



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

29 March 2016

Disruptive Investment Group Limited (ASX: DVI)

DVI to increase ownership to 100% of iBuyNew.com.au

iBuyNew.com.au (**IBN**) is a profitable, high growth Australian online property marketplace that connects prospective buyers of property with over 2,700 new and Off The Plan (**OTP**) properties. Currently Disruptive Investment Group Limited (**DVI**) owns a 50% stake in Find Solutions Australia Pty Ltd (**FSA**), the owner of IBN, with an option to acquire the remaining 50% in 2019.

The Board is pleased to announce that DVI has entered into a binding term sheet (**Term Sheet**) to accelerate the exercise of this option to acquire the remaining 50% of FSA (**Proposed Transaction**).

The consideration for the remaining 50% stake in FSA is \$5.9m (comprising both cash and DVI scrip), implying an enterprise value of \$11.8m. Additionally, the vendors of FSA have warranted that IBN has at least \$2m in deferred cash income comprising expected commissions to be paid on settlement of various contracted property purchases.

Subject to the satisfaction of a number of conditions precedent, it is anticipated that the Proposed Transaction will complete on or before 1 July 2016.

Founder and CEO Mr. Mark Mendel will continue to lead the business and has agreed to accept approximately 75% of the purchase price (\$4.4m) in DVI scrip. \$1.5m of the purchase price is payable in cash in three tranches between completion and May 2017.

Mr. Mendel will also join the DVI board as an Executive Director subject to shareholder approval and upon completion of the Proposed Transaction.

Dr Adir Shiffman, Non-Executive Director and Chairman, said: "We are very pleased to have entered into this binding Term Sheet. iBuyNew is a technology business disrupting a huge industry in a remarkable way, and Mark Mendel has proven to be a strong and capable operator. Revenue is increasing rapidly, the business is delivering earnings, and we have a huge market to conquer".

Transaction highlights

- DVI currently owns a 50% stake in FSA, operator of iBuyNew.com.au, a facilitated online marketplace for new and OTP property;
- DVI proposes to acquire the remaining 50% of FSA for approx. \$5.9m, implying a total enterprise value of \$11.8m;
- The acquisition will be paid as a mix of cash and DVI scrip, with approx. 75% in scrip:
 - \$1.5m cash to be paid in 3 tranches; and
 - 245.75m DVI shares to be issued at 1.8c per share which will be subject to escrow restrictions for 24 months post completion.
- Mr Mark Mendel to remain as CEO of IBN and will join the DVI board on completion; and
- Mr Andrew Jensen, currently a Non-Executive Director of DVI, will become an Executive Director of DVI to assist in leading the future growth of DVI and IBN.

Key terms of the Proposed Transaction

Key terms of the Proposed Transaction are as follows.

- Enterprise value of \$11.8m based on 11x FY15 Operating EBITDA and 4x FY15 revenue¹.
- Total consideration payable to the vendors (Mark Mendel and Marshe Nominees) will be approx. \$5.9m, comprising:
 - \$1.5m cash in 3 tranches as follows:

Cash consideration	\$	Payment Date
Tranche 1	\$500,000	At completion of the Proposed Transaction
Tranche 2	\$500,000	31 December 2016
Tranche 3	\$500,000	1 May 2017 ²

- 245.75m DVI shares at 1.8c per share subject to escrow restrictions for 24 months from completion.
- Subject to the satisfaction of a number of conditions precedent, it is anticipated that the Proposed Transaction will complete on or before 1 July 2016.
- Conditions precedent to completion of the Proposed Transaction include:
 - ASX confirmations;
 - all parties receiving satisfactory accounting, tax and legal advice;
 - DVI obtaining requisite shareholder approvals; and
 - execution of definitive transaction documents.

Mr. Andrew Jensen to become Executive Director

DVI is also pleased to announce that Mr. Andrew Jensen has accepted the position of Executive Director of DVI at 21 March 2016, and will work closely with Mr. Mendel in growing the IBN business. Mr. Jensen is an accomplished corporate executive serving over 15 years in senior finance and management roles, including the CFO of Ray White Group, Australia's largest real estate group and the Loan Market Group.

¹ FY15 operating EBITDA and revenue on an unaudited basis.

² If, at any time between 1 January 2017 and 30 April 2017, DVI holds more than \$1,500,000 in cash reserves net of current liabilities, DVI will pay the Tranche 3 cash consideration to Mark and Marshe within 5 business days from this date.

Mr Jensen was appointed Non-Executive Director of DVI in September 2014. Since his appointment Mr Jensen has significantly contributed to the development of both DVI and IBN and will continue to lead and drive key growth initiatives.

Timetable

DVI intends to hold a shareholders meeting before the end of the financial year.

The shareholders of DVI will receive a notice of meeting setting out the resolution relating to the proposed transaction. A detailed explanatory statement will accompany the notice of meeting and will be distributed to all shareholders prior to the meeting.

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About DVI

Disruptive Investment Group Limited is a technology investment company listed on the Australian Securities Exchange (ASX: DVI). It focuses on niche markets with attractive growth prospects and has partnered with high quality, established businesses in order to maximise shareholder value.

DVI's business strategy involves taking material stakes in profitable businesses, operating in large markets with a differentiated business model.

DVI 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.

Currently, DVI's primary investment is Find Solutions Australia Pty Limited (**FSA**), owner and operator of iBuyNew.com.au (**iBuyNew**). iBuyNew is one of Australia's leading online marketplaces for new property sales.