



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

22 August 2017

iBuyNew Group Announces the acquisition of the assets of Indo-Pacific Property

Key Highlights

- iBuyNew Group enters into Asset Sale Agreement to purchase the assets of leading Western Australian real-estate project marketing business Indo-Pacific Property;
- Assets purchased from Indo-Pacific Property include a \$2.6m future commissions receivable book, a property management business and rent roll and all associated brand and intellectual property;
- Assets will be integrated and managed by existing IBN team;
- Transaction will be materially accretive to future revenue without material incremental cost;
- Pro-forma Future Commissions Receivable book of c.\$6.58m gross and c. \$3.90m net;
- Consideration for the purchase is \$625k payable via the issuance of 208,333,000 IBN shares at \$0.003 per share in two tranches, upfront consideration of 166,666,667 shares and deferred consideration of 41,666,666 shares¹;
- IBN will also pay the vendors 50% of the commissions received by IBN from the future commissions receivable book in excess of \$250k; and
- Shareholder base strengthened with McRae Investments (the vendor of the assets) becoming a c.10% shareholder¹ and McRae Investments Executive Chairman Stephen Quantrill to join IBN's board.

iBuyNew Group Limited (**ASX: IBN**) ("**Company**" or "**IBN**") operator of iBuyNew.com.au, a leading Australian online new property marketplace, ("**iBuyNew**") and Nyko Property, a new property research and advisory services firm, ("**Nyko**"), today announced the Company has entered into an Asset Sale Agreement to acquire assets from one of WA's leading real-estate project marketing businesses Indo-Pacific Group Pty Ltd ("**IPG**"). Owned by Perth based McRae Investments, IPG operates real estate focused brand Indo-Pacific Property ("**IPP**").

Focused on Australia-wide new property sales and property management, IPG have sold more than 300 new properties since April 2015 across Australia equating to over \$250m in Total Transaction Value ("**TTV**") and earning over \$6m in commissions. IPG have gross Future Commissions Receivables of c.\$2.6m from past property sales with c.\$570k anticipated to flow into the business within the next 12 months (subject to settlement).

In 2016, IPP was awarded 2nd Place, Top Office – Residential Project Marketing at the REIWA.COM 2016 Awards for Residential Project Sales (Western Australia only). IPP's property management arm focuses primarily on Western Australian properties with an existing rent roll with \$1.2m in annual rent. Forming part of the purchase, IBN will acquire approximately \$70k in annual reoccurring revenue derived from management fees from over 65 properties currently under management. The property management arm of the business will instantaneously enable iBuyNew and Nyko to launch property management services with IPP's systems, tools and processes.

Upon completion, Executive Chairman of IPG and IPP, Stephen Quantrill will join the Board of iBuyNew Group Limited. Stephen acts as Chairman and Company Director of a range of businesses, including in venture capital and private equity, real estate property, oil and gas, resources, bio-technology, advisory and engineering. Stephen is also the Executive Chairman of McRae Investments which will become a c.10% shareholder of the Company.

¹ Subject to meeting milestones related to deferred consideration shares.



Founded in 1965, McRae Investments is the family-owned investment and venture capital company created by successful Australian businessman Dr. Harold Clough, AO OBE and his wife Margaret. Dr Clough founded successful Australian engineering company, Clough Limited which was sold in 2005. Based in WA with investments across a wide range of sectors, investment interests include real estate, oil and gas, mining and minerals, media, industrial products and services, and bio-technology. McRae Investments' investment approach is to take significant interests in high potential companies and assets where there is the ability to be active and influence strategy and direction. Since 2015, McRae's management team has been actively navigating the strategic and operational direction of both IPG and IPP.

Mr Stephen Quantrill, the Executive Chairman of IPG and McRae Investments said:

"We are very excited by the opportunity to become a significant shareholder in iBuyNew Group, which is a highly complementary business to IPP. This transaction will provide the platform to continue growing the Indo-Pacific Property operations and brands, and we now also look forward to playing a part in further developing and growing the iBuyNew and Nyko operations and brands. We have been very impressed with the iBuyNew Group's team and vision, and I look forward to now working with the iBuyNew Group leadership team to unlock the synergies between iBuyNew and IPP."

The acquisition, in particular combined gross future receivables book of \$6.58m will be accretive to IBN's revenue and earnings and is expected to generate material synergies allowing IBN to (1) expand into property management and (2) expand its national and international footprint and relationships.

After a short transition period the IBN team will take over all IPP Australia functions.

The table below represents FY17 IBN Group, IPG results on a pro-forma unaudited basis.

Representation of the combined businesses base on FY17 results on an unaudited basis	IBN	IPG	Total
TTV	\$84.02m	\$74.80m	\$158.82m
Sales	163	106	269
Commissions generated	\$4.32m	\$1.48m	\$5.80m
Total revenue from exchange and settlements	\$3.64m	\$1.21m	\$4.85m
Future commissions receivable	\$4.01m	\$2.57m	\$6.58m
Database size	55,000	25,000	80,000

*All financial results are on an unaudited basis. IBN's future commissions receivable value recorded at 30 June 2017, IPG future commissions receivable value recorded at 21 August 2017. IPG results have been provided by IPG management and are on an unaudited basis.

Under the transaction terms, the Company will issue the vendors \$625k in IBN shares at \$0.003 per share over two tranches, upfront consideration of 166,666,667 shares and deferred consideration of 41,666,666 shares subject to transition milestones and pay the vendor 50% of the commissions received by IBN from the future commissions receivable book in excess of \$250k.

In addition, as part of the transaction, Executive Chairman of IPG and McRae Investments, Stephen Quantrill will join the IBN board. Completion of the sale is subject to the satisfaction of various conditions including regulatory and licensing approvals and confirmations.

Mr Alex Caraco, the CEO of iBuyNew and Executive Director of iBuyNew Group Limited said:

"We are taking advantage of our current platform, systems and processes to acquire good strategic fit assets that will work well within our network and capabilities. The assets expand our current offering and are complementary to our platform with attractive growth prospects and offers significant future upside in boosting sales and line-of-sight to near term revenues.

"It builds on our vision to become the leaders in new property sales and extends our national footprint across Australia and relationships internationally. This transaction is underpinned by sound strategic rationale, leveraging synergies, expertise and assets to generate further value. I also feel the Western Australian market is at a turning point and provides great real estate value and the mining industry is now beginning to slowly recover. Therefore, we believe this is the right time to invest our energies in the west and we look forward to working with the team at IPG, McRae Investments and Stephen in optimising their investment within the iBuyNew Group for the benefit of all shareholders alike." he said.



Assessing further Potential Acquisition update

The Board would like to give a further update on the potential acquisition via the issuance of shares in IBN a profitable local and international real estate agency for new property unrelated to Indo-Pacific Property. Since the execution of a non-binding agreement on 11 April 2017 the Company has continued assessment of the potential acquisition with ongoing negotiations to explore the opportunities and risks associated and to evaluate its strategic fit with the international market assessment component of the due diligence taking longer than anticipated. The Company will report the findings of its due diligence in due course.

ENDS

Further enquiries:

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 6,250 listings across 205 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.