



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

**19 December 2014**

**Market Announcement - Proposed investment in online real estate marketplace iBuyNew.com.au, \$459,000 placement and directors exercise options.**

**Proposed investment**

The Directors of Disruptive Investment Group Limited (“DVI”) are pleased to announce that DVI has entered into a non-binding term sheet to acquire 50% of Find Solutions Australia, the owner of iBuyNew.com.au (“IBN”), one of Australia’s most innovative off-the-plan (“OTP”) property marketplaces. The investment in IBN is subject to a number of conditions precedent including satisfactory completion of due diligence, transaction documentation and a further capital raising.

Founded in 2009 by entrepreneur Mark Mendel, IBN is a high-growth, profitable online marketplace and since 2010 has sold over \$170m worth of apartments. In FY14 IBN generated approximately \$2.1m in revenue and \$636,200 of normalised EBITDA. As of 10 December 2014, IBN has approximately \$1.8m in receivables relating to commissions payable as a result of historical sales of projects due to complete over the next 30 months. The company has recorded a revenue CAGR of 80% since 2012, with an EBITDA CAGR of 169% over the same period.<sup>1</sup>

The proposed transaction is consistent with DVI’s strategy of leveraging its expertise and online platform to accelerate high-growth technology businesses run by strong management teams. This investment will expand DVI’s interests in the technology space.

IBN is one of Australia’s leading online OTP real estate online marketplaces, helping property buyers compare over \$1b worth of properties and then purchase their desired apartment

As part of the transaction Dr. Adir Shiffman and John Kolenda will join the IBN board.

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<sup>1</sup> The information relating to IBN contained in this document has been provided by the management of IBN to DVI. DVI has not concluded due diligence on IBN, has not independently verified the accuracy of this information and do not accept any responsibility for its inaccuracy, misstatement or any omission of any nature whatsoever in relation thereto.

Dr. Adir Shiffman, Chairman of DVI, said "I've known Mark for over 3 years and have been following his business closely. He is a great operator who has proven out a scalable business model in a highly fragmented but extremely large market. This is a great fit for our existing online platform and expertise, and is precisely the type of business that fits within DVI's sweet spot. The Directors are all incredibly excited to become equal partners with Mark, and help him accelerate the growth of iBuyNew.com.au."

Mr Mark Mendel, Founder and Chief Executive Officer of the IBN, said "We are very excited to have DVI as a partner. Their knowledge across the technology sector and high growth sales businesses is a great combination that will help drive us more quickly to achieve our goal of becoming the largest online marketplace for off the plan properties in Australia.

"The core strengths of the DVI team can help us deliver faster growth rates over the coming years, as we continue to make it easier for purchasers to easily identify and purchase the right property and for developers to access a ready market of buyers."

### **Proposed transaction terms**

DVI has entered into a non-binding term sheet, subject to a number of conditions precedent including satisfactory completion of due diligence and documentation, to acquire 50% of the equity in Find Solutions Australia, the parent company of IBN, ("FSA") and to provide FSA with a working capital loan of \$200,000. If the transaction proceeds, the shareholders of FSA will also grant DVI an option to acquire the remainder of the equity in FSA in 3 years.

The proposed consideration payable to current shareholders for 50% of FSA will be approx. \$2.15 million comprising \$1.5m in cash and 53,296,250 DVI shares (to be issued at \$0.012 per share). As a result entities associated with Mark Mendel will become a major shareholder of DVI. In addition, and as noted above, if the transaction proceeds, DVI will provide FSA a \$200,000 working capital loan with an 8% interest rate for a period of 12 months.

If the proposed investment in IBN proceeds, DVI may need to raise further capital to pay the cash component of the consideration.

### **Placement and Option Exercise**

The Directors of DVI are also pleased to announce the completion of a placement to institutional investors to raise \$330,000 ("Placement"). 27,500,000 new shares in DVI ("Shares") will be issued under the Placement at an offer price of A\$0.012 per Share. New Shares under the Placement are expected to be allotted on 29 December 2014.

Related entities of DVI Directors Dr Adir Shiffman, Calvin Ng and John Kolenda have agreed to exercise 100% of the 12.9m 31 December 2014 options held by them ("Option Exercise"). The Option Exercise will result in a further \$129,000 of cash raised by DVI.

The proceeds of the Placement and the Option Exercise are intended to be used to provide funding to complete the second tranche of DVI's investment in Professional Performance Systems (the owner of BYOjet Group), to further investigate the proposed investment in iBuyNew.com.au (described above) and to provide general working capital.

### **About iBuyNew**

Founded in 2009 by entrepreneur Mark Mendel, IBN connects property buyers with developers of OTP properties with the use of proprietary technology and tools. To date IBN has sold over \$170m worth of properties (over 400 properties) across Australia as it allows buyers to instantly compare over 1,500 new apartments, townhouses and house and land packages for sale in Australia. IBN consultants will also assist the buyer up to settlement on the chosen property and on any future purchasing needs.

### **About Disruptive Investment Group Limited (ASX:DVI)**

Disruptive Investment Group Limited is an owner, developer and operator of retail, franchise and e-commerce brands, listed on the Australian Securities Exchange trading under the ASX Code: DVI.

DVI is a significant investor in one of Australia's leading online travel agencies ("OTA") BYOjet. The BYOJet Group comprises an OTA that processed \$87m worth of transactions in FY 2014, as well as hotel booking websites Check-in.com.au and Cheapflights.com.au, and a customer database in excess of 400,000 members. BYOJet also owns the proprietary JetMax platform, a technology that enables offline travel agents to quickly and easily offer a full service branded online travel service to their customers.

DVI's stated growth initiatives also include pursuing targeted acquisitions both within the retail, franchise and e-commerce sectors, particularly where its existing digital platform and expertise can provide a meaningful benefit to any acquisition.

**For further information, please contact Dr Adir Shiffman on (02) 9248 6988.**

**ENDS**

