



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

31 July 2017

## iBuyNew Group Update

### Delivers 98% TTV growth and 67% Sales Growth in June Quarter,

### Announces Full Year Revenue Growth

iBuyNew Group Limited (ASX: IBN) (“Company”) is pleased to provide an update for the financial year ending 30 June 2017 (“FY17”) and quarter ended 30 June 2017 (“Q4 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 FY17 and Q4 FY17 reflect 100% of the results of iBuyNew and Nyko from the date of its acquisition. Nyko’s results prior to its acquisition are not included in the Company’s results for the FY16 and Prior Comparable Period, Q4 FY16, (“PCP”).

#### Q4 FY17 Key Highlights

After a sluggish first 3 quarters of FY17, Q4 was the strongest quarter of FY2017 seeing strong sales momentum delivered from new strategies under the leadership of Alex Caraco;

- \$31.80m<sup>1</sup> Total Transaction Value (“TTV”) a 98% increase in TTV from the PCP Q4 FY16;
- 55 new<sup>2</sup> property sales a 67% increase in number of sales from the PCP Q4 FY16;
- \$1.27m in Commissions Generated<sup>3</sup> a 55% increase from PCP Q4 FY16; and
- \$0.99m in Total Revenue from Exchange and Settlements<sup>4</sup> a 7% increase PCP Q4 FY16;

#### FY17 Key Highlights

Based on preliminary and unaudited financial accounts, a strong Q4 2017 has enabled the Company to achieve year on year growth in revenue and commissions generated on largely flat TTV and sales vs FY16;

- \$3.71m Total Revenue from Exchange and Settlements<sup>8</sup> up 9% from FY16
- \$4.32m Commissions Generated<sup>7</sup> up 3% from FY16;
- \$84.02m of TTV<sup>1</sup> down 1% from FY16.;
- 163 Sales down 1% from FY16;

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<sup>1</sup> 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 Q4 FY17 2 sales were achieved under this referral sale treatment.

<sup>2</sup> Refer to above

<sup>3</sup> “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).

<sup>4</sup> “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.

- The Company's future commissions receivable now valued at \$4.01m at 30 June 2017 (subject to settlement), an 8% increase from 31 March 2017;
- iSelect signs agreement with iBuyNew, becoming a top tier partner;
- Successful non-renounceable pro-rata rights issue raising a total \$2.03m before costs;
- On target to deliver cost reduction plan in new financial year; and
- Discussions on potential acquisitions continue.

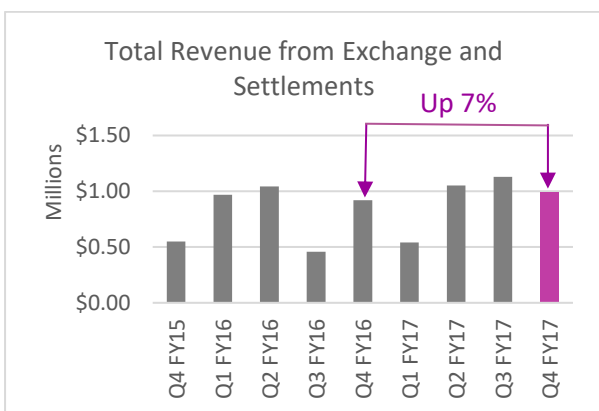
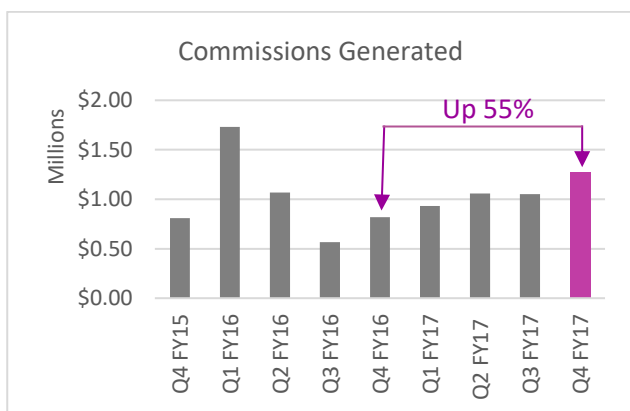
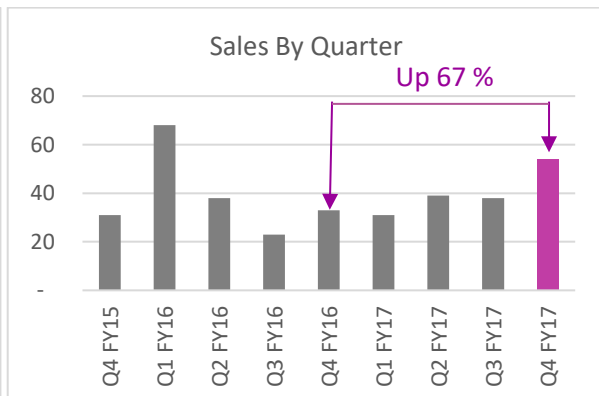
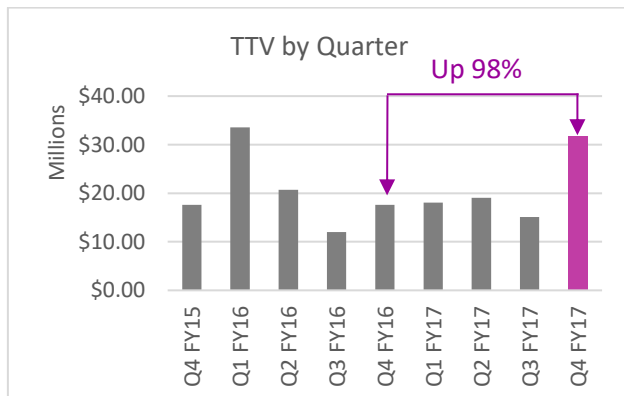
### Key Financial Metrics

Q4 FY17 Company Results*	Q4 FY16	Q4 FY17	% Difference
<b>TTV</b>	\$16.10m	\$31.80m	98%
<b>Sales</b>	33	55	67%
<b>Commissions Generated</b> <sup>6</sup>	\$0.82m	\$1.27m	55%
<b>Total revenue from exchange and settlements</b> <sup>5</sup>	\$0.92m	\$0.99m	7%

\*Results are on an unaudited basis

FY17 Company Results	FY16	FY17^	% Difference
<b>TTV</b>	\$84.70m	\$84.02m	-1%
<b>Sales</b>	165	163	-1%
<b>Commissions Generated</b> <sup>6</sup>	\$4.20m	\$4.32m	3%
<b>Total revenue from exchange and settlements</b> <sup>5</sup>	\$3.40m	\$3.71m	9%

^Results are on an unaudited basis





## Commentary on the Results

The Company had an exceptional Q4 2017 recording 98% TTV growth vs PCP. This growth was underpinned by the recent onboarding and sales of high quality developments across the eastern seaboard which increased the average transaction value per sale by 18% from the PCP from \$0.49m to \$0.58m per sale and also a 67% increase in number of sales (55 vs 33 in PCP).

The growth in TTV has translated into Commissions Generated also increasing significantly during the quarter which has or will flow into both upfront exchange and future settlement commission revenues.

Total revenue from exchange and settlements recorded \$0.99m which was 7% greater than the PCP, reflecting strong upfront income but lower settlements occurring during the Q4 FY17 quarter.

At the end of Q4 FY17 the Company's future commissions receivable book was valued at \$4.01m a 8% increase from the last quarter of Q3 FY17, contributing largely to the increase in value was the increase in sales across iBuyNew and Nyko and a lower number of settlements received during the quarter.

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

"The final quarter of FY17 has been very pleasing in what we have been able to achieve financially and strategically. We have seen a strong performance across key metrics company wide, the benefits of the Nyko acquisition are continually flowing through, and we are constantly reviewing and optimising all areas of the business in-light of the recent high level structural changes.

"The Company has surpassed the inflection point where the initial phase of the recruitment and training program is now past pilot. Sales growth during the quarter were significantly enhanced by targeting quality prestige properties and first home buyers with the accelerated recruitment of experienced commission only sales agents across Australia, iBuyNew's footprint is anticipated to grow with the recent new recruitment of experienced agents in Perth and South Australia.

"iBuyNew Group remains focused on driving sales and adjusting to the market conditions. I'm particularly pleased that our decision to target quality properties has boosted sales, transactional value and revenue growth. We've spent a significant amount of time understanding our database and leads to increase both sales and transactional growth.

"The financial and strategic outcomes of the quarter are very pleasing and reflect the dedication of the iBuyNew and Nyko team. We look forward to executing the newly revised plan in the new financial year to enhance shareholder value."

## Nyko Property Update

In Q4 FY17 Nyko continued to deliver positive sales momentum as the Company's investment into business development managers across NSW and VIC displayed further signs of early traction and growth. During the Q4 quarter Nyko generated 23 sales of which 11 were delivered in June.

Since the acquisition in November 16, Nyko has recorded 53 sales and \$21.88m in TTV representing significant growth for the eight-month period when compared to Nyko's full year FY16 results of 56 sales and \$28m in TTV (FY17 and results prior to the acquisition are on an unaudited basis).

Commenting on the results, Nyko Head of Corporate Partnerships, Mr Bill Nikolouzakis said:

"Nyko's BDM team has grown significantly since acquisition and has already shown an increase in engagement from our corporate partners. With all new BDM's now out of their initial induction period we expect to see referrals increase further this half. To ensure that we are seamlessly reaping the benefits of the larger team, we've developed a communication feedback system to leverage our channel partners. From that feedback, we've identified a deep trend due to the shift in market conditions and a movement towards holistic financial advice, including property, across financial services in general. As the market tightens we've seen that our mortgage broker, accountant and financial adviser corporate partners are looking at ways to diversify their service offering and revenue opportunities.



“Our June results are a perfect example of our BDM’s generating higher engagement with our corporate partners. I would like to recognise the hard work undertaken over the past few months by the entire Nyko and iBuyNew team. Reaching this significant milestone demonstrates the commitment and belief we have in this value-creating acquisition by iBuyNew” He added.

### Corporate and Strategic Update

During Q4 FY17 the Company executed the following changes in line with the revised business plan:

- Appointment of Aliceson Rourke as part-time Chief Financial Officer (CFO) and Company Secretary;
- Andrew Jensen retires as CFO and transitions from Executive Director to Non-Executive;
- Anand Sundaraj retired as Company Secretary at 30 June 2017;
- Non-executive Directors Mr Calvin Ng and Andrew Jensen agreed to a reduction in Director fees to \$30k per annum effective 1 April 17;
- Mark Mendel retires from iBuyNew on 30 June 2017; and
- Successful non-renounceable rights issue raising a total of \$2.03m (before costs). The Company issued a total of 677,617,660 shares pursuant to the entitlement offer on 17 May 2017;

The Company continues to assess acquisition opportunities as they arise including continuing due diligence on a profitable local and international real estate agency as disclosed in the last quarterly update.

The Company will provide an update on the transactions once further progress is made.

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 5,500 listings across 220 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

**ABN**

20 108 958 274

**Quarter ended ("current quarter")**

30 June 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 30 June 2017 reflects its 100% ownership of FSA as effective from 1 July 2016.

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	525	3,267
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs and/or direct costs	(410)	(1,114)
(c) advertising and marketing	(167)	(714)
(d) leased assets	(1)	(5)
(e) staff costs	Wages (502) Consultant Fees (119) Directors Fees (48)	Wages (1,846) Consultant Fees (265) Directors Fees (147)
(f) administration and corporate costs*	(252)	(1,173)
1.3 Dividends received (see note 3)		
1.4 Interest received	2	6
1.5 Interest and other costs of finance paid	(49)	(126)
1.6 Income taxes paid	-	(137)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,021)</b>	<b>(2,254)</b>

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 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.21

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(1)	(22)
	(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)	359	435**
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>358</b>	<b>(556)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	1,513	1,513
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	(93)	(192)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(31)	(64)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>1,389</b>	<b>2,607</b>

\* 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. Adjusted is the Nyko trust account balance of \$359,444 at 30 June 2017

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date**	717	1,646
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,021)	(2,254)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	358	(556)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,389	2,607
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter*</b>	<b>1,443</b>	<b>1,443</b>

\* The cash balance includes \$478,644 restricted cash held on trust.

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

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1,443	1,443
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,443</b>	<b>1,443</b>

**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

66

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

\$18,835 for accounting & tax services rendered by entities partially controlled by Calvin Ng and John Kolenda (John Kolenda resigned 22 March 2017).

\$47,750 for directorship services to entities partially controlled by Calvin Ng, John Kolenda. (John Kolenda resigned 22 March 2017)

**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. <b>Financing facilities available</b> <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	-	-
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 was 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 was set off against the subscription amount for new shares under the Rights Issue).

The second deferred cash payment (of \$500,000) for the acquisition of Find Solutions Australia is now repayable 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.

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Research and development	
9.2 Product manufacturing and operating costs and / or direct costs*	640
9.3 Advertising and marketing	160
9.4 Leased assets	5
9.5 Staff costs **	450
9.6 Administration and corporate costs	250
<b>Sub Total</b>	<b>1,505</b>
9.7 Interest expense	40
Tax payments	90
<b>9.8 Total estimated cash outflows</b>	<b>1,635</b>

\* Direct costs include exchange & settlement commissions paid to sales agents and external referral fees, these reflect the strong sales during June (and resultant exchange commission payments to agents and referrers). The Company expects to receive \$1,590k in settlement income alone during Q1 FY18.

\*\* Staff Costs includes direct salary and wages and director fees.

<b>10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>	<b>Disposals</b>
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: .....  
Company Secretary

Date: 31/07/2017

Print name: Aliceson Rourke

**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.