



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

31 October 2018

IBN Group Limited Update

iBuyNew Group Limited (ASX: IBN) (“Company”) is pleased to announce an update for the first quarter (“Q1 FY19”). The Company continues to operate iBuyNew.com.au, a leading Australian online new property marketplace, (“iBuyNew”) and Nyko Property, a property research and advisory services firm (“Nyko”) in conjunction with the assets of Indo-Pacific Property Group (“IPG”).

Q1 FY19 Key Highlights

- \$894.53k in Gross Revenue from Exchange and Settlements¹ an 15.23% increase from \$776.29k in Q1 FY18, being the “Prior Comparable Period” (“PCP”).
- Average commissions generated across the group increased by 10.33% against PCP Q1 FY18 to \$32.45k per sale in comparison to \$29.41k;
- 26 new property sales, a decrease of 18.75% from 32 sales in PCP Q1 FY18;
- \$843.78k in Commissions Generated¹, a 10.35% decrease from \$941.26k from the PCP Q1 FY18;
- \$12.51m generated in TTV a 30.38% decrease from \$17.97m in PCP Q1 FY18;
- 15 active reservations at the end of Q1 FY19, 10 have since unconditionally exchanged in Q2 FY19.
- The Company’s future gross commissions receivable book is valued at c. \$5.875m at 30 September 2018 (subject to settlement).

Company Results *	Q1 FY19	Q1 FY18	% Difference
TTV	\$12.51M	\$17.97M	(30.38)%
Average TTV per Sale	\$481.23K	\$561.55K	(14.30)%
Sales	26	32	(18.75)%
Commissions Generated ¹	\$843.78K	\$941.26K	(10.35)%
Average Commissions Generated per Sale	\$32.45K	\$29.41K	10.33%
Gross Revenue from Exchange and Settlements ²	\$894.53K	\$776.29K	15.23%

*Results are on an unaudited basis

¹ “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”)

² “Gross 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.



Operational Update

The Quarter's results reflect the challenges faced in a tough market combined with tighter lending requirements. The changes to the Australian lending environment have impacted the conversion timeframes from initial lead generation to unconditional exchange which now typically extends to a six week period in comparison to a four week conversion in FY17/18.

This is reflected in the decrease in sales against PCP Q1 FY18, however pleasingly the Group had 15 active reservations at the end of Q1 FY19 of which 10 are now unconditional delivering a positive start to Q2 FY19.

The Company was still able to produce improvements against key metrics PCP Q1 FY18 with average commissions generated per sale increasing by 10.33% and gross revenue from exchange and settlements improving by 15.23%.

Cashflow continues to flow from settlements and at the end of the quarter the Company recorded a gross future commissions receivable book valued at \$5.875m (subject to settlement). Based on developer timeframes, Q2 FY19 is anticipated to be a good settlement quarter with c.\$400k already invoiced and settlements underway.

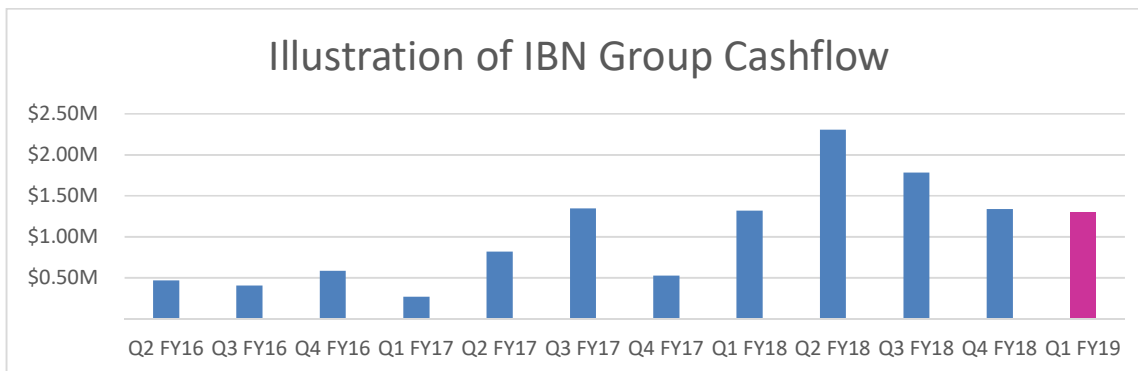
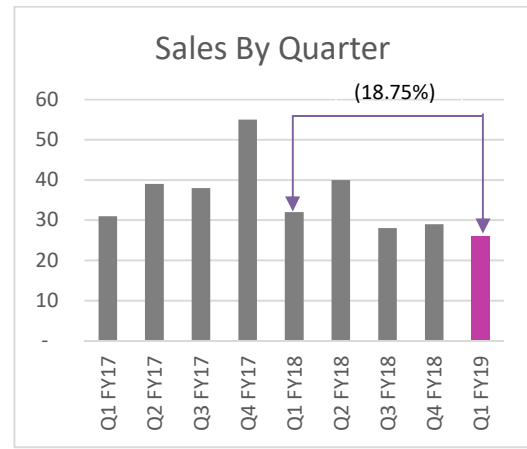
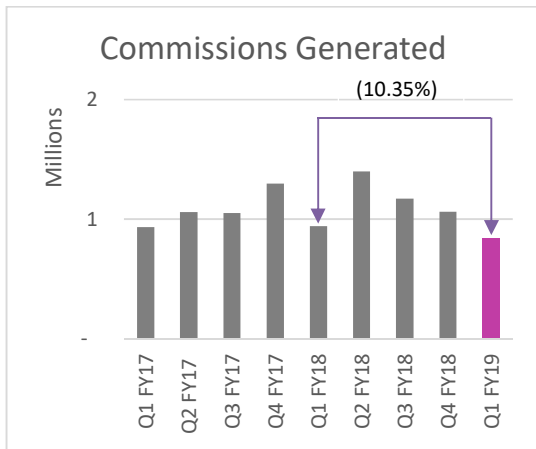
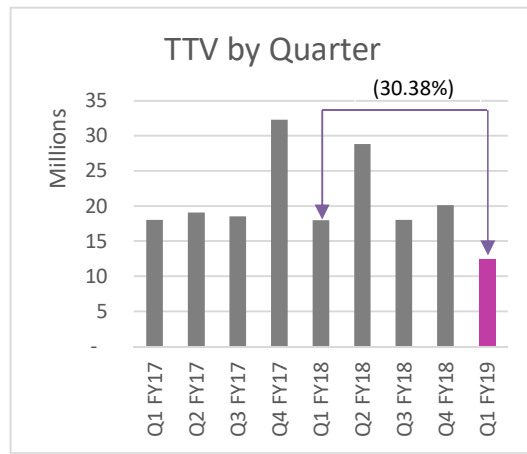
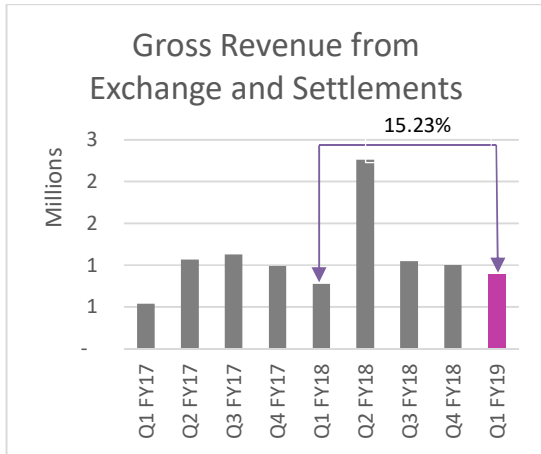
The Company continues to assess the operational performance of all business divisions and continues to seek to improve our revenue streams. Settlements are being actively targeted to convert these to property managements building on the rent rolls in NSW, VIC and WA. Management of these assets will be outsourced until they are of a size to manage internally without contribution to the Groups cost base.

Direct costs remain relatively consistent, the increase in staff costs in the current quarter is primarily attributable to termination payments resulting from redundancies and the resignation of Alex Caraco in August.

The increase in marketing spend, reflects the Company's strategic focus on being an owner, developer and operator of retail, franchise or e-commerce brands. Investment has been made to develop systems and improve our technology platform which in turn will result in improvements in engagement, lead generation, seminar participation and ultimately sales conversion. It is expected that these changes will assist with the future reduction in lead generation costs and overall marketing spend.

CEO Bill Nikolouzakis said "In my first 9 weeks leading the iBuyNew Group I have been encouraged to find that the changes I believe will deliver results in FY19 and lead us to profitability are certainly achievable in this marketplace. Those changes are already taking place with the strengthening of our Corporate partnerships, investing in technology and systems to improve sales conversion and continuing to reduce our cost base."

"I have been pleased to find a team willing to adapt and move forward as well as a favourable employment market in the real estate sector allowing us to identify and recruit the quality talent required to restructure our sales, marketing and executive teams. These changes will make a big impact to our business moving forward and take advantage of our industry leading digital platform and the quality relationships we have with partners and developers."





Group Update

On 24 August 2018, the Board accepted the resignation of Alex Caraco as Managing Director and CEO of the Company and appointed Mr Bill Nikolouzakis as CEO. Bill is an experienced property professional who has over 14 years' experience in both property marketing and banking. In addition, He is the founder of Nyko Property (which iBuyNew acquired in 2016) and is experienced across all aspects of business, previously being a part of the senior management team as Head of Corporate Partnerships for iBuyNew.

The material terms of Mr Nikolouzakis' employment agreement was announced to the market on 30 August 2018. His remuneration is closely aligned with the future performance of the Company and in connection with his appointment, the Company awarded Bill with 60 million performance rights issued and, if vested, exercisable for nil consideration.

These performance rights will vest of the next two years subject to meeting the following key performance metrics.

Benchmark	FY19 Vesting Conditions	FY20 Vesting Conditions
Revenue	10% will vest on the Company achieving at least \$6.12 million gross annual revenue FY19.	10% will vest on the Company achieving at least \$6.12 million x 1.33 gross annual revenue FY20.
Profitability	10% will vest on the Company achieving earnings before interest and tax (EBIT) of greater than \$0 in FY19.	10% will vest on the Company achieving earnings before interest and tax (EBIT) of greater than \$0 in FY20.
Operating cashflow positively	10% will vest on the Company achieving positive annual cashflow of greater than \$0 in FY19.	10% will vest on the Company achieving positive annual cashflow of greater than \$0 in FY20.
Share Price	20% will vest when a share price of \$0.005 per share is maintained in relation to the Company for a minimum of 20 consecutive days trading on ASX in FY19.	20% will vest when a share price of \$0.01 per share is maintained in relation to the Company for a minimum of 20 consecutive days trading on ASX in FY20.

Unvested performance rights will lapse and vested but unexercised performance rights will expire on 31 December 2020.

In addition, during the quarter, the Company continued to retire debt \$250,000 with the repayment of 13,888,890 Class A Convertible Bonds with an exercise price of \$0.018 due to mature on 30 September 2018. The Convertible Bonds were originally issued to investors under the Company's ASX capital raising announcement dated 16 September 2016 pursuant to the terms of the Convertible Note Deed Poll dated on or about this same date, as amended.

ENDS

Further enquiries:

Bill Nikolouzakis

CEO

M: 0421 731 783



About IBN

iBuyNew 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. 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 2018

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	1,299	1,299
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs and/or direct costs	(514)	(514)
(c) advertising and marketing	(279)	(279)
(d) leased assets	(1)	(1)
(e) staff costs *	Wages (458) Consultant Fees (96) Directors Fees (11)	Wages (458) Consultant Fees (96) Directors Fees (11)
(f) administration and corporate costs **	(347)	(347)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(49)	(49)
1.6 Income taxes paid / refunded	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(455)	(455)

* staff costs include termination payments

**administration and corporate costs' relate to all other operating costs except for those listed from (a) to (e)

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	(8)	(8)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets (bank guarantee)	-	-
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) *	(33)	(33)
2.6 Net cash from / (used in) investing activities	(41)	(41)

* Trust account 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	(2)	(2)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	(250)	(250)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	(252)	(252)

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	1,175	1,175
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(455)	(455)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(41)	(41)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(252)	(252)
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of quarter*	427	427

* The cash balance includes \$80,371 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	427	427
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)	427	427

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	20
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	

\$2,500 for directorship services to entities partially controlled by Calvin Ng
 \$5,500 for consulting & directorship services to entities controlled by Warren McCarthy
 \$2,750 for directorship services to an associated entity of Stephen Quantrill
 \$8,800 for property management and premises for an associated entity of Stephen Quantrill

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	250	250
8.2	General Other Creditor	-	-
8.3	Convertible notes	1,100	1,100
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.
- **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 FY 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).

During Q4 FY 2018, the Loan Facility was reduced from \$500,000 to \$250,000 as a result of the payment of \$250,000 on 1 April 2018 as part of the second deferred cash payment for the acquisition of Find Solutions Australia.

The final deferred cash payment (of \$250,000) is now payable 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.

During Q2 FY 2018, the Convertible Notes were restructured with noteholders holding 61,111,115 Convertible Notes agreeing to vary the terms as follows.

- The Convertible Notes were extended for an additional 12 months with a new maturity date of 36 months from the date of issue, being 30 September 2019 unless redeemed or converted earlier.
- 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 \$0.009 per Share, subject to further adjustments in certain circumstances as described in the "*Convertible Note Deed Poll*".

During Q1 FY 2019, the Convertible Note was reduced from \$1,350,000 to \$1,100,000 as a result of the payment of \$250,000 on 28 September 2018 at maturity.

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*	600
9.3 Advertising and marketing	230
9.4 Leased assets	1
9.5 Staff costs **	410
9.6 Administration and corporate costs	400
Sub Total	1,641
9.7 Interest expense	50
Tax payments	90
Loan Repayment	250
9.8 Total estimated cash outflows	2,031

The Group expects c. \$1.05m in settlement commission during Q2 FY19. These commissions are based on construction timelines provided by Developers and are contingent on actual settlements.

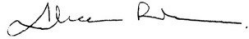
*Direct costs include exchange & settlement commissions paid to sales agents and external referral fees based on forecast exchanges and settlements during Q2 FY19. These payments are contingent on actual exchanges & settlements.

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

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: 31/10/2018

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.