitates transactions between property developers and new property buyers

- Direct sales organically grown to **\$85m of Total Transactions Value** generating \$3.4m in revenue in FY16
- Over **4,700+ properties** and **190+ developer projects** live on the platform
- **25,000+** website sessions per month
- **Market-leading coverage** of developments in VIC, QLD and NSW giving buyers the best access to new property
- Powerful sales platform able to serve the customer online with our **online reservations system capabilities**



**OUR PLATFORM ENABLES A HIGHLY EFFICIENT
NEW PROPERTY SALES MODEL, SCALABLE GLOBALLY**

FY17 is a transformational year for IBN



2013-15

PROPOSITION AND BRAND

Developed a solid foundation with innovative, integrated technological solution



2014-16

SCALABLE PLATFORM

Invested heavily to develop scalable platform
Opened new offices in Melbourne and Brisbane



FY 17

SALES PROCESS OPTIMISATION

Rebuilt entire sales process to optimise lead conversion

DISTRIBUTION CHANNELS

Acquired Nyko Property to access B2B channel

SALES TEAM GROWTH

Aggressive hiring of commission-only agents

Focus for FY17-18

ACCELERATE GROWTH IN LEAD VOLUME

Fully leverage multi-channel distribution

Optimise online presence and marketing spend

Focus for FY17-18

LEVERAGE NETWORK EFFECTS

Increase share of exclusive listings

Add local and overseas distribution partners

Senior team strengthened to deliver on our ambition

31.7% OWNED BY HIGHLY EXPERIENCED
MANAGEMENT TEAM INVESTED IN IBUYNEW'S SUCCESS



Mark Mendel – Founder and CEO

- Launched iBuyNew in 2013
- 14 years' experience in property and technology
- Focused on overall IBN strategy, driving digital innovations and improving sales processes



Andrew Jensen – Executive Director

- 15 years' experience in senior Finance & Management roles
- Led Australasia's largest real estate group Ray White and The Loan Market as Director and CFO
- Focused on driving operating efficiencies through the group

Senior Management additions in FY17



Alex Caraco – Director of Projects

- 35+ years' experience in the real estate sector
- Formerly CEO of Coldwell Banker Australia of 11 years
- Focused on accelerating sales volumes and sales team growth both locally and internationally



Bill Nikolouzakis – Head of Corporate Partnerships

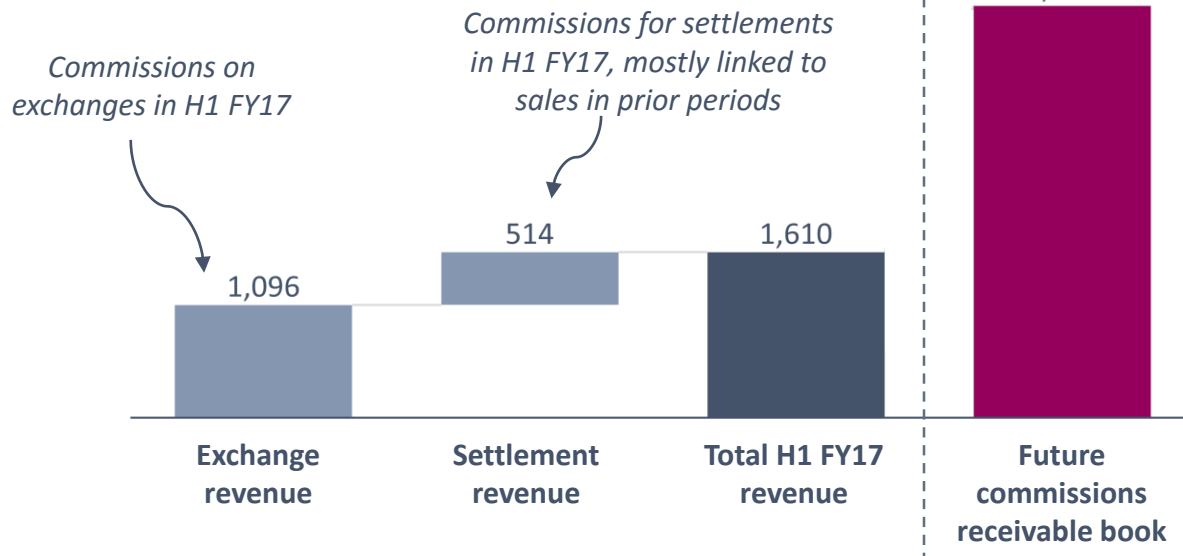
- Founding Director of Nyko Property
- 14 years' experience in property marketing and banking
- Focused on increasing our breadth of corporate partnerships

Underpinned by strong \$4m+ commissions book

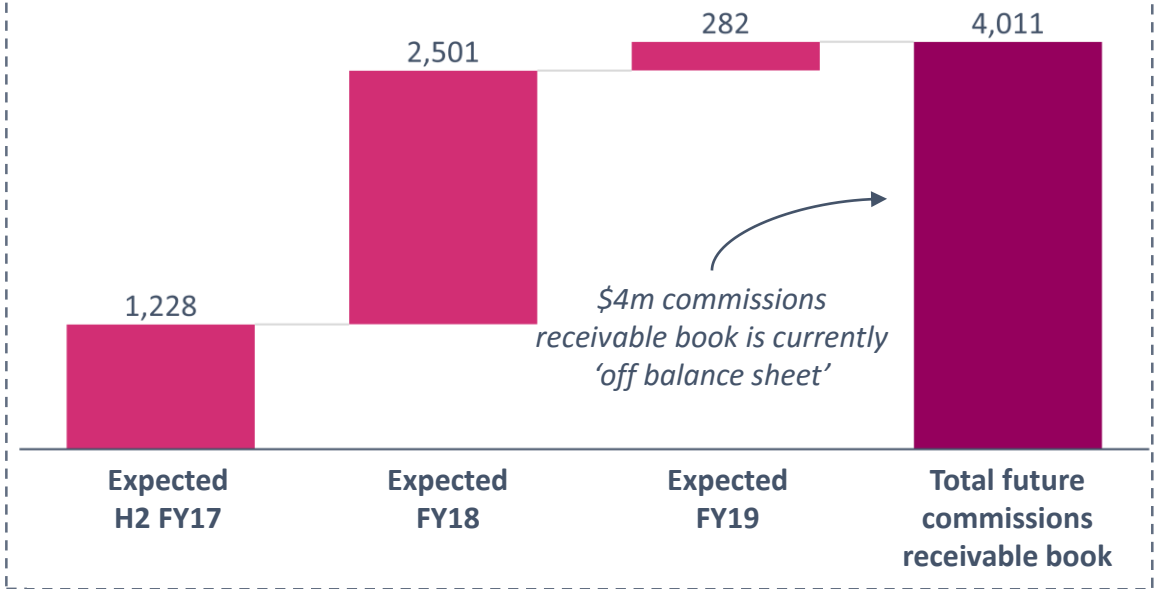
~50% of IBN's commission per sale is not recognised in P&L or Balance Sheet until settlement

\$4m+ future commissions book is worth \$2.8m net (after agent commission and expense allocations)

IBN H1 FY17 Accounts



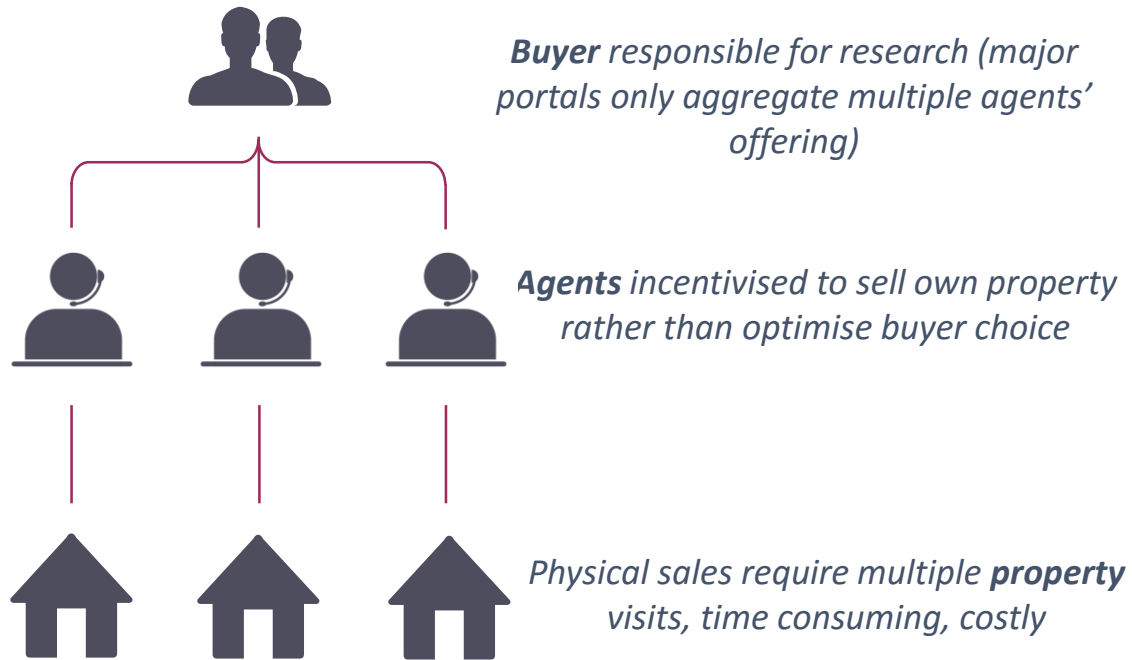
Future Commissions Receivable Book at 31-Dec-16



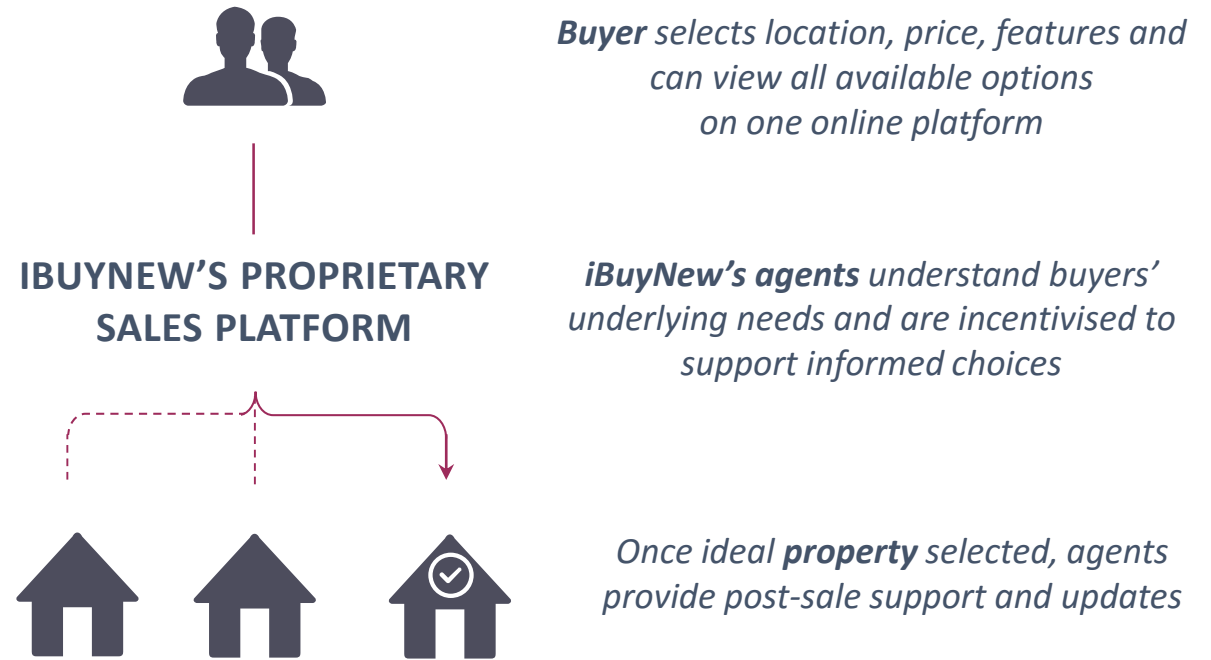
Future commissions receivable are subject to settlement and based on expected settlement completion dates as provided by the developers. This is not a forecast and is based on settlement estimates provided by developers.

iBuyNew empowers buyers to make the right decision

Traditional real estate model is highly inefficient and uninformative for buyers



iBuyNew's unique approach puts the buyer in the driving seat with our agents' support



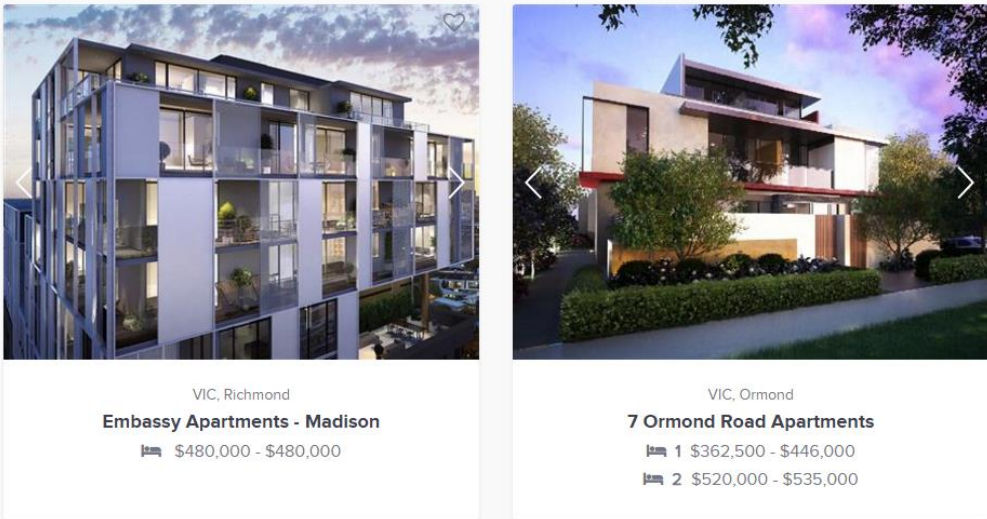
Platform offers unrivalled choice and comparison

PRICE LIST / RESERVE
Choose from the full property list. All prices are in \$AUD

Beds ▾ Baths ▾ Parking ▾ Availabi ▾

26 properties found

Unit Number	Bed	Bath	Car	Price	Internal m2	External m2	Price / m2	Floorplan	Status
101	1	1	1	\$450,000	49	6	\$9,278	Enquire	Reserve now
203	2	1	1	\$610,000	65	8	\$9,457	Enquire	Reserve now
204	2	1	1	\$610,000	64	8	\$9,531	Enquire	Reserve now



The image shows two property listings side-by-side. The left listing is for 'Embassy Apartments - Madison' in VIC, Richmond, with a price range of \$480,000 - \$480,000. The right listing is for '7 Ormond Road Apartments' in VIC, Ormond, with a price range of \$362,500 - \$446,000 for 1 bed and \$520,000 - \$535,000 for 2 beds. Each listing includes a photograph of the building and a heart icon for favorites.

~80% OF OUR BUYERS PURCHASE A DIFFERENT PROPERTY TO THE ONE THEY FIRST ENQUIRED ABOUT

The choice, information and support from iBuyNew are crucial to help buyers select and purchase a property that best fits their unique circumstances:

Powerful and intuitive comparison of price and features

- Users can easily compare properties from different developers to select one that best suits their investment needs

Sales staff on-hand to provide information and advice

- If needed, iBuyNew's sales staff can provide research reports and advice on a large range of properties to ensure the best outcome
- Buyer decisions enhanced through information on key knowledge including price-per-sqm, unit size, indicative rental yield

Leading marketplace for online new property sales

iBuyNew's online reservation system enables a buyer to completely self-serve their purchase



No agent contact required, user can find the property that best suits their budget, taste, location or style



Reservation can be made at any time, no need to talk to an agent or wait until business hours



Reservation deposit to secure the property is paid online, in full, at the time of reservation



Forthcoming functionality will cover the full conveyancing and settlements processes



iBuyNew's first self-served new property purchase

Online reservations were soft-launched in Q2 FY17, with no marketing campaign.

Within just 10 weeks, a Brisbane first-home buyer became the first customer to independently complete the process.

- ✓ We had no contact with the customer prior to him reserving the property
- ✓ He reserved the property and paid a \$2k deposit online outside business hours
- ✓ Our agents verified his interest by phone the following day

IBUYNEW IS REVOLUTIONISING DIRECT-TO-CONSUMER SALES IN THE NEW PROPERTY MARKET

Re-launching our direct sales process and growing team



Direct to customer sales processes recently overhauled to improve conversion

Sales team re-structured in Q2 FY17 to efficiently support the buyer through the sales process at minimal cost

- **End-to-end processes redesigned** to maximise sales efficiency and lead conversion
- **Redefined team roles** for lead qualification and sales

New and improved personalised property reports to better inform customers and support decision making

Better client experience based on early feedback, with improved **visibility and KPIs for sales management**

Increasingly detailed profiling of iBuyNew buyers is driving our continuous improvement of marketing and SEO



Ramping up sales capacity in FY17 with addition of commission-only agents

Significant potential to increase sales by taking full advantage of current lead volume

- Rapidly growing commission-only sales team to manage lead volume
- Lead volume continuing to grow from **marketing optimisation and new digital partnerships**

Sales team was 4 FTE in November 2016 and has grown to 10 FTE already with 5 additions planned within H2 FY17

- Low fixed cost hires with commission-based incentive structure

ALEX CARACO IS SPEARHEADING SALES TEAM GROWTH LEVERAGING 35 YEARS' OF SALES AND LEADERSHIP EXPERIENCE

Strong growth expected in B2B sales generation



**BUILDING AN
EXTENSIVE REFERRAL
NETWORK**
drives growth in lead
volumes

Acquisition of Nyko in H1 FY17 gave immediate access to leads from an extensive referral network:

- ✓ **4,000 mortgage brokers**
- ✓ **390 referral partners**
(accountants and financial planners)

Nyko's sophisticated research products are highly complementary to iBuyNew's unrivalled choice:

- ✓ Highly compelling offer to B2B partners
- ✓ **Strong start to out integrated offering since acquisition completed**

iBuyNew is actively exploring **additional channel partnerships** to access pre-qualified leads



**B2B LEADS ARE 'PRE-
QUALIFIED'**
supporting advisor
productivity

Leads are effectively pre-qualified by our referral partner

- ✓ Customers are ready to buy
- ✓ Pre-qualification results in reduced sales agent time per sale and higher returns on advisor time

B2B referrals are on a 'pay for success' basis

- ✓ Commission-sharing arrangements ensures we only pay for converted leads

Incremental volumes from B2B support iBuyNew's ability to secure exclusive development allocations

Deepening our relationships with developers

CLEAR PROPOSITION TO DEVELOPERS

- No overheads
- No marketing spend
- Association with a trusted and reputed distribution brand

SCALE SUPPORTS IMPROVEMENT IN OUR TERMS

- Increased commission margins
- Favourable allocation of stock
- Trusted quality and finishes
- Exclusive, market-leading incentives on offers for buyers

FOCUSED ON INCREASING EXCLUSIVES

- IBN Projects – our new brand for exclusive marketing of select developments

Many of Australia's leading developers list their properties on the iBuyNew platform



Hawthorn | VIC

Auburn Residences

Soak up the rich heritage of Hawthorn, one of Melbourne's most sought after suburbs.

🏠 2 \$1,250,000 - \$1,250,000

🏠 3 \$1,400,000 - \$1,400,000

[View Detail](#)



Botany | NSW

Eora Apartments

Situate yourself less than 10km from Sydney CBD in this luxury Botany development.

🏠 1 \$665,000 - \$860,000

🏠 2 \$819,000 - \$899,000

[View Detail](#)

Strengthening the power of iBuyNew's network

POWERFUL NETWORK EFFECTS

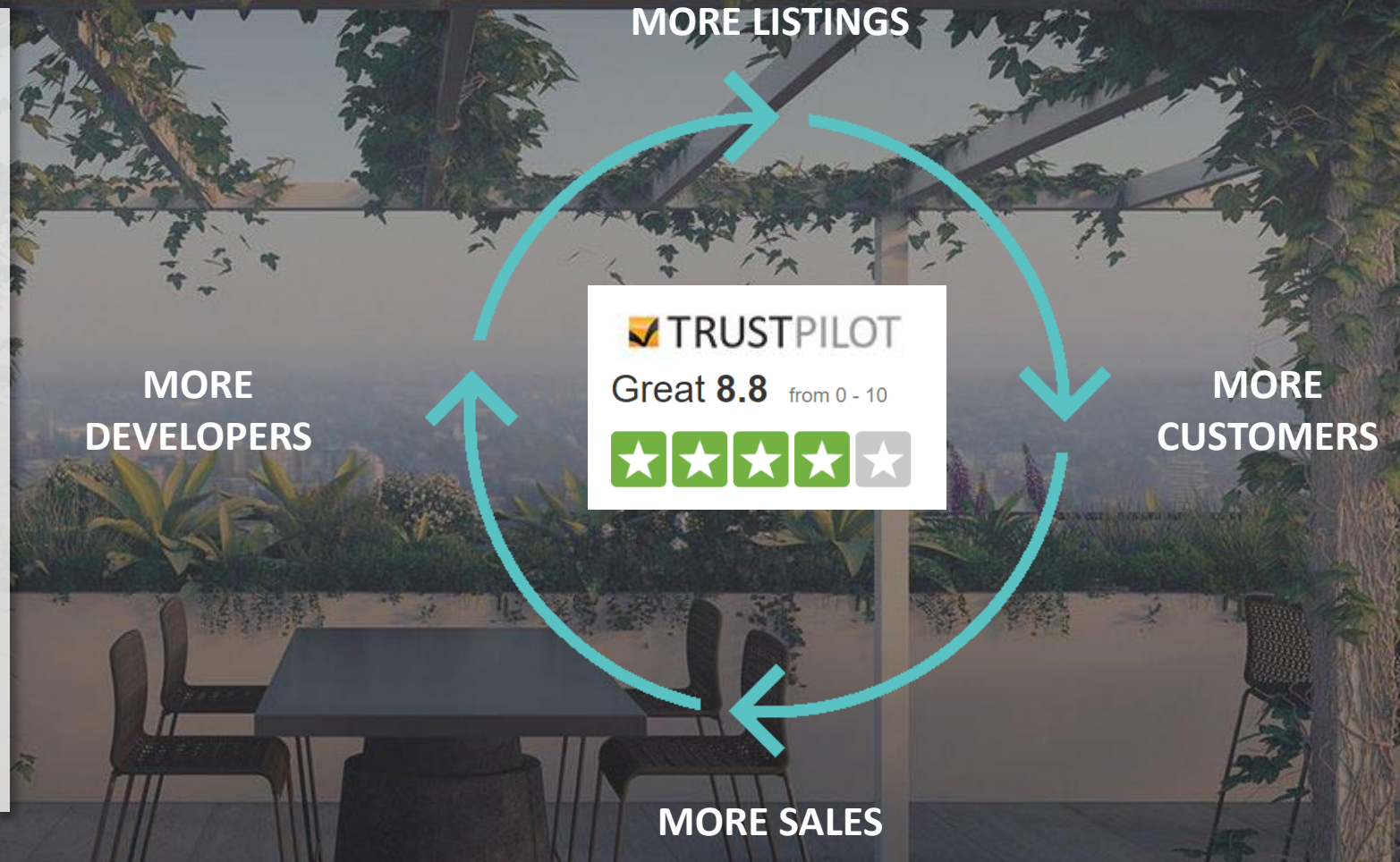
Growth in listings drives growth in customers which makes the platform more valuable

"I would certainly recommend iBuyNew to anyone wanting to buy a property off the plan."

- Christine T, Richmond, VIC

"Our experience with iBuyNew was a great one and I would thoroughly recommend them to anyone who is active in the property market."

- James K, South Brisbane, QLD



New property market offers a huge potential fee pool



**150,000+ properties
built every year**

All completed properties need to be sold
irrespective of market conditions

In a challenging environment, our
proposition to developers is resonating
even more strongly



**Commission fee pool estimated at \$2-3bn
annually on ~150,000 sales**

- Average commission of ~4%
- Average property value of \$400-500k

Sales agent market remains highly fragmented

- Biggest players capture just 3k sales per city

Long-term growth outlook remains positive

- Population increases underpin long-term demand for new properties
- Australian population projected to grow to c.26m by 2020 (up 8.3% from 2016)
- Structural incentives for construction remain in place (depreciation incentives, lower stamp duty, etc.)

Future corporate developments

Direct sales growth *Leverage new sales process and team*

- Landmark 'online-only' reservation to drive awareness campaign in H2 FY17
- Sales team growth to continue, driving ability to reach and convert more leads
- Marketing optimisation to continue supporting further growth in lead volumes

B2B growth *Generate and convert high-quality leads*

- Fully leverage power of Nyko's referral partnerships
- Roll-out Nyko B2B strategy with new partners
- Continue to explore opportunities to partner with international players, especially in China

Revenue recognition *Settlement income*

- \$4m+ pipeline of settlement revenue to be booked over 2017-19 (\$2.8m net of costs)
- High confidence in receiving settlement revenue likely to result in change in accounting treatment to full recognition at point of sale

Cost saving initiatives *Improving bottom line*

- The focus for H1 FY17 consisted of consolidating the remaining 50% of iBuyNew, integrating Nyko and implementing an optimised sales process
- Management believes that these initiatives, together with a cost management programme, should position the group well for the future

Partnership opportunities *Value accretive*

- iBuyNew may consider strategic M&A and other partnership opportunities which would support and drive qualified lead generation and maximise value of our brand and platform

Corporate structure

Key shareholders

Mark Mendel & Marshe Nominees¹	Founder and CEO	29.3%
Markoff Family	Long-standing shareholder	3.7%
Wallis-Mance	Long-standing shareholder	3.3%
TW Consulting	Long-standing shareholder	3.2%

Capital structure

Share price (27-Feb-17)	A\$0.007
Number of shares	1.0bn
Market capitalisation	A\$7.1m
Cash (31-Dec-16)	A\$0.6m
Debt (31-Dec-16)	A\$1.8m
Enterprise value	A\$8.3m
<i>Memo: future receivables book (net of expenses)</i>	<i>A\$2.8m</i>

Share price performance



THANK YOU

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