



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

31 October 2017

iBuyNew Group Update

IBN to Expand Nationally Upon Completion of Indo Pacific Property Asset Purchase

iBuyNew Group Limited (ASX: IBN) (“Company”) is pleased to provide an update for the first quarter of FY2018 ended 30 September 2017 (“Q1 FY18”). 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”).

Q1 FY18 Key Highlights

- \$0.78m in Total Revenue from Exchange and Settlements¹ a 44% increase from the Prior Comparable Period, Q1 FY17, (“PCP”);
- 32 new² property sales a 3% increase in number of sales from the PCP Q1 FY17;
- \$0.94m in Commissions Generated³ a 1% increase from PCP Q1 FY17;
- \$17.97m⁴ Total Transaction Value (“TTV”) a 0.5% decrease from the PCP Q1 FY17;
- iBuyNew Group records 2nd highest cash receipts quarter of \$1.32m;
- The Company’s future commissions receivable now valued at \$4.53m at 30 September 2017 (subject to settlement and excluding the Indo-Pacific asset acquisition). This is a record high for the Company, an increase of 13% from Q1 FY18 and an increase of 51% from the PCP Q1 FY 17;
- The Company announced the asset acquisition of Indo-Pacific Property, the transaction will be materially accretive to future revenue and ancillary services upon Shareholder approval at the 2017 AGM held on 21 November 2017;
- Commenced training with top tier referral partner iSelect; and
- New business strategy gaining early momentum and on target with cost reset plan.

Key Financial Metrics

Company Results Q1 FY18*	Q1 FY17	Q1 FY18	% Difference
TTV	\$18.05m	\$17.97m	-0.5%
Sales	31	32	3%
Commissions Generated ³	\$0.93m	\$0.94m	1%
Total revenue from exchange and settlements ¹	\$0.54m	\$0.78m	44%

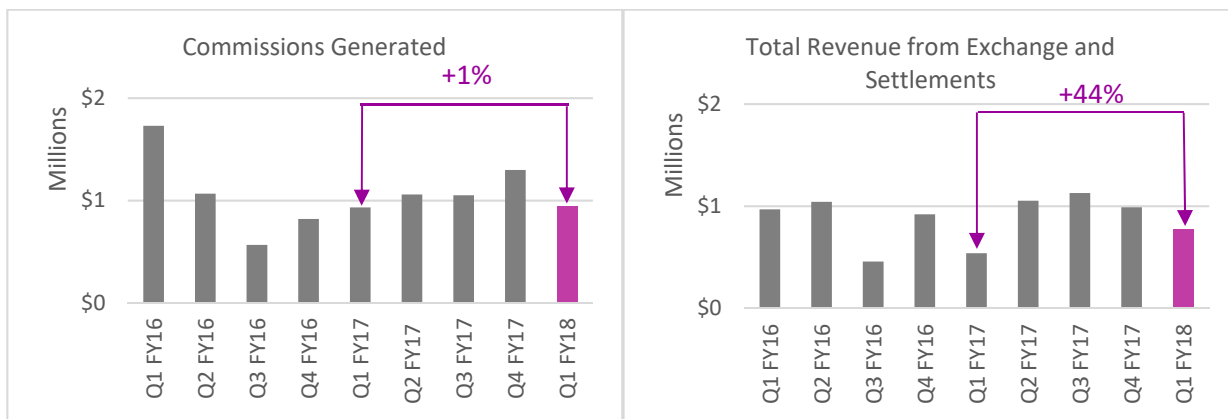
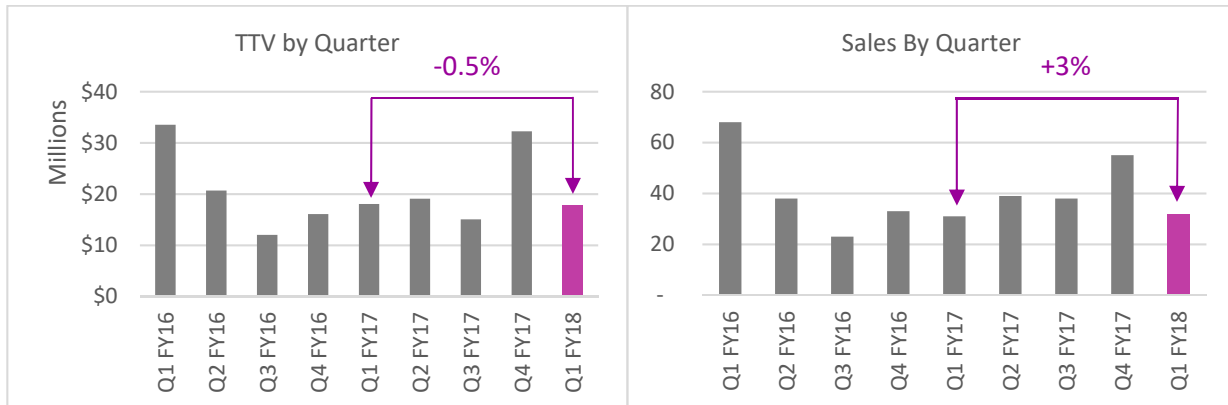
¹ “Total Revenue from Exchange and Settlements” comprises both upfront exchange income plus settlement income from past property sales. It does not include any future settlement income commissions owed but not yet paid.

² Q1 FY18 Sales represents 100% of iBuyNew and Nyko TTV, PCP results in Q1 FY17 do not include Nyko results prior to acquisition.

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 Q1 FY18 TTV represents 100% of iBuyNew and Nyko TTV, PCP results in Q1 FY17 do not include Nyko results prior to acquisition.

*Results are on an unaudited basis



^Results are on an unaudited basis

Commentary on the Results

During Q1 FY18 the Company recorded a 44% increase in total revenue from exchanges and settlements from the PCP in Q1 FY17, the results underpinned a strong settlements quarter with developments continuing to complete, and settle.

32 sales were recorded representing a slight 3% increase of the 31 recorded in the PCP in Q1 FY17. Total TTV recorded \$17.97m translating to a 0.5% decrease from the PCP in Q1 FY17, changes in state specific exemptions and stamp duty measures contributed largely to the TTV result. Positively, the Company has noticed a trend towards larger individual TTV transactions which should contribute to the overall improved TTV performance of the Company. \$0.94m of commissions were generated from the 32 sales marking a 1% increase from the PCP in Q1 FY17.

House and land sales gained further traction during the quarter however, revenues for a portion of these sales are due to be received upon settlement which typically ranges from 6-12 months from exchange or when the house or land contracts settle.

At the end of the quarter the Company recorded a future commissions receivable book valued at \$4.53m (subject to settlement).

Pleasingly, Q2 FY18 to-date, the Company has collected more than \$0.63m relating to the future commissions receivable book. These are not reflected in the Q1 FY18 quarterly cashflow report but will be reflected in the following Q2 FY18 quarter.



IBN Chief Executive Officer, Alex Caraco, said: “The result in the first quarter keeps us focused to deliver on our long-term strategy with an improved cashflow forecast for FY18 as a result of future forecast settlements and cost reduction strategies.”

“The Australian property market continues to be evolving landscape, during the quarter we’ve identified and implemented best practice to ensure that the company can react and adapt to changing market conditions. The transition to a lower cost base, through previously announced cost reduction strategies and the onboarding of commission only agents with a focus on quality project listings has started to deliver early results as we continue to expand our multi-channel services.”

“The management team remains focused on driving sales and revenue growth through the exploration of new channels, including iSelect and our traditional B2C and B2B strategies.”

“We are strategically continuing to explore new market opportunities and improving resource allocation within the Company, the recent announcement to acquire the assets of Indo-Pacific Property is an example on expanding our disruptive platform. Following completion of the acquisition of the Indo-Pacific Property assets conditional upon Shareholder approval at the 2017 Annual General Meeting (AGM), it is anticipated that IBN’s future cashflow, database and revenue from ancillary income will strengthen materially.”

Corporate and Strategic Update

Q1 FY18 saw iBuyNew Group deliver several milestones towards continuing its mission to become the number one destination and marketplace for new property. The following key activities were executed during the quarter:

- Signing of an assets sale agreement to purchase the assets of leading Western Australian real-estate project marketing business Indo-pacific Property (subject to Shareholder approval at the 2017 AGM):
 - Assets purchased from Indo-Pacific Property include a c.\$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 the existing IBN team;
 - 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 shares⁵;
 - Transaction will be materially accretive to future revenue without material incremental cost. The first \$0.25m of settlement commission will be paid direct to IBN.
 - IBN will also pay the vendors 50% of the commissions received by IBN from the future commissions receivable book in excess of \$0.25m; and
 - Shareholder base strengthened with McRae Investments (the vendor of the assets) becoming a c.10% shareholder and McRae Investments Executive Chairman Stephen Quantrill to join IBN’s board.
- Cost reset on track with an annual reduction of more than \$700k, the benefits of which should become more apparent Q2 FY18 and onwards;
- iBuyNew and Nyko continue to invest in the iSelect opportunity, with commencement of training;
- Further strengthening of the Sales team across NSW and VIC;
- The Company is currently seeking Shareholder approval to ratify the variation of previously issued Convertible Bonds at the 2017 AGM to be held on the 21st of November 2017. Upon approval, the Convertible Bond holders will be offered the opportunity to elect to have the terms of their Convertible Bonds varied as detailed below:
 - The Convertible Bonds will convert to fully paid ordinary shares of the Company at a conversion price of \$0.009 per Convertible Bond (currently \$0.018); and
 - The Convertible Bond will mature 36 months from the issue date, being 30 September 2019, unless converted or redeemed earlier (currently 30 September 2018).

⁵ Subject to meeting milestones related to deferred consideration shares.

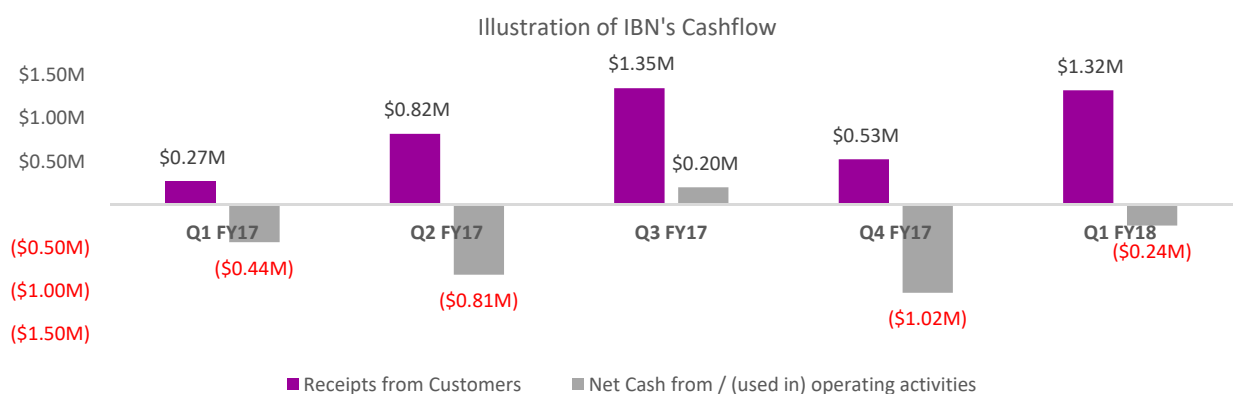


- The Company is still completing due diligence on a potential acquisition opportunity on a local and international real estate agency.

Appendix 4C

The Appendix 4C for the September 2017 quarter was released today and some further commentary is outlined below:

- As at 30 September 2017, the consolidated cash balance was \$1.05m;
- iBuyNew Group records 2nd highest cash receipts quarter of \$1.32m;
- Receipts from customers improved due to strong settlements, with associated direct costs increasing with payment of commissions and fees to corporate partners and referrers;
- Staff, administration and corporate expenses rose due during the quarter as a result of costs associated with redundancies, exiting the Sydney office lease, further platform enhancements, and annual and other associated listing expenses.



Note: Q1 FY17 cashflows did not include Nyko Property which was acquired in Q2 FY17.

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 6,238 listings across 250 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 September 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,323	1,323
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs and/or direct costs	(470)	(470)
(c) advertising and marketing	(199)	(199)
(d) leased assets	(3)	(3)
(e) staff costs	Wages (412) Consultant Fees (52) Directors Fees (19)	Wages (412) Consultant Fees (52) Directors Fees (19)
(f) administration and corporate costs*	(388)	(388)
1.3 Dividends received (see note 3)		
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid	(36)	(36)
1.6 Income taxes paid / refunded	12	12
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(242)	(242)

* '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

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(3)	(3)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
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	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	(129)	(129)*
2.6 Net cash from / (used in) investing activities	(132)	(132)

* Trust account IBN & Nyko Movement for the Quarter

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material) **	(27)	(27)
3.10 Net cash from / (used in) financing activities	(27)	(27)

** Transaction costs associated with the IPG Transaction

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
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	1,454	1,454
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(242)	(242)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(132)	(132)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(27)	(27)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter*	1,053	1,053

* The cash balance includes \$310,195 restricted cash held on trust.

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	1,053	1,053
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)	1,053	1,053

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

43

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

\$3,479 as reimbursement to entities partially controlled by Calvin Ng for expenses paid on behalf of the Company.

\$12,468 for accounting and consulting services to entities partially controlled by Calvin Ng (FY 17 Fees)

\$22,000 for directorship services to entities partially controlled by Calvin Ng (FY 17 & FY 18 Fees)

\$5,000 for directorship services to entities controlled by Andrew Jensen (FY 18 Fees),

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	500
8.2 General Other Creditor	-	-
8.3 Convertible notes	1,350	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.

9. Estimated cash outflows for next quarter	\$'000
9.1 Research and development	
9.2 Product manufacturing and operating costs and / or direct costs*	985
9.3 Advertising and marketing	150
9.4 Leased assets	5
9.5 Staff costs **	410
9.6 Administration and corporate costs	335
Sub Total	1,885
9.7 Interest expense	40
Tax payments	90
9.8 Total estimated cash outflows	2,015

* Direct costs include exchange & settlement commissions paid to sales agents and external referral fees based on forecast exchanges and settlement during Q2 FY18. These payments are contingent on actual exchanges & settlements.


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

*** Trade Receivables, current at the date of this report and expected to be collected within Q2 FY18 for the Group exceeded \$745k

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:
Company Secretary

Date: 31/10/2017

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.