



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

26 April 2016

iBuyNew records strong sales growth in 3Q16 and DVI to increase ownership to 100% of iBuyNew

Disruptive Investment Group Limited (**ASX: DVI**) is pleased to announce its update for the quarter ended 31 March 2016.

As DVI continues to progress through long form documentation with the intention of moving to 100% ownership of Find Solutions Australia Pty Ltd (**FSA**), the owner of iBuyNew.com.au (**iBuyNew**). On 29 March 2016, DVI announced to the market that it had entered into a binding term sheet to accelerate the exercise of the option to acquire the remaining 50% of FSA. Currently, DVI owns a 50% stake in FSA however the future performance of DVI will be more aligned to iBuyNew's performance upon completion of the proposed transaction.¹

Key Highlights

- iBuyNew's total transaction value (**TTV**) rose 115% from the prior comparable period (**PCP**), reaching \$66.2m for the year-to-date (**YTD**) period ended 31 March 2016;
- iBuyNew achieved sales growth of 87% from PCP achieving a total of 129 properties for the YTD period ended 31 March 2016;
- DVI received a payment of \$700k from Flight Centre Group Limited (**ASX:FLT**) as a result of the accelerated sell down of Professional Performance Systems Pty Ltd (**PPS**), the parent entity of the BYOjet Group; and
- DVI continues to focus on building a quality management team with the appointment of former CFO of Ray White Group, Mr Andrew Jensen as executive director of DVI. Mr Jensen was previously a non-executive director of DVI since September 2014.

¹ The transaction is subject to a number of conditions precedent.

Key financial results for YTD ended 3Q16

iBuyNew Results	YTD 3Q16	PCP 3Q15	% Change
TTV	\$66.2m	\$30.8m	115%
Sales	129	69	87%
Commissions Receivable	\$3.3m	\$1.5	118%
Sales Income Revenue	\$2.5m	\$2.2m	14%

Key financial results 3Q16

iBuyNew Results	3Q16	3Q15	% Change
TTV	\$12m	\$6m	95%
Sales	23	14	64%
Commissions Receivable	\$566k	\$311k	82%
Sales Income Revenue	\$458k	\$512k	(11%)

Results are on an unaudited basis.

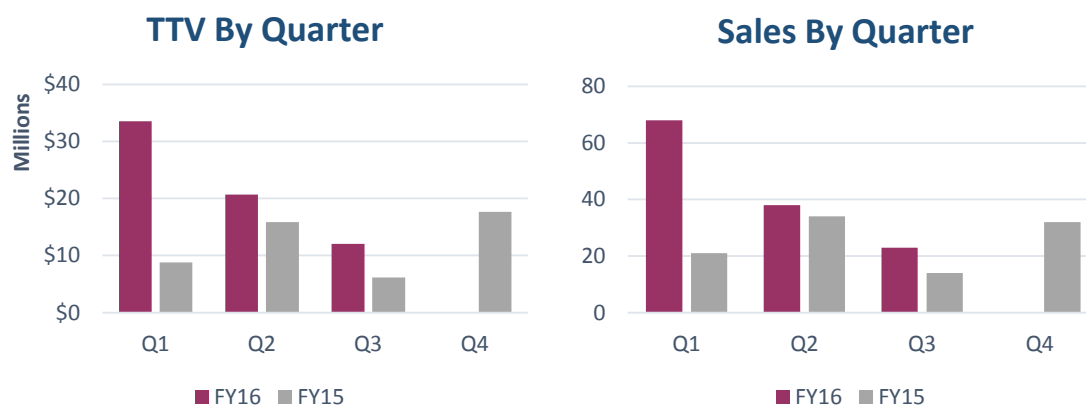
Note that FSA's cash flow is consolidated into DVI's current Appendix 4C.

Commissions receivable 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**) which usually occurs in a future period.

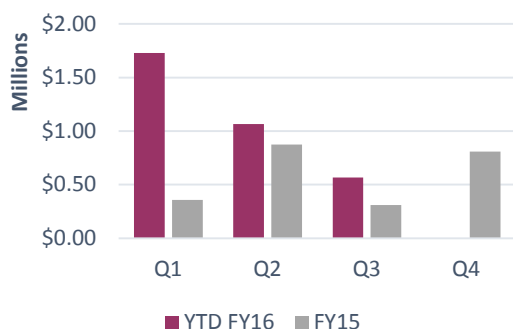
Sales income revenue comprises of upfront exchange income and settlement income from past property sales.

Strong TTV, sales and commissions receivable recorded in the 3Q16 quarter

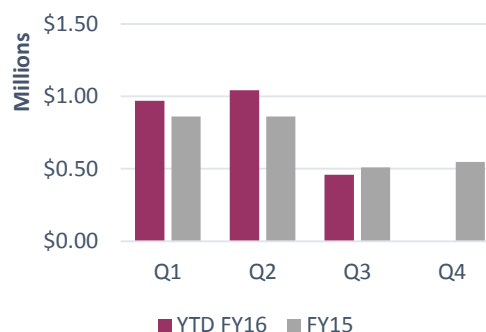
It is important to note that iBuyNew is a seasonal business with lower TTV and sales historically recorded in 3Q. Despite this, the business achieved \$12m in TTV representing high TTV growth of 95%, and 23 sales representing sales growth of 64% relative to PCP. Commissions receivable increased 82%, generating \$566k in upfront exchange and future settlement commissions. Sales income revenue recorded \$458k with the performance driven by strong upfront exchange revenue (Compared to previous quarters, less settlement revenue flowed into the business from prior periods, this settlement revenue is due to be realised in subsequent quarters).



Commissions Receivable



Sales Income Revenue



iBuyNew secures its first exclusive development

All historical sales made by iBuyNew have been with respect to non-exclusive stock. Generating exclusive agreements from developers requires sufficient critical mass to be worthwhile.

In 3Q16 iBuyNew secured its first exclusive deal with marketing and sales rights for a limited period. The achievement of the first exclusive deal is evidence that iBuyNew is experiencing strong growth and is now reaching out to a market presence large enough to attract significant developer partnerships.

iBuyNew CEO Mark Mendel said, “We are committed to working with boutique small to mid-sized developers to drive extra sales and value for our customers. The platform that we’ve developed provides smaller developers higher exposure leading to the potential for higher property sales.

“iBuyNew is positioning itself to best capitalise on this its technology platform and is excited to further build developer relationships to secure exclusive stock for distribution on the platform. Exclusive stock allows us to work very closely with the developer to develop very detailed and targeted marketing campaigns to increase sales.”

All three recently implemented sales channels well received

More than 50 expressions of interests have been received for the initiation of corporate partnerships. The agent partnership channel has also been well received, with a small number of agents coming on board through an accreditation process.

iBuyNew Acquisition

After 12 months of being actively involved in the iBuyNew business, the board of DVI has determined that iBuyNew presents the opportunity to become a global leader new and off-the-plan sales through its online marketplaces. To capture this opportunity DVI executed a binding term sheet to accelerate the exercise of its option to acquire the remaining 50% of FSA, owner of iBuyNew.

The consideration for the remaining 50% equity 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 iBuyNew will have at least \$2m in deferred cash income, comprising expected commissions to be paid on

settlement of various property purchases contracted prior to the date of completion of the acquisition.

Founder and CEO of iBuyNew, 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. A further \$1.5m of the purchase price is payable in cash in three tranches between completion and May 2017, which is subject to operating and working cash flow movements.

The transaction is subject to a number of conditions precedent and is expected to complete on or before 1 July 2016.

Non-Executive Chairman Dr Adir Shiffman stated, “DVI is excited about the continued strength and operational performance of iBuyNew in that it consistently exceeds our internal forecasts and expectations. iBuyNew CEO, Mark Mendel is a strong leader and has demonstrated his ability to drive this growth, even in less than exceptional market conditions.

“The company has launched a number of new channels in recent times and adds to this its recent exclusive deal enabling iBuyNew to work closer with developers to drive additional value for our clients. The business has shown that it has a great potential to disrupt the real estate industry and DVI is thrilled to be investing further in its growth.”

DVI is also pleased to announce that Mr Andrew Jensen has accepted the new position of executive director of DVI as at 21 March 2016, and will work closely with Mr Mendel in growing the iBuyNew business. 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 Mr. Jensen is an accomplished corporate executive.

Accelerated Sell down of PPS

As announced on the 19 February 2016, DVI and FLT agreed to accelerate the sale of DVI’s remaining interest in PPS. As consideration for the acquisition of DVI’s shares in PPS, FLT paid DVI an initial cash payment of \$700,000, plus granted DVI a future payment to be determined by reference to PPS’s EBITDA for the financial year ending 30 June 2018, which will see DVI maintain equity-like exposure without further dilution. The future payment will be calculated as follows:

$6 \times 8.205\% \times \text{PPS's FY18 EBITDA} - (16.41\% \times \text{PPS's financial debt}) - \text{initial payment.}$

As a result of the transaction between PPS and FLT, DVI will no longer include PPS in future reporting.

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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.

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Name of entity

Disruptive Investment Group Limited

ABN

20 108 958 274

Quarter ended ("current quarter")

31 March 2016

50% of FSA's cash flow have been consolidated into DVI's 3Q16 quarterly Appendix 4C report:

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter	Year to date (9 months)
	\$A'000	\$A'000
1.1 Receipts from customers	411	1,443
Less commissions paid to wholesaler	(0)	(0)
Net receipts from customers	411	1,443
1.2 Payments for (a) staff costs	Wages (115)	Wages (359)
	Consultant Fees (28)	Consultant Fees (96)
	Directors Fees (97)	Directors Fees (247)
	(29)	(117)
(b) advertising and marketing	(0)	(0)
(c) research and development	(231)	(771)
(d) leased assets		
(e) other working capital*		
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	3	10
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid	(8)	(19)
1.7 Other – Security deposits		
Net operating cash flows	(94)	(156)

* "other working capital" relates to all other operating costs except for the ones listed from (a) to (d) and movement of restricted cash held on trust.

	Current quarter	Year to date (9 months)
	\$A'000	\$A'000
1.8 Net operating cash flows (carried forward)	(94)	(156)
Cash flows related to investing activities		

1.9	Payment for acquisition of:		
	(a) businesses (item 5)		
	(b) equity investments	(37)	(811)
	(c) intellectual property		
	(d) physical non-current assets		
	(e) other non-current assets	(20)	(87)
	(f) term deposits	(0)	(63) ^a
1.10	Proceeds from disposal of:		
	(a) businesses (item 5)	(0)	6
	(b) equity investments	700 ^b	700 ^b
	(c) intellectual property		
	(d) physical non-current assets		
	(e) other non-current assets		
	(f) term deposits		
1.11	Loans to other entities	(0)	(344) ^c
1.12	Loans repaid by other entities	44 ^c	344 ^c
1.13	Other (provide details if material)	(0)	(0)
	Net investing cash flows	687	(255)
1.14	Total operating and investing cash flows	593	(411)
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc.		
1.16	Proceeds from sale of forfeited shares		
1.17	Proceeds from borrowings		
1.18	Repayment of borrowings		
1.19	Dividends paid		
1.20	Other (provide details if material)		
	(a) cost of proposed share issue	(7) ^d	(11) ^d
	(b) repayments to shareholders	(100) ^e	(100) ^e
	Net financing cash flows	(107)	(111)
	Net increase (decrease) in cash held	486^e	(522)
1.21	Cash at beginning of quarter/year to date	1,145	2,153
1.22	Exchange rate adjustments to item 1.20		
1.23	Cash at end of quarter	1,631^f	1,631^f

^a "Term deposits" relate to the bank guarantee for the new iBuyNew office.

^b \$700,000 was paid by Flight Centre Group Limited ("FLT") as a result of an agreed accelerated sell down of DVI's remaining shares in Professional Performance Systems Pty Ltd ("PPS").

^c \$300,000 was lent to PPS in November 2015. This amount was repaid in full in December 2015 as part of the investment by FLT. In February 2016, PPS reimbursed \$43,852 (incl. GST) for audit fees owed from September 2015.

^d Related to prior capital raise in December 2014.

^e Repayments made to vendors of Find Solutions Australia ("FSA") for monies owned prior to DVI's

investment in FSA.

^f The cash balance includes \$78,098 restricted cash held on trust.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter
		\$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	116
1.25	Aggregate amount of loans to the parties included in item 1.11	0

1.26 Explanation necessary for an understanding of the transactions

- \$28,055 for accounting & tax services rendered by entities partially controlled by John Kolenda and Calvin Ng.
- Directors' fees for the quarter ended 30 September 2015: \$18,000
- Directors' fees for the quarter ended 31 December 2015: \$50,000
- Directors' fees for the quarter ended 31 March 2016: \$20,000

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

As announced to the ASX on 19 February 2016, Flight Centre Group Limited acquired the remaining interest of PPS from DVI for \$700,000 in cash.

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

As announced to the ASX on 19 February 2016, DVI and FLT agreed to an accelerated sell down of DVI's remaining interest in PPS. As consideration for the acquisition, DVI received an initial cash payment of \$700,000.

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities		
3.2	Credit standby arrangements		

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	1,631	1,145
4.2 Deposits at call		
4.3 Bank overdraft		
4.4 Other (provide details)		
Total: cash at end of quarter (item 1.23)	1,631	1,145

Acquisitions and disposals of business entities

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
5.1 Name of entity		Professional Performance Systems Pty Ltd (PPS)
5.2 Place of incorporation or registration		Queensland
5.3 Consideration for acquisition or disposal		\$700,000
5.4 Total net assets		(\$3,425,094) as at 20 December 2015
5.5 Nature of business		Travel/Online Booking Services

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does ~~not~~ ^{not} ~~(delete one)~~ give a true and fair view of the matters disclosed.



Sign here: Date: 26 April 2016

(Company secretary)

Print name: Anand Sundaraj

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.