



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

31 January 2017

iBuyNew Achieves Strong Settlement Revenues, Integrates Nyko Acquisition, and Launches Proprietary Online Reservations System

iBuyNew Group Limited (**ASX: IBN**) ("**Company**") is pleased to provide an update for the quarter ended 31 December 2016 ("**Q2 FY17**") in which iBuyNew.com.au was ranked 67th in Deloitte's Technology Fast 500 Asia Pacific 2016 and 54th in BRW's 2016 Financial Review Fast Starters index.

The Company's future commissions receivable book also rose to record levels post the acquisition of Nyko Property ("**Nyko**"). Pleasingly, 42% of revenue in the quarter was delivered by settlement income. This clearly signifies that despite some negative sentiment and press in the property market, developments continue to complete and settle and commissions continue to be paid.

The Company currently operates iBuyNew.com.au, a leading Australian online property marketplace ("**iBuyNew**") and also incorporates newly acquired property research and advisory services firm Nyko. The Company's results for Q2 FY17 reflect 100% of iBuyNew over the full quarter¹ and two months of Nyko results (November and December 16).

Key Highlights

- The Company delivered 39 new property sales representing a small 3% increase over the 38 sales achieved in the Prior Comparable Period ("**PCP**") Q2 FY16 (note PCP Q2 FY16 did not include any contribution from Nyko);
- Total Transaction Value ("**TTV**") was \$19.10m, delivering \$1.06m of Commissions Generated² and \$1.07m in Total Revenue from Exchange and Settlements³ received;
- The future commissions receivable book reached a record high (subject to settlement). As at 31 December 2016, the Company's future commissions receivable book was valued at \$4.01m, a \$0.61m or 18% increase from 30 September 2016;
- IBN Projects was launched in beta, with former 11-year veteran CEO of Coldwell Banker Australia Mr Alex Caraco appointed as Director of IBN Projects;
- iBuyNew's proprietary Online Reservations System ("**ORS**"), a major digital initiative was launched which will expand iBuyNew's digital footprint in the online property market;
- iBuyNew launched a new and refreshed website to further boost lead volumes; and
- iBuyNew ranked 54th in BRW's 2016 Financial Review Fast Starters and 67th in Deloitte Technology Fast 500™ Asia Pacific 2016.

¹ As at 30 September 2016, the Company owned 50% of Find Solutions Australia Pty Ltd (**FSA**), the owner and operator of iBuyNew. Accordingly, only 50% of the cash flow and closing bank balance of FSA was consolidated into the Company's previous Appendix 4C (lodged with the ASX on 31 October 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, for Q2 FY17, the Company reflects its 100% ownership of FSA, as effective from 1 July 2016.

² "**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**).

³ "**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.

Q2 FY17 results are on an unaudited and pro-forma basis and only include 2 months of Nyko results:

iBuyNew & Nyko Q2 FY17 Pro-Forma Results	iBuyNew	Nyko (Nov, Dec 16)	Company
TTV	\$12.10m	\$7.00m	\$19.10m
Sales	23	16	39
Commissions Generated ¹	\$0.64m	\$0.42m	\$1.06m
Total revenue from exchange and settlements ²	\$0.77m	\$0.30k	\$1.07m
Future commissions receivable (subject to settlement)	\$2.91m	\$1.10m	\$4.01m*

* Note: Net value from the Company's future commissions receivable is expected to be approx. \$2.86m once third party and sales consultant commissions are paid.

Key Financial Metrics Q2 FY17

Q2 FY17 continued to see softer market conditions persist from the previous quarter, with the Australian market for new apartment sales displaying inconsistent performance. Management's focus remains on driving sales and distribution growth, however sales volumes have not returned to early 2016 levels due to the softer market and buyers likely delaying their purchasing decisions.

With the Nyko business now part of the Company's Group, 39 Group sales were recorded in Q2 FY17 marking a slight increase from the PCP of 38 sales in Q2 FY16. \$19.10m in TTV was recorded across the Group, a result 7% down from the PCP in Q2 FY16. Total Group commissions generated was \$1.06m for the quarter, largely in line with the PCP and a strong performance achieved on the back of higher margins.

Pleasingly, total Group revenue from exchange and settlements was up slightly (3%) on the PCP, due to higher settlements. Settlement income represented 42% of total revenue for the quarter, a positive result signifying that property sales continue to complete and settle despite some negative press around the industry. The Company's future commissions receivable book (subject to settlement) reached a record value of \$4.01m as at 31 December 2016.

On the flipside, some settlement delays did occur in Q2 FY17 as was widely predicted across the industry. However, several apartments across a diverse number of developments have since settled in January 2017 and settlement revenues have flowed into the business.

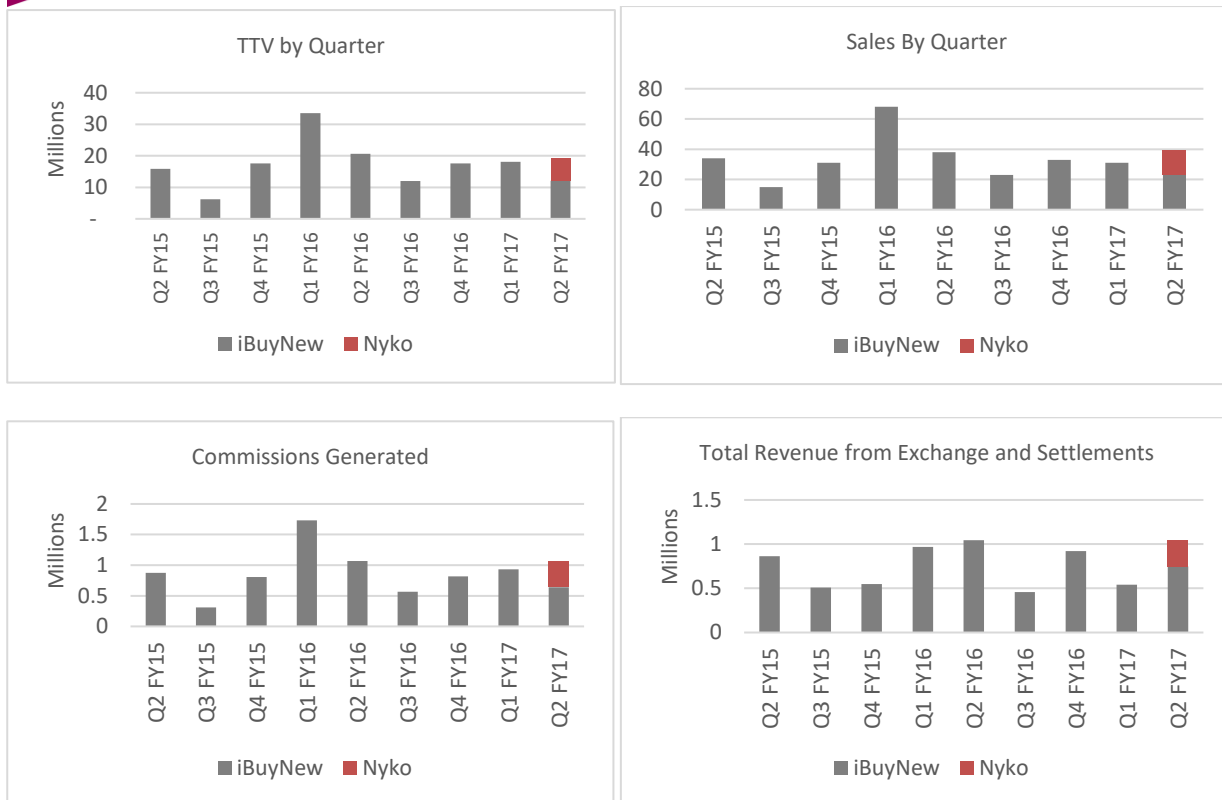
Commenting on the results, iBuyNew CEO, Mr Mark Mendel said:

"Whilst some uncertainty and negative sentiment currently exists in the new property market, the long-term fundamentals of the new property and real estate industry remain attractive. The Group remains focused on sales distribution and growth, and is looking at a number of opportunities created by the current industry uncertainty.

"We are pleased with the settlement income in Q2, and iBuyNew has sold a diverse range and number of projects across New South Wales, Victoria and Queensland. This has been a deliberate corporate strategy which we believe minimizes the likelihood of any material non-settlement risk. As of 31 December 2016, iBuyNew's future commissions receivables book spans over 65 different developments across the three states."

Company's Results*	Q2 FY16	Q2 FY17	% Difference
TTV	\$20.61m	\$19.10m	-7%
Sales	38	39	3%
Commissions Generated ¹	\$1.06m	\$1.06m	0%
Total revenue from exchange and settlements ²	\$1.04m	\$1.07m	3%

*Results are on an unaudited and pro-forma basis and only include 2 months of Nyko results



Q2 FY17 Operational and Partnership Milestones

Operational momentum remained strong in Q2 FY17, with the following milestones:

- Beta launch of IBN Projects, a new division of iBuyNew focused on securing exclusive developments and expanding iBuyNew's international footprint;
- The recent appointment of Mr Alex Caraco as the Director of IBN Projects. Prior to joining iBuyNew, Mr Caraco was the former CEO of Coldwell Banker Australia, a role he held for over 11 years. Alex has over 35 years' experience in real estate and specialises in off-the-plan, house and land sales across Australia and China;
- The launch of new and refreshed website to further boost lead volumes;
- The launch of proprietary ORS, with iBuyNew also completing the signing of its first digital contract. This is a significant milestone towards achieving the longer-term vision for paperless new online property sales;
- Integration of Nyko with the Company;
- The commencement of a partnership with Lawlab, a high volume national conveyancing service. Lawlab operates a team of experienced and qualified property lawyers and legal professionals to complete property deals smarter and more efficiently; and
- The commencement of a partnership with Rundl, a cloud based service which enables property buyers to easily monitor property purchase details and updates on a mobile device.

Nyko update

As announced in the Q1 FY17 update, settlement of the full acquisition of Nyko completed on 31 October 2016. This acquisition is designed to deliver scale to the Company's B2B/corporate partner distribution, and since the acquisition sales momentum has remained positive with Nyko generating 16 sales over November and December 2016.

Nyko continues to grow its team to maximize its new and established partnerships with some of Australia's leading players in the mortgage broking and financial services sector. Several business development managers have been recruited, and the Company is hopeful of some early impact in H2 FY17.



Mr Bill Nikolouzakis, Head of Corporate Partnerships commented:

“Since the completion of the Nyko acquisition, we’ve made several improvements to the business by investing in quality people and new digital systems to ensure that we’re extracting full value from our corporate partners. Our goal is to provide our corporate partners with as much transparency and clarity as possible, so they continue to feel a high level of comfort when recommending their clients buy from Nyko.”

Beta Launch of IBN Projects

After months of significant planning and development, iBuyNew is pleased to announce the beta launch of IBN projects. IBN Projects is a new division focused on securing exclusive developments and expanding IBN’s international footprint. Since its beta launch in early December 2016, iBuyNew’s executive team has met with several high-ranking executives across major financial planning firms in China and discussions continue towards developing a referral network.

To lead these international growth initiatives, iBuyNew has appointed Mr. Alex Caraco as Director of IBN Projects. Mr. Caraco is the former CEO of Coldwell Banker Australia and commenced in early December and his extensive sales experience will play an integral part in developing IBN Projects and its international growth plans.

As IBN Projects develops, iBuyNew’s board also accepted the resignation of Mr Mark Vujovich as National Sales and Marketing Director.

General Business Update

From a corporate perspective, at the Company’s last annual general meeting held on 31 October 2016, the Company obtained shareholder approval to change its name to iBuyNew Group Limited, to acquire the remaining 50% of FSA (owner of iBuyNew) and to adopt an executive incentive plan.

As previously announced the Company settled on the iBuyNew and Nyko acquisition and completed the convertible note capital raising in Q2 FY17.

ENDS

Further inquiries:

Mark Mendel – iBuyNew CEO

M: 0400 263 650

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 4,700 listings across 190+ 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 December 2016

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 31 August 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 December 2016 reflects its 100% ownership of FSA as effective from 1 July 2016.

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	860	1,394
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs and/or direct costs	(261)	(358)
(c) advertising and marketing	(183)	(362)
(d) leased assets	(3)	(3)
(e) staff costs	Wages (477) Consultant Fees (75) Directors Fees (83)	Wages (951) Consultant Fees (103) Directors Fees (83)
(f) administration and corporate costs*	(549)	(793)
1.3 Dividends received (see note 3)		
1.4 Interest received	2	4
1.5 Interest and other costs of finance paid	(38)	(38)
1.6 Income taxes paid	(5)	(141)
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(812)	(1,434)

* 'administration and corporate costs' relate to all other operating costs except for the ones listed from (a) to (e) and movement of restricted cash held on trust.

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(2)	(16)
	(b) businesses (see item 10)		
	(c) investments	(850)	(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	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**	75**
2.6	Net cash from / (used in) investing activities	(738)	(910)

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)	(99)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings	(14)	(14)
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	(113)	1,237

* 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 FY17 cash flow to reflect the 100% acquisition of Nyko on the same date.

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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**	2,202	1,646
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(812)	(1,434)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(738)	(910)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(113)	1,237
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	539	539

* The cash balance includes \$44,900 restricted cash held on trust.

** The opening balance has been reinstated 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	539	2,202
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)	539	2,202

6. Payments to directors of the entity and their associates

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

**Current quarter
\$A'000**

188

\$16,500 for accounting & tax services rendered by entities partially controlled by John Kolenda and Calvin Ng.
\$82,500 for directorship services were to paid entities partially controlled by John Kolenda, Calvin Ng and Adir.
\$89,100 for capital raising services were paid to entities partially controlled by John Kolenda and Calvin Ng.

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	500	0
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.

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*	496
9.3	Advertising and marketing	165
9.4	Leased assets	5
9.5	Staff costs	618
9.6	Administration and corporate costs	359
	Sub Total	1,643
9.7	Other Interest expense and BAS	91
9.8	Total estimated cash outflows	1,734

* Direct costs include settlement commissions paid to sales agents and external referral fees and are estimated to be materially higher due to higher anticipated revenues from settlement income from project completions in Q3 FY17 and full three months of NYKO sales transactions compared to two in previous quarter.

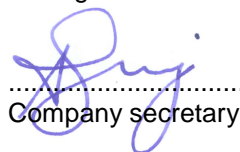
Current debtors position at the end of the Q2 FY17 recorded c. \$510,000. During January 2017, over 80% of the current debtors were collected. Collected debtors will contribute to cash inflows in Q3 FY17.

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity	Nyko Property Pty Ltd (100%) Nyko Property Australia Pty Ltd (100%) Find Solutions Australia Pty Ltd (acquired 25% in June 2015, another 25% in September 2015 quarter, and the acquisition of the remaining 50% was completed in December 2016 quarter)	
10.2	Place of incorporation or registration	Victoria (Nyko) Sydney (FSA)	
10.3	Consideration for acquisition or disposal	\$350,000 (Nyko) \$500,000 (FSA)	
10.4	Total net assets	\$50,000 (Nyko) \$588,370 as at 30 June 2016 (FSA)	
10.5	Nature of business	Property research advisers (Nyko) Online property operations (FSA)	

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 January 2017

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.