



The Manager
Company Announcements
Australian Securities Exchange
Level 5, 20 Bridge Street
SYDNEY NSW 2000
By E-Lodgement

27 April 2017

iBuyNew Update - Delivers Sales & Revenue Momentum in March Quarter.

iBuyNew Group Limited (ASX: IBN) (“Company”) is pleased to provide an update for the quarter ended 31 March 2017 (“Q3 FY17”). The Company operates iBuyNew.com.au, a leading Australian online new property marketplace, (“iBuyNew”) and Nyko Property, a new property research and advisory services firm, (“Nyko”). The Company’s results for Q3 FY17 reflect 100% of the results of iBuyNew and Nyko. Nyko’s results prior to its acquisition are not included in the Company’s results from the prior comparable period, Q3 FY16, (“PCP”).

Key Highlights

- 38¹ new property sales a 65% increase in number of sales from PCP;
- \$15.07m² of Total Transaction Value (“TTV”) a 25% increase from PCP;
- \$1.05m of Commissions Generated³ an 86% increase from PCP;
- \$1.13m in Total Revenue from Exchange and Settlements⁴ up 146% from PCP setting a new iBuyNew record;
- Appointment of Alex Caraco, former 11-year veteran CEO of Coldwell Banker as CEO and Executive Director of iBuyNew with founder Mark Mendel to transition to a Head of Strategy role;
- Material cost reduction plan initiated - targeted to deliver c.\$700k annualised net savings from 1 July 2017;
- Significant growth across iBuyNew’s commission-only sales team (+12) and Nyko’s BDM team (+2). The iBuyNew sales team now comprises of 16 sales consultants across NSW, QLD, VIC and WA;
- 110% increase in website lead volume from the PCP with additional website and lead generation initiatives to support sales team growth;
- House and land sales momentum commences, early sales generated during the quarter; and
- Exclusive Chinese distribution partnership with Fulee Real Estate generates traction leading to pilot property tour program for international buyers in late April 17.

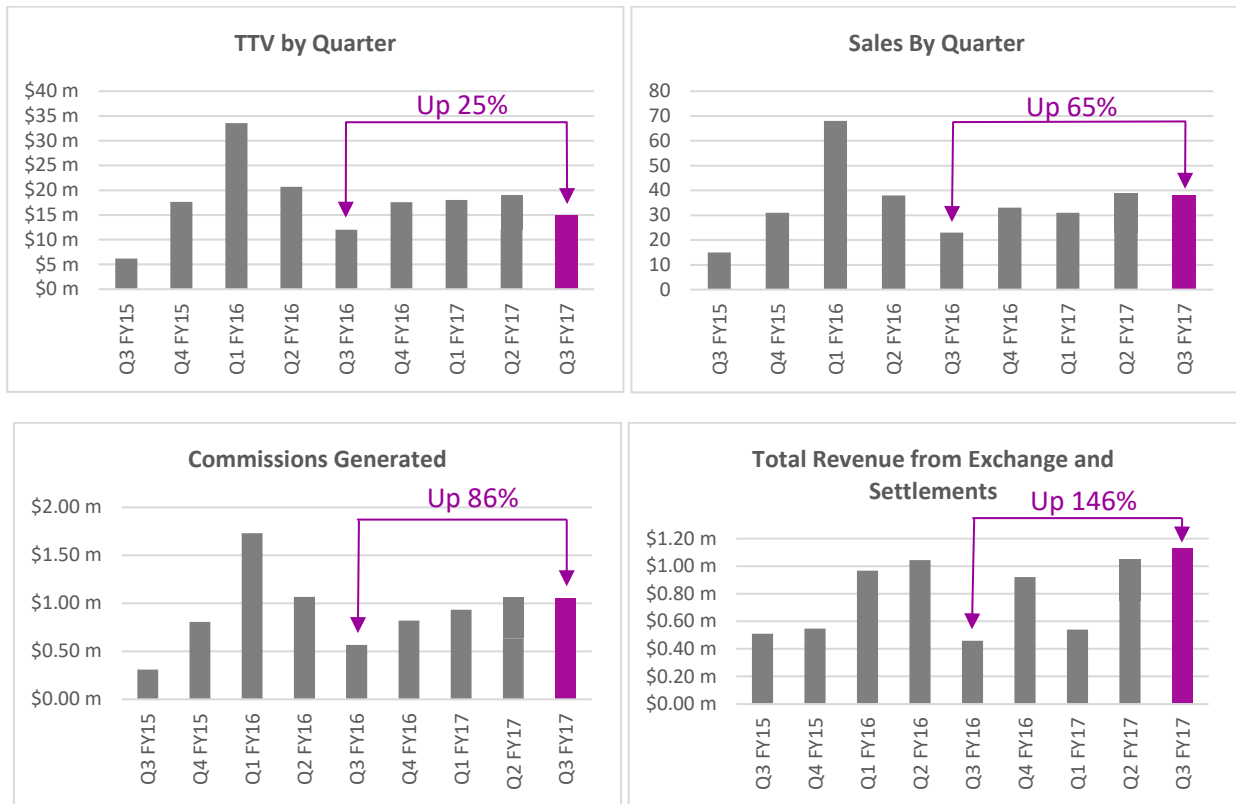
¹ In the scenario that iBuyNew agents sell a Nyko listed property both iBuyNew and Nyko will recognise this as 1 sale, iBuyNew is treated as a Corporate Partner as both companies receive separate commissions for the sale from the developer. As for TTV, the value is recognised only once across the Company. During Q3 FY17 8 sales were achieved under this referral sale treatment.

² Refer above

³ “Commissions Generated” refers to the commissions payable on properties sold during the period and includes an amount paid immediately upon contract exchange (exchange income) and an amount expected to be payable in the future when the property is completed and the contract is settled (settlement income).

⁴ “Total Revenue from Exchange and Settlements” comprises both upfront exchange income plus settlement income from past property sales. It does not include any future settlement income commissions owed but not yet paid.

Key Financial Metrics Q3 FY17



Company's Results*	Q3 FY16	Q3 FY17	% Difference
TTV	\$12.03m	\$15.07m	25%
Sales	23	38	65%
Commissions Generated ¹	\$0.56m	\$1.05m	86%
Total revenue from exchange and settlements ²	\$0.46m	\$1.13m	146%

*Results are on an unaudited basis

The Company was successful in delivering growth across key metrics despite Q3 historically being a seasonal low for sales when compared to other quarters.

38 sales were recorded in Q3 FY17 marking a 65% increase in sales from PCP of 23 sales in Q3 FY16. \$15.07m in TTV was recorded across the Group, a 25% increase from the PCP in Q3 FY16.

Pleasingly, \$1.05m of commissions were generated in the quarter and increase of 86% from PCP. Total revenue from exchange and settlements set a new quarterly record of \$1.13m rising 146% from PCP reflecting strong settlements revenue of \$0.57m as a higher number of properties settled during the quarter.

At the end of Q3 FY17 the Company's future commissions receivable book was valued at \$3.70m, largely in-line with management's expectations.

Commenting on the results, newly appointed iBuyNew CEO, Mr Alex Caraco said:

"Generating sales remains as our core priority as we increase the level of activity across all areas of the business. During the quarter we started executing our new growth plan, we commenced by accelerating the hiring of highly skilled commission only sales agents offering attractive commission, and access to our proprietary system and processes. Since the commencement of accelerated hiring, our salesforce footprint has increased significantly.



“Our planning and lead generation initiatives have shifted to focus on potential high growth areas, the market has changed and iBuyNew will continue to adapt to the changing conditions.

“We are well positioned now to take advantage of market conditions and because of that we’ve seen new opportunities generated for iBuyNew. As an example, iBuyNew has experienced an increased level of developer inquiries and buyer incentives offered. These extra bonuses enable iBuyNew to offer a more compelling product, at the end of the day all apartments constructed will need to be sold.”

Corporate and Strategic Update

During Q3 FY17 the Company executed the following changes in line with renewed strategic priorities:

- Alex Caraco appointed as CEO of iBuyNew and appointed as Executive Director of iBuyNew Group Limited;
- Mark Mendel transitions from CEO to Head of Strategy role;
- Dr Adir Shiffman retires as Non-Executive Chairman and John Kolenda retires as a Non-Executive Director;
- Calvin Ng is appointed as interim Non-Executive Chairman of iBuyNew Group Limited;
- Andrew Jensen will retire as Chief Financial Officer (CFO) and transition from Executive Director to Non-Executive Director during Q4 FY17; and
- Streamlined three-person Board now comprises Calvin Ng, Andrew Jensen and Alex Caraco.

Cost Cutting Initiatives

As outlined in a previous Company announcement, the Company has begun implementing an aggressive cost cutting plan targeting an annualised cost reduction of c. \$700k per annum as of 1 July 17. Progression towards the initiatives commenced during the quarter as the Company was successful in resolving:

- The closure of the Brisbane office to reduce leasing expenses;
- Termination of non-revenue generating external contracts;
- A full review of the Company’s web development budget; and
- Restructure of the Board of Directors including a reduction in Director fees.

Further, the Company anticipates further savings from further cost cutting in excess of the c\$700k pa identified above. Updates will be provided in the Q4 FY17 quarter update.

Subsequent events

Non-renounceable rights issue

On 12 April 2017 the Company announced a non-renounceable pro-rata rights issue of 2 fully paid ordinary shares for each 3 shares held by eligible shareholders to raise approximately \$2.03m before costs. The entitlement offer is being offered at a price of A\$0.003 per share. In connection with the Entitlement Offer, the Company confirms that it has received commitments in aggregate of \$1.35m comprising:

- \$0.10m from Directors and management taking up their pro rata entitlements under the Entitlement Offer; and
- \$1.25m from certain existing shareholders and new investors to subscribe for their pro rata entitlement under the Entitlement Offer (if applicable) and to take up a portion of the Shortfall.

In addition, the Company has received a commitment from Mark Mendel and Marshe Nominees to subscribe for up to \$0.50m of their pro rata entitlement under the Entitlement Offer. It should be noted that this commitment will be satisfied by off-setting the subscription price for the new Shares against the \$0.50m loan currently outstanding to Mr Mendel and Marsh Nominees (rather than by providing cash to the Company). This will have the effect of repaying the entire balance of the loan under the Company’s Loan Facility with Mr Mendel and Marsh Nominees.



Further, Mr Mendel and Marshe Nominees have agreed to defer payment of the second deferred cash payment (of \$500k) for the acquisition of Find Solutions Australia as follows:

- \$250k will be payable between 1 January and 1 April 2018, subject to the board of the Company being satisfied that it has sufficient cash to operate the Company's business; and
- \$250k will be paid on 31 December 2018.

These payments may be settled by the Company redrawing the loan under the Company's Loan Facility with Mr Mendel and Marsh Nominees.

The impact of the rights issue including the reduction in debt greatly improves the balance sheet of the Company.

Appointment of new CFO and Company Secretary

The Company is pleased to advise that Aliceson Rourke has been appointed as part-time CFO and Joint Company Secretary, effective 1 May 2017. Anand Sundaraj will continue as the Company Secretary until 30 June 2017. After this date, Ms Rourke will be the sole Company Secretary.

Ms Rourke is an experienced Chartered Accountant with over 10 years of experience as CFO and holds extensive ASX-listed experience in the areas of corporate governance and secretarial functions having previously held positions as Company Secretary for a number of private and ASX listed companies. Most recently, Ms. Rourke was the CFO and Company Secretary of an ASX-Listed company, which included the oversight of all financials, forecasting, budgets and maintenance of statutory accounts.

iBuyNew CEO, Alex Caraco, said, "The appointment of Ms. Rourke forms part of our strategic priorities and further improves our cost initiatives, we are excited to have Ms. Rourke working with us as the Company moves through its transition towards sustainable growth. Ms. Rourke's exposure across multiple sectors in the private and listed space is a perfect fit for our current and future structure. Ms. Rourke's extensive experience in building and enhancing financial systems and processes through both a financial and operational aspect will be invaluable to the future growth of iBuyNew.

"The Board of iBuyNew Group would like to thank Andrew Jensen who has been an Executive Director of the Company since March 2016. Mr Jensen will transition from being an Executive Director to a Non-Executive Director of the Company. In addition, the Board would like to thank Anand Sundaraj who has been acting as Company Secretary since June 2015. Mr Sundaraj will retire a Company Secretary effective from 30 June 2017."

Assessing Potential Acquisition

Execution of a non-binding agreement on 11 April 2017 to potentially acquire via the issuance of shares in IBN a profitable local and international real estate agency for new property. Since the signing of the non-binding agreement, the Company has commenced early stage due diligence to assess the feasibility of the transaction. A Company update is anticipated in Q4 FY17 to update progress (if any) on the transaction.

ENDS

Further inquiries:

Alex Caraco – iBuyNew Executive Director and CEO

M: 0407 502 100



About IBN

iBuyNew Group Limited (formerly known as Disruptive Investment Group Limited) operates iBuyNew.com.au and Nyko Property. iBuyNew and Nyko operate a leading Australian online marketplace and a research and advisory firm that helps buyers find, compare and buy new property.

iBuyNew.com.au is where Australians go to buy new property. The platform allows prospective buyers to compare, reserve and buy from more than 4,200 listings across 146 developments, as well as a range of new house and land packages. Nyko focuses on new property distribution to B2B/corporate partners through research reports and its advisory services. Together, the businesses distribute new property sales across B2C and B2B channels across Australia.

The Company has a highly experienced board and management team that has a history in technology, corporate finance and sales, which it applies to increase the growth and profitability of its investments. The board is committed to providing management with the assistance and contacts required, in order to take their businesses to the next level.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Name of entity

iBuyNew Group Limited (formerly known as Disruptive Investment Group Limited) (Company)

ABN

20 108 958 274

Quarter ended ("current quarter")

31 March 2017

NOTE: As at 30 September 2016, the Company owned 50% of Find Solutions Australia Pty Ltd (FSA), the owner and operator of iBuyNew.com.au. Accordingly, only 50% of the cash flow and closing bank balance of FSA was consolidated into the Company's Appendix 4C for the quarter ended 30 September 2016. On 31 October 2016, the Company completed the acquisition of the remaining 50% of FSA (**Acquisition**). Notwithstanding the October completion, pursuant to the terms of the Acquisition, the effective date of the Acquisition was 1 July 2016. Accordingly, the Company's Appendix 4C for the quarter ended 31 March 2017 reflects its 100% ownership of FSA as effective from 1 July 2016.

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,348	2,742
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs and/or direct costs	(346)	(704)
(c) advertising and marketing	(185)	(547)
(d) leased assets	(1)	(4)
(e) staff costs	Wages (369) Consultant Fees (43) Directors Fees (17)	Wages (1,344) Consultant Fees (146) Directors Fees (99)
(f) administration and corporate costs*	(147)	(921)
1.3 Dividends received (see note 3)		
1.4 Interest received	-	4
1.5 Interest and other costs of finance paid	(39)	(77)
1.6 Income taxes paid	-	(137)
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	201	(1,233)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
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* 'administration and corporate costs' relate to all other operating costs except for those listed from (a) to (e) and movement of restricted cash held on trust.

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(4)	(20)
	(b) businesses (see item 10)		
	(c) investments	-	(1,004)
	(d) intellectual property		
	(e) other non-current assets	-	(4)
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment		
	(b) businesses (see item 10)		
	(c) investments		
	(d) intellectual property		
	(e) other non-current assets	-	39
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)	-	75**
2.6	Net cash from / (used in) investing activities	(4)	(914)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares		
3.2	Proceeds from issue of convertible notes	-	1,350*
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(99)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings	(19)	(33)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	(19)	1,218

* As announced on 3 October 2016, the Company received proceeds of \$1.35m (before costs) via the issuance of 75,000,005 convertible notes at an issue price of \$0.018 per note (**Convertible Notes**). Proceeds from the Convertible Notes were used to fund the upfront cash consideration for the acquisition of Nyko Property Pty Ltd (**Nyko**), general working capital and other growth initiatives in relation to iBuyNew and Nyko.

** Nyko's cash balance as at 31 October 2016 (\$75,376) has been included in Q2 and Q3 FY17 cash flow to reflect the 100% acquisition of Nyko on the same date.

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date**	539	1,646
4.2	Net cash from / (used in) operating activities (item 1.9 above)	201	(1,233)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4)	(914)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(19)	1,218
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter*	717	717

* The cash balance includes \$169,750 restricted cash held on trust.

** The opening balance has been restated to reflect 100% of FSA's Q1 cash flow.

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	717	717
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	717	717

6. Payments to directors of the entity and their associates

**Current quarter
\$A'000**

6.1 Aggregate amount of payments to these parties included in item 1.2

25

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

\$8,300 for accounting & tax services rendered by entities partially controlled by John Kolenda and Calvin Ng.
\$16,500 for directorship services were to paid entities partially controlled by John Kolenda, Calvin Ng and Adir Shiffman.

7. Payments to related entities of the entity and their associates

**Current quarter
\$A'000**

7.1 Aggregate amount of payments to these parties included in item 1.2

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	500	-
8.2 General Other Creditor	500	-
8.3 Convertible notes	1,350	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Key terms of the Loan Facility (8.1):

- **Lenders:** FSA vendors (i.e. Mr Mark Mendel and Marshe Nominees Pty Ltd) (**FSA Vendors**).
- **Borrowers:** FSA.
- **Loan Facility:** An aggregate amount of up to \$1,000,000, consisting of two equal payments, the first deferred cash payment and second deferred cash payment.
- **Drawdown:** Available in two \$500,000 tranches on 31 December 2016 and 1 May 2017 equivalent to the first deferred cash payment and the second deferred cash payment, respectively. The first tranche (of \$500,000) was drawn on 31 December 2016
- **Repayment:** On or before the final maturity date, 31 December 2017 (unless extended by mutual agreement in writing between the parties), FSA must repay all outstanding amounts and pay all interests, fees and other money payable to the FSA Vendors under or in connection with the facility agreement and the specific security deed.
- **Interest:** 8% per annum calculated daily until repaid.
- **Guarantee:** Provided by the Company and is unconditional.
- **Representations and warranties:** The facility agreement is subject to a range of standard form representations and warranties provided by the Company and FSA.

During Q4 2017, the Loan Facility will be reduced from \$1,000,000 to \$500,000 as a result of the FSA Vendors taking up \$500,000 of new shares under the Company's Rights Issue (\$500,000 owed under the Loan Facility will be set off against the subscription amount for new shares under the Rights Issue). Further, the FSA Vendors have agreed to defer payment of the second deferred cash payment (of \$500,000) for the acquisition of Find Solutions Australia as follows:

- \$250,000 will be payable between 1 January and 1 April 2018, subject to the board of the Company being satisfied that it has sufficient cash to operate the Company's business; and
- \$250,000 will be paid on 31 December 2018.

Key terms of the Convertible Notes (8.3):

- 75,000,005 convertible notes were issued at \$0.018 per note (**Convertible Notes**).
- Interest rate is 10% per annum, accrued daily and paid monthly in arrears.
- The Convertible Notes are repayable at a maturity date of 24 months from the date of issue.
- Each Convertible Note may be redeemed or converted to the Company's shares at any time prior to the maturity date at an initial conversion price of \$0.018 per Share, subject to further adjustments in certain circumstances as described in the "Convertible Note Deed Poll".
- The Convertible Notes will be unsecured and will constitute direct, unsubordinated and unconditional obligations of the Company.
- The holders of Convertible Notes will have no rights to vote on any matter except for matters affecting the rights under the Convertible Notes.
- The holders of Convertible Notes have no rights to participate in any dividend declared or other distribution by the Company.

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Research and development	
9.2	Product manufacturing and operating costs and / or direct costs*	616
9.3	Advertising and marketing	163
9.4	Leased assets	5
9.5	Staff costs **	560
9.6	Administration and corporate costs ***	341
	Sub Total	1,685
9.7	Interest expense	61
	Tax payments	90
9.8	Total estimated cash outflows	1,836

* Direct costs include exchange & settlement commissions paid to sales agents and external referral fees, these reflect the strong sales during March (and resultant exchange commission payments to agents and referrers) and exchange and settlement commission payments that are anticipated to be paid during Q4.

** Staff Costs includes restructure costs and director fees.

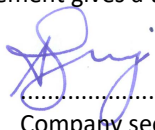
*** These costs include costs associated with the Rights Issue.

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity		
10.2	Place of incorporation or registration		
10.3	Consideration for acquisition or disposal		
10.4	Total net assets		
10.5	Nature of business		

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Sign here: 

Date: 27/04/2017

Company secretary

Print name: Anand Sundaraj

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.