



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

**30 April 2018**

### **IBN Group Limited Q3 FY18 Update**

iBuyNew Group Limited (**ASX: IBN**) ("**Company**") is pleased to announce an update for the third quarter ("**Q3 FY18**"). 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 acquired assets of Indo-Pacific Property Group ("**IPG**").

#### **Q3 FY18 Key Highlights**

- \$1.17m in Commissions Generated<sup>1</sup> a 14.7% increase from \$1.02m in the Prior Comparative Period ("**PCP**") Q3 FY17;
- \$1.05m in Gross Revenue from Exchange and Settlements<sup>2</sup> an 8.69% decrease from \$1.15m in the PCP Q3 FY17;
- \$18.06m generated in Total Transaction Value ("**TTV**") a 2.53% decrease from \$18.53m in the PCP Q3 FY17;
- 28 new property sales a 26.31% decrease in number of sales from 38 sales in the PCP Q3 FY17;
- Average commissions generated across the Group has increased to \$41.7k per sale in comparison to \$26.8k in the PCP Q3 FY17;
- Cash receipts of \$1.785m for the quarter the second highest quarter in history, an increase of 32.34% relative to Q3 FY17;
- IBN continues the diversification of its service offering, with IBN International Realty, gaining early traction targeting luxury property listings resulting in the first sale of \$3.2m TTV during Q3 (commission payable in Q4 on settlement);
- Completion of the asset acquisition of Indo-Pacific Property Group (IPG), a leading project marketing firm based in Perth with a gross settlement book of \$2.23m at 31 March 2018;
- The Group's gross settlement book is now valued at \$6.06m at 31 March 2018 (subject to settlement) including the IPG settlement book. Pleasingly, the settlement book has only decreased by \$0.26m despite reasonable settlements during the quarter.

<sup>1</sup> "**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**).

<sup>2</sup> "**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.

### Key Financial Metrics

Company Results *	Q3 FY18	Q3 FY17	% Difference
<b>TTV</b>	\$18.06m	\$18.53m	(2.53%)
<b>Sales</b>	28	38	(26.31%)
<b>Commissions Generated <sup>2</sup></b>	\$1.17m	\$1.02m	14.70%
<b>Gross Revenue from Exchange and Settlements<sup>1</sup></b>	\$1.05m	\$1.15m	(8.69%)

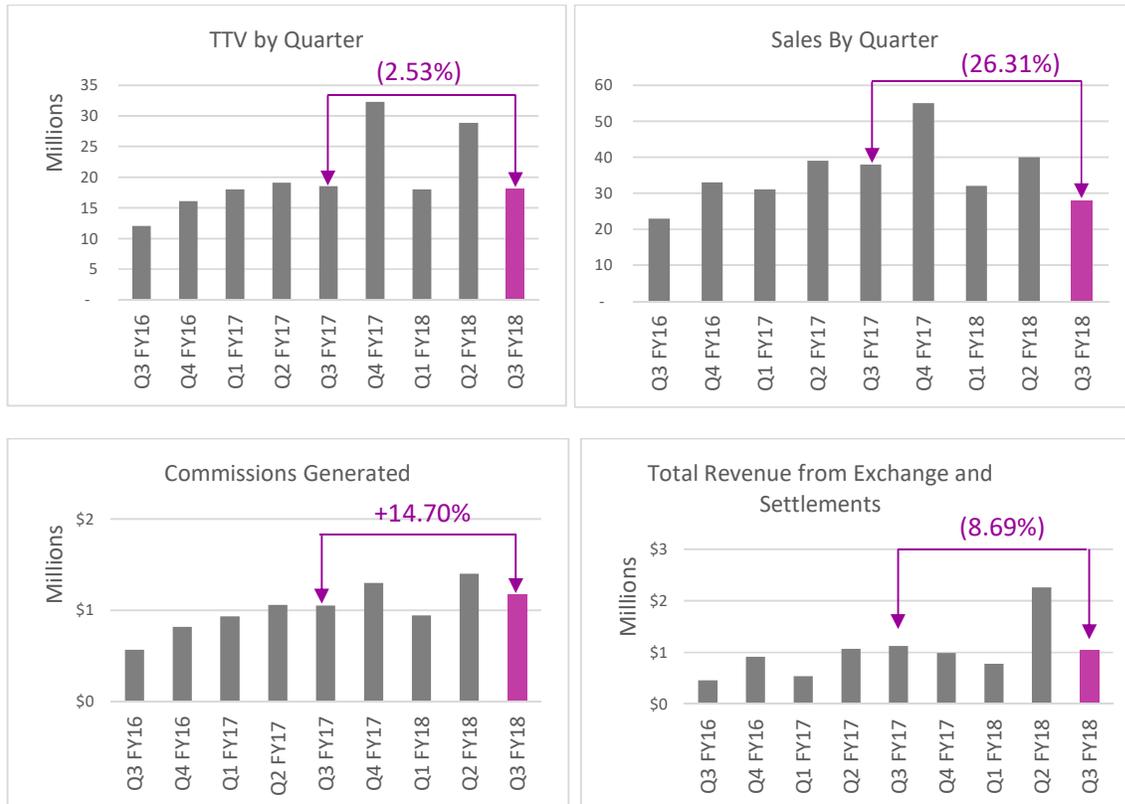
\*Results are on an unaudited basis

Q3 is normally a challenging quarter for the real estate sector with the impact of the annual holiday season.

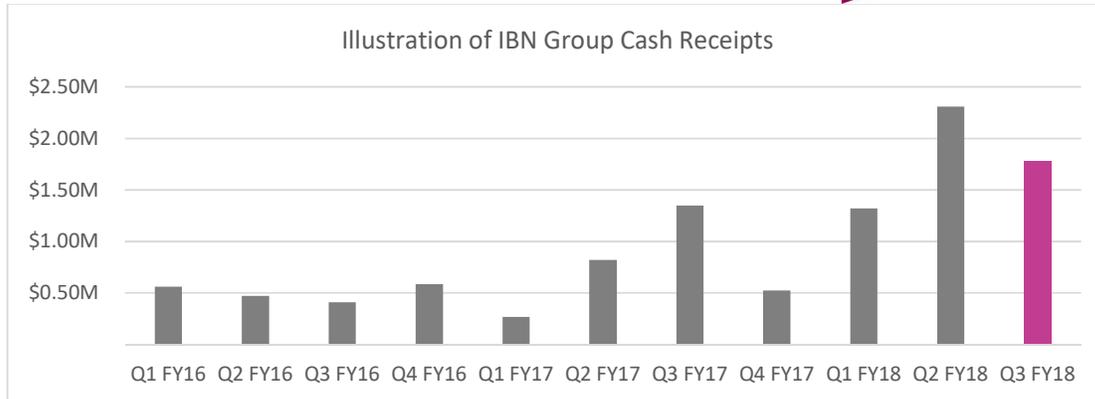
Pleasingly the Group was able to increase Commissions Generated by 14.70% despite a reduction in sales numbers which was largely the result of focusing on quality developers, larger transaction values and the ability to negotiate improved commissions. As the transaction values were larger the average commission generated across the Group has increased to \$41.7k per sale in comparison to \$26.8k on PCP with TTV only marginally decreasing by 2.53% to \$18.06m.

Cash receipts have also continued their upward trend hitting \$1.785m up 32.34% on PCP.

At the end of the quarter the Company's settlement book closed at \$6.06m (subject to settlement), including the IPG settlement book of \$2.23m.



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### Operational Update - iBuyNew

Management's focus during the quarter remained on increasing commissions, improving TTV growth and diversification of income. Marketing initiatives have been implemented across the Group including Nyko, engaging lead generation companies and expanding our presence across social media channels.

These cost-effective initiatives are producing increased leads, with leads increasing 38% against the prior quarter. The marketing campaigns have been targeted towards high-end owner occupiers, resulting in increased leads across this demographic and we anticipate this to be reflected in Q4 FY18.

IBN International Realty established Q2 FY18, is focused on marketing the sale of new and existing luxury properties, leveraging the Group's existing database based on a fee for service model. This has resulted in the first sale of \$3.2m TTV during Q3 (commission payable in Q4 on settlement). It is also exploring opportunities in the development sector.

Listing activity has also increased with two properties signed during the quarter with combined estimated sale value in excess of \$15m TTV.

Alex Caraco, Executive Director and CEO of iBuyNew said "the quarter's results though subdued due to broader market headwinds were in-line with management's expectations, with lower settlements as anticipated, however I am pleased that our commission growth and cash receipts growth continues.

It was also pleasing to successfully raise \$1.14m (after transaction costs) in a tough market and I would like to thank these investors for their support and welcome them as shareholders to the Company.

We have continued to target the recruitment of high-quality agents who are motivated to deliver on high growth targets and in conjunction with our marketing initiatives, focusing on the strong property owner-occupier market in Melbourne, we expect results in this area in Q4 FY18."



### Operational Update - Nyko

During Q3 FY18, Nyko focused on strengthening its commercial relationships with Corporate Partners through a series of educational and marketing initiatives designed to promote Nyko's approved properties. We have also reviewed our commercial agreements with property suppliers resulting in increased commissions.

Since launching the Relationship Management Partnership Program ("RMPP") in Q2 FY18 we have seen validation in the program through the generation of early sales. The RMPP is beneficial as it allows opportunity with Corporate Partners and referrers in locations that Nyko traditionally could not service. We now have relationships with four new Corporate Partners and 258 referrers in QLD.

Bill Nikolouzakis, Head of Corporate Partnerships of Nyko said "We have already experienced early sales flow through our Relationship Management Partnership Program and will continue to explore and roll-out this model to increase our sales referrals over forthcoming quarters."

### Operational update - IPG asset acquisition

The Group is pleased to advise that the IPG asset acquisition completed during Q3 FY18, and the Board welcomed the appointment of Stephen Quantrill as a Non-Executive Director. Completion of the acquisition will increase the Group's revenue without material costs through the acquisition of IPG's settlement book and its property management business.

### Corporate update

The Company remains committed to executing its articulated strategy of investing into technology and remains focused on being an owner, developer and operator of retail, franchise or e-commerce brands and during the quarter has made additional investment into its technology platform in order to retain its leading edge in on-line property and services.

The Company commenced a capital raising program in Q3 FY18 ("Placement") and this successfully raised \$1.14m (after transaction costs) with completion in Q4 FY18. \$255k was received in March and is reflected in the Appendix 4C below whilst the balance was received in April and will be reflected in the next quarter's announcement. The Company will use the funds raised under the Placement as working capital to accelerate revenue growth through the strategic acquisition of assets and to retire debts.

As previously announced, the Company is focused on the long-term strategy of creating a leading global platform for new property distribution and continuing to explore other complimentary technology acquisitions. To this extent, due diligence continues in respect of several opportunities and the Board expects that a more informative announcement to the market will be produced before the end of the financial year.

ENDS

#### **Further enquiries:**

Alex Caraco

iBuyNew Executive Director and CEO

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#### 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.

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## 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 March 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,784	5,415
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs and/or direct costs	(868)	(1,994)
(c) advertising and marketing	(196)	(594)
(d) leased assets	(1)	(7)
(e) staff costs	Wages (414) Consultant Fees (95) Directors Fees (7)	Wages (1,258) Consultant Fees (204) Directors Fees (36)
(f) administration and corporate costs*	(547)	(1,290)
1.3 Dividends received (see note 3)		
1.4 Interest received	2	12
1.5 Interest and other costs of finance paid	(36)	(108)
1.6 Income taxes paid / refunded	-	12
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(378)</b>	<b>(52)</b>

\*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 (9 months) \$A'000
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(11)	(23)
(b) businesses (see item 10)	-	-
(c) investments **	(87)	(113)
(d) intellectual property	-	-
(e) other non-current assets (bank guarantee)	(13)	45
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) **	108	(254)
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(3)</b>	<b>(345)</b>

\*\* Payment of the deferred consideration to the vendors of Nyko Property on achievement of 85 sales over the 15 month period from completion date of the acquisition November 2016. \*\*\* Trust account IBN & Nyko Movement for the Quarter.

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	255	255
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) ****	(8)	(89)
<b>3.10 Net cash from / (used in) financing activities</b>	<b>247</b>	<b>(166)</b>

\*\*\*\* Transaction costs associated with the IPG Transaction

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	1,357	1,454
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(378)	(52)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(3)	(345)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	247	166
4.5 Effect of movement in exchange rates on cash held	-	-
<b>4.6 Cash and cash equivalents at end of quarter*</b>	<b>1,223</b>	<b>1,223</b>

\*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	1,223	1,357
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,223</b>	<b>1,357</b>

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<b>6.</b>	<b>Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
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

\$27,506 for Convertible Note Restructure to entities partially controlled by Calvin Ng.  
\$7,500 for directorship services to entities partially controlled by Calvin Ng (FY 18 Fees)

<b>7.</b>	<b>Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
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

<b>8.</b>	<b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
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 Company paid \$250,000 of the Loan Facility on 1 April 2018 and the balance of the loan \$250,000 for the acquisition of Find Solutions Australia will be 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*".

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*	840
9.3 Advertising and marketing	200
9.4 Leased assets	5
9.5 Staff costs **	410
9.6 Administration and corporate costs	350
<b>Sub Total</b>	<b>1,805</b>
9.7 Interest expense	40
Tax payments	90
Payment of loan and interest to FSA Vendors.	285
<b>9.8 Total estimated cash outflows</b>	<b>2,220</b>

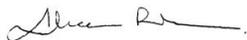
\* Direct costs include exchange & settlement commissions paid to sales agents and external referral fees based on forecast exchanges and settlements during Q4 FY18. These payments are contingent on actual exchanges & settlements.

\*\* 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**

- 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: 30/04/2018

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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