



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

**13 October 2016**

## **DVI enters into binding agreement to acquire Nyko Property**

### **Highlights:**

- Disruptive Investment Group Limited has entered into a agreement pursuant to which it has agreed to acquire Nyko Property (“**Nyko**”).
- Melbourne-based, Nyko is a profitable business that generates new property sales through its B2B intermediaries and corporate partnership networks.
- The acquisition includes Nyko’s future commissions receivables balance of approximately \$350k expected to be received by the end of 2017<sup>1</sup>.

Disruptive Investment Group Limited (ASX: DVI) (“**Company**” or “**DVI**”) operator of iBuyNew.com.au (“**IBN**” or “**iBuyNew**”), is pleased to announce the successful completion of financial and legal due diligence and the signing of the an agreement to acquire 100% of Nyko.

The consideration for the acquisition is set out below:

1. An upfront consideration of \$700,000 (calculated as 4x adjusted FY16 EBITDA of approximately \$175,000<sup>2</sup>), comprising of \$350,000 in cash and 19,444,444 in DVI Shares (to be issued at 1.8c per share) to be paid and issued on completion; and
2. An “earn-out” deferred consideration of up to \$175,000, comprising of up to \$87,500 in cash and 4,861,111 in new DVI shares (to be issued at 1.8c per share) subject to Nyko achieving a minimum of 85 sales over the 15 months from the completion date.

The acquisition provides further benefits by broadening IBN’s capabilities including further sales leadership, proven expertise and established networks to rapidly scale IBN’s third party distribution channels to corporate partners where IBN had completed a successful pilot of the channel. Material synergies are expected through the integration of Nyko’s existing infrastructure and strong established relationships to IBN’s platform. Once complete, both businesses are expected to

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<sup>1</sup> On an unaudited basis. Financial metrics provided by Nyko management.

<sup>2</sup> On an unaudited basis.

substantially increase product offerings and their strategic positioning with the ability to offer a larger range of compelling products to a larger variety of sales channels.

In FY16, Nyko recorded 56 sales generating in excess of \$28 million in total transaction value and \$1.6m in revenue<sup>3</sup>. In Q1 FY17, Nyko recorded 17 sales<sup>4</sup> representing 30% of full year FY16 sales.

As part of the transaction, Nyko Founder and Managing Director, Mr Bill Nikolouzakis executed an employment agreement to remain with Nyko as Director of Corporate Partnerships to lead, scale and grow the business.

Nyko Managing Director Bill Nikolouzakis commented: "The acquisition by DVI provides Nyko with additional resources, exposure and technology to rapidly scale and enter new markets previously not available to us. Under the one group, there is substantial opportunity for growth.

"Along with our established network of corporate partners, Nyko holds a number of contractual agreements with some of Australia's leading mortgage aggregation and franchise groups. These arrangements provide us access to thousands of mortgage brokers Australia wide. The consolidation of both businesses will allow us to maximise the benefits and create greater value to our partners in a way not available to us otherwise."

iBuyNew CEO Mark Mendel commented: "The acquisition fundamentally transforms iBuyNew's third party sales channel division to provide a complete property investment solution for its Corporate Partners and positions our B2B offering with wider breadth through established partners, well-developed systems and processes.

"The Nyko business is very complimentary to iBuyNew and will play a key role in the success of our corporate partnerships network channels. We expect material synergies to develop as a result of the integration of both businesses.

"iBuyNew aspires to lead new property sales globally and continues to look for opportunities to accelerate growth."

**Further inquiries:**

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**ENDS**

**About DVI**

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<sup>3</sup> On an unaudited basis.

<sup>4</sup> On an unaudited basis.

Disruptive Investment Group Limited operates iBuyNew.com.au, a leading Australian online marketplace 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, review and buy more than 3,500 listings across 150+ developments, as well as a range of new house and land packages. A highly experienced iBuyNew consultant is available to provide guidance and clarity.

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.