



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

25 January 2018

IBN Group Limited Q2 FY18 Update

iBuyNew Group Limited (**ASX: IBN**) ("**Company**") is pleased to announce an update for the second quarter ("**Q2 FY18**") and the first half ("**H1 FY18**") ended 31 December 2017. The Company operates iBuyNew.com.au, a leading Australian online new property marketplace, ("**iBuyNew**"), Nyko Property, a property research and advisory services firm ("**Nyko**") and received shareholder approval in November 2017 to acquire the assets of the Indo-Pacific Property Group ("**IPG**"), a leading project marketing firm based in Perth.

Q2 FY18 Key Highlights

- \$2.26m in Total Revenue from Exchange and Settlements¹ a 111.61% increase from the Prior Comparable Period ("**PCP**") in Q2 FY17 resulting in a record quarter;
- \$28.84m generated in Total Transaction Value ("**TTV**") a 50.99% increase from \$19.10m from the PCP in Q2 FY17;
- \$1.39m in Commissions Generated² a 31.13% increase from \$1.06m in Q2 FY17;
- 40 new property sales a 2.56% increase in number of sales from the PCP Q2 FY17; and
- The Company had an abnormally strong settlement quarter with over \$1.60m in settlement commission received resulting in a future commissions receivable book of \$3.94m at 31 December 2017 (subject to settlement and excluding the settlement book of Indo-Pacific Property) down from \$4.53m at 30 September 2017. Whilst the settlement pipeline continues to be strong the Company does not expect such large settlement commissions in the coming quarters.

H1 FY18 Key Highlights

- \$46.81m TTV a 26.04% increase from \$37.14m in H1 FY17;
- \$2.34m in Commissions Generated a 31.13% increase from \$1.99m in H1 FY17;
- 72 new property sales a 2.86% increase from 70 sales in H1 FY17;
- \$3.04m in total revenue from exchange and settlements a 88.83% increase from \$1.61m in H1 FY17; and
- IBN continues the diversification of its service offering establishing IBN International Realty, targeting luxury property listings and IBN Loans (Mortgage referral services);
- The acquisition of Indo-Pacific Property is near completion with licences granted by the WA licensing authority and novation of agreements progressing;

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 from future commissions receivable.

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**).

Key Financial Metrics

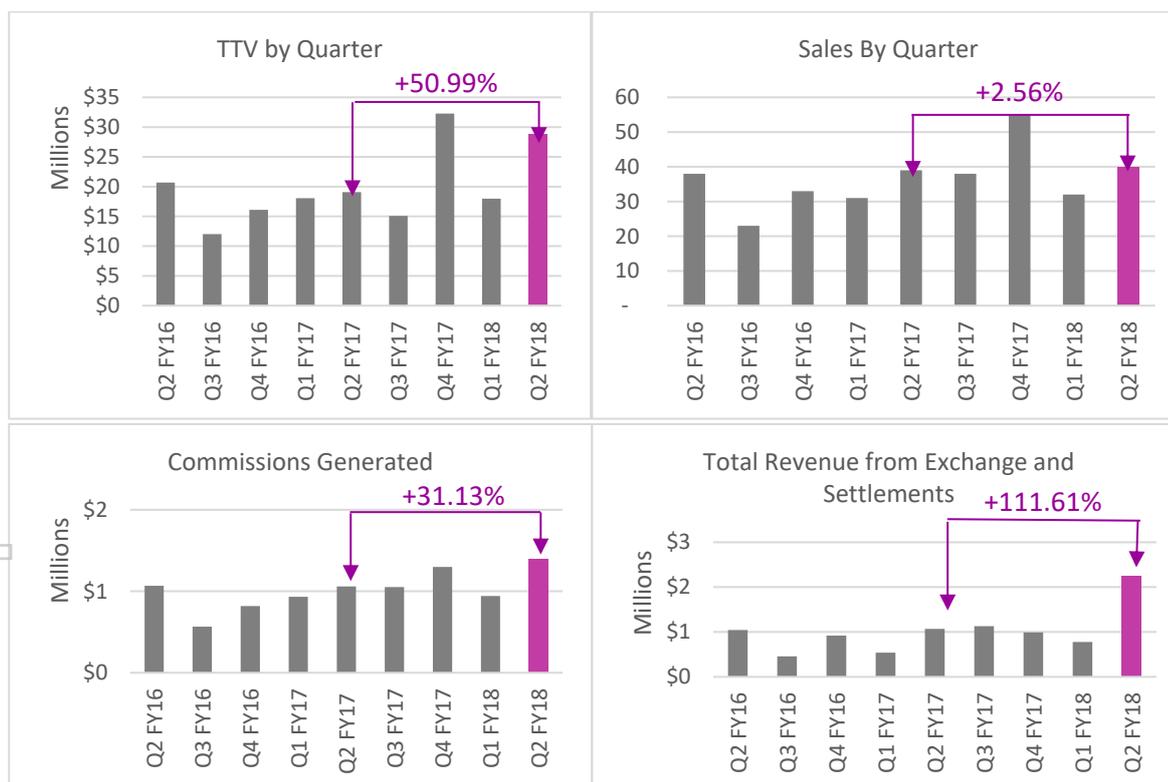
Company Results *	Q2 FY18	Q2 FY17	% Difference
TTV	\$28.84m	\$19.10m	50.99%
Sales	40	39	2.56%
Commissions Generated ²	\$1.39m	\$1.06m	31.13%
Total Revenue from Exchange and Settlements¹	\$2.26m	\$1.07m	111.61%

Company Results *	H1 FY18	H1 FY17	% Difference
TTV	\$46.81m	\$37.14m	26.04%
Sales	72	70	2.86%
Commissions Generated ¹	\$2.34m	\$1.99m	17.59%
Total Revenue from Exchange and Settlements¹	\$3.04m	\$1.61m	88.83%

*Results are on an unaudited basis

During Q2 FY18 the Company recorded exceptional revenue growth from both exchanges and settlements of 111.61% when compared to the PCP of Q2 FY17. The Company recorded \$2.26m in total revenue as a result of consistent sales, high TTV growth and an abnormally strong settlements quarter. TTV growth of 50.99% was achieved when compared to the PCP of Q2 FY17 with \$28.84m in TTV across 40 new property sales translating into a 31.13% increase in Commissions generated of \$1.39m.

At the end of the quarter the Company recorded a future commissions receivable book valued at \$3.94m (subject to settlement). The Company expects the IPG acquisition to formally complete in early Q3 FY18 which will result in an increase to the settlement book of gross \$2.38m accordingly.



Pleasingly, H1 FY18 results finished consistent with management's expectations with TTV growth of 26.04% to \$46.81m, Commissions Generated growth of 17.59% to \$2.34m, sales growth of 2.86% to 72 sales and total revenue from exchanges and settlements increasing 88.83% generating \$3.04m, when compared to H1 FY17. Whilst the settlement pipeline continues to be strong the Company does not expect such large settlement commissions in the coming quarters.

Operational Update - iBuyNew

Management's focus during the quarter remained on increasing sales and improving TTV growth across the Company whilst strategically analysing market conditions and implementing marketing initiatives to diversify income channels. The initiatives produced positive outcomes for 2Q FY18 resulting in the average TTV per sale increasing to \$0.72m per sale, a 47% increase when compared to the PCP of \$0.49m. Although the number of sales across the Company remained near constant with the PCP (resulting in marginal growth of 2.56%), the average Commissions Generated per sale pleasing rose by 28% to \$0.035m from \$0.027m. The initiatives resulted in Company recording five individual sales all exceeding \$1.50m in TTV.

Further, during the quarter the Company implemented two new divisions, iBuyNew Loans and IBN International Realty. Under the iBuyNew Loans division, the company is in the process of negotiating a lead referral program with a significant Australian mortgage aggregator, which would result in the Group receiving an upfront fee and retaining a trail commission for each new loan brokered, this is expected to commence early 3Q FY18.

IBN International Realty is a division created specifically to expand the IBN current business fee for service model, marketing specifically the sale of new and existing luxury properties while continuing to leverage the Group's existing database of developers and customers.

Alex Caraco, Executive Director and CEO of iBuyNew said "the growth experienced during the quarter is a testament to our team effectively adapting and navigating the ongoing changes in the Australian property market. During both FY17 and FY18, the Group has entered into negotiations with a number of potential partners and initiated pilot programs which while have taken some time to commercialise, these are now starting to gain traction and we expect these opportunities to deliver results during FY18 and onwards."

Operational Update - Nyko

During Q2 FY18, Nyko continued to focus on its Corporate Partnership Network growth strategy resulting in the engagement of two key referral partnerships with agency headquarters located in Hanoi, Vietnam and Shanghai, China, which have already delivered both new sales and future opportunities.

In addition, Nyko was successful in launching the Relationship Management Partnership Program (RMPP) aimed at the recruitment of commission only Business Development Managers (BDM's). In the initial phase, Nyko recruited two new BDM's in Brisbane (a new geographical market for Nyko) and Sydney respectively with a third BDM to commence in Melbourne during Q3 FY18. The Company will continue to implement the RMPP program targeting recruitment of high calibre individuals both in Australia and globally throughout 2018.

Bill Nikolouzakis, Head of Corporate Partnerships of Nyko said "We have already experienced early sales flow through from our international relationships and expect that to increase through the future development of the international partnership program.

"The relationship we have with both our property suppliers and corporate partners enable the delivery of quality research to our clients, we will continue to develop both our Australian and international partners and look forward to increasing our market share targeting high wealth individuals accordingly."

Operational update - IPG asset acquisition

The Group is pleased to advise it expects that the completion of the IPG asset acquisition to occur early Q3 FY18, with the majority of key conditions precedent satisfied following Shareholder approval in late November 2017.

Upon completion, Mr Stephen Quantrill will be appointed to the Board of IBN. Mr Quantrill will be remunerated as a non-executive Director at \$30,000 per annum.

Completion of the IPG transaction will increase the profitability of the Company through the acquisition of IPG's settlement book (currently valued at \$2.38m) and its property management business.

Corporate update

On 3 November 2017, the Company announced the appointment of Mr Warren McCarthy as an independent advisor to the IBN Board. Warren is currently the Managing Director of McCarthy Business Consultants and was the former CEO of Hooker Corporation Limited, Chairman of L.J. Hooker Limited and between 2004 and 2009 was the CEO and Chairman of LJ Hooker Financial Services.

On 15 November 2017, the Company announced the successful restructure of the Convertible Notes with noteholders holding 61,111,115 Convertible Notes agreeing to vary the terms as follows;

- An extension 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; and
- 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.

During Q2 FY18, Nyko achieved the sales target of 85 sales within 15 months of acquisition resulting in the earn-out deferred consideration on acquisition announced in October 2016 becoming payable. As a result in Q3 FY18, an amount of \$87,500 will be payable in addition to the issue of 4,861,111 ordinary shares at an issue price of 1.8c per share. On 17 January 2018, an Appendix 3B was lodged in relation to this issue.

As previously announced, the Group continues to progress on-going due diligence on both local and international acquisition opportunities. Whilst the timeframe for the due diligence has taken longer than expected due to the complex nature of the potential transactions, the Board expects that a more informative announcement to the market will be produced before the end of Q3 FY18.

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.

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")

31 December 2017

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	2,308	3,631
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs and/or direct costs	(656)	(1,126)
(c) advertising and marketing	(199)	(398)
(d) leased assets	(3)	(6)
(e) staff costs	Wages (432) Consultant Fees (57) Directors Fees (10)	Wages (844) Consultant Fees (109) Directors Fees (29)
(f) administration and corporate costs*	(355)	(743)
1.3 Dividends received (see note 3)		
1.4 Interest received	8	10
1.5 Interest and other costs of finance paid	(36)	(72)
1.6 Income taxes paid / refunded	-	12
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	568	326

* '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.

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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	(9)	(12)
(b) businesses (see item 10)	-	-
(c) investments	(26)	(26)
(d) intellectual property	-	-
(e) other non-current assets (bank guarantee)	58	58
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)	(233)	(362)*
2.6 Net cash from / (used in) investing activities	(210)	(342)

* 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) **	(54)	(81)
3.10 Net cash from / (used in) financing activities	(54)	(81)

** Transaction costs associated with the IPG Transaction

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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	1,053	1,454
4.2 Net cash from / (used in) operating activities (item 1.9 above)	568	326
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(210)	(342)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(54)	(81)
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of quarter*	1,357	1,357

* The cash balance includes \$77,000 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	1,357	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)	1,357	1,053

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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

35

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

\$25,000 for M&A Services to entities partially controlled by Calvin Ng.
\$2,500 for directorship services to entities partially controlled by Calvin Ng (FY 18 Fees)
\$7,500 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

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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.		

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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).

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.

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*".

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*	565
9.3	Advertising and marketing	200
9.4	Leased assets	5
9.5	Staff costs **	410
9.6	Administration and corporate costs	350
	Sub Total	1,530
9.7	Interest expense	40
	Tax payments	90
	Deferred cash consideration for the acquisition of Nyko	87
9.8	Total estimated cash outflows	1,747

* Direct costs include exchange & settlement commissions paid to sales agents and external referral fees based on forecast exchanges and settlements during Q3 FY18. 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

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.



Sign here:
Company Secretary

Date: 25/01/2018

Print name: Aliceson Rourke

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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.

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