

DISRUPTIVE INVESTMENT GROUP LIMITED (ASX: DVI)

1H FY16 Results Presentation

February 2016

Disclaimer & Disclosures

This presentation has been prepared by Disruptive Investment Group Limited ACN 109 958 272 (DVI). Each recipient of this presentation is deemed to have agreed to accept the qualifications, limitations and disclaimers set out below.

None of DVI and or its related bodies corporate (as that term is defined in the Corporations Act 2001 (Cth)) and the officers, directors, employees, advisers and agents of those entities (Beneficiaries) make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information contained in this presentation, including any forecast or prospective information.

This presentation may contain certain “forward-looking statements”. Forward looking statements can generally be identified by the use of forward looking words such as, “expect”, “should”, “could”, “may”, “predict”, “plan”, “will”, “believe”, “forecast”, “estimate”, “target” and other similar expressions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. The forward looking statements included in this presentation involve subjective judgment and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, the Beneficiaries. Actual future events may vary materially from the forward looking statements and the assumptions on which those statements are based. Given these uncertainties, you are cautioned to not place undue reliance on such forward looking statements.

DVI disclaims any intent or obligation to publicly update any forward looking statements, whether as a result of new information, future events or results or otherwise.

Nothing in this presentation is or is to be taken to be an offer, invitation or other proposal to subscribe for shares in DVI. This presentation is a general overview only and does not purport to contain all the information that may be required to evaluate an investment in DVI. The information in this presentation does not amount to an express or implied recommendation with respect to any investment in DVI nor does it constitute financial product advice (nor tax, accounting or legal advice). The recipient, potential investors and their advisers, should:

- conduct their own independent review, investigations and analysis of DVI and of the information contained or referred to in this presentation; and/or
- seek professional advice as to whether an investment in DVI is appropriate for them, having regard to their personal objectives, risk profile, financial situation and needs.

To the maximum extent permitted by law, DVI and its Beneficiaries do not accept any responsibility or liability including, without limitation, any liability arising from fault or negligence on the part of any person, for any loss arising from the use of the presentation or its contents or otherwise arising in connection with it.

By receiving this information, you specifically acknowledge and agree that some of the information contained herein has been provided to the Beneficiaries by third parties and that the Beneficiaries accept no responsibility for any inaccuracy, misstatement, misrepresentation or omission, in relation to that information.

This document may not be transmitted, copied or distributed, directly or indirectly in the United States or to any US person (as that term is defined in Regulation S under the U.S. Securities Act of 1933, as amended) including any U.S. resident, any partnership or corporation or other entity organised or incorporated under the laws of the U.S. or any state thereof, any trust of which the trustee is a U.S. person or any agency or branch of a foreign entity located in or resident of the United States. The recipient agrees to be bound by these terms.

Summary

- DVI's primary investment iBuyNew continued to demonstrate exceptional results across all key metrics and is currently DVI's major investment and primary income driver;
- As a result of DVI owning a 50% interest in Find Solutions Australia Pty Ltd (**FSA**), owner of iBuyNew, the financial statements have been consolidated to DVI's accounts; and Professional Performance Systems Pty Ltd (**PPS**) performance has been incorporated under the equity accounting method;
- Revenue of \$2.1m up 1865% from Prior Comparable Period (PCP) 1H FY15;
- Operating EBITDA of \$592k from ongoing operations;
- Statutory Net loss of (\$1.69m) primarily due to a one-off adjustment relating to a revaluation of the PPS asset;
- iBuyNew revenue of \$2m (up 42%), Operating EBITDA of \$837k (up 78%), NPAT of \$593k (up 81%) off the back of record sales of 106 (up 93%) and record TTV of \$54.2M (up 120%);
- iBuyNew positioned well for continued future growth;
- Shortly after the end of 1H FY16, DVI accelerated the sale of its remaining interest in PPS to the Flight Centre Travel Group (ASX: FLT);
- DVI has maintained upside potential via a 8.205% equity like contractual interest in BYOjet to be realised in FY18; and
- Consolidated cash balance of \$1.87m, subsequent to 31 December 2015 DVI also received a cash payment of \$700,000 due to accelerated sell down of PPS.

Key Financial Metrics Snap Shot 1H FY16 – DVI

Revenue and
other income
\$2.1m
UP 1865%

Operating
EBITDA
\$592K

Statutory Net
(loss)
(\$1.69m)

Cash receipts
received
\$2m
UP 473%

Net cash flow
from operations
\$428k

Consolidated
cash Balance
\$1.87m

Note:

- Growth driven by accounting consolidation of strongly performing Find Solutions Australia (iBuyNew) (50% owned);
- Statutory net (loss) of (\$1.69m) driven by:
 - ❑ Non cash revaluation of PPS investment of (\$1.6m);
 - ❑ (\$400k) share of operating (loss) in proportion to DVI's interest in PPS; and
- Subsequent to the end of 1H FY16 the Flight Centre Group agreed to an accelerated sell down of DVI's remaining shares in PPS and made an initial cash payment of \$700k and agreed to a potential future payment option to be determined at the end of FY18.

Key Financial Metrics Snap Shot 1H FY16 – iBuyNew

TTV \$54.2m UP 120%	Revenue \$2m UP 42%	Operating EBITDA \$837k UP 78%	NPAT \$593k UP 81%
Property Sales 106 UP 93%	Commissions from sales* \$2.9m UP 135%	Email database 41k UP 86%	Wholesale platform sales 10 Early sales

Note:

Results prior to DVI's investment are on an unaudited basis.

*Total commissions from sales represents a 50% upfront payment on exchange of contracts and 50% on settlement of property sale.

DVI Portfolio Overview



DVI currently owns a **50% equity interest** in Find Solutions Australia PTY Ltd (FSA) (the owner of iBuyNew.com.au). DVI holds a second option to acquire the remaining **50% of FSA** – terms of exercise of the acquisition are **contingent on the financial performance of FSA at the time**



Following the accelerated sell down to Flight Centre Travel Group Ltd. (ASX: FLT), DVI has maintained a 8.205% equity-like exposure via the potential future payment. DVI received an upfront payment of **\$700,000 (Initial Payment)** and will receive a **potential future payment** calculated using the following formula:

Future payment = **6 x 8.205% x PPS's FY18 EBITDA – (16.41% x PPS's financial debt) – Initial Payment**

P&L for the period 1H FY16 – DVI

December half year end	1H FY16	1H FY15	% Change
Disruptive Investment Group (DVI)	\$	\$	%
Revenue and other income	2,103,614	109,175	1865%
Operating expenses	(1,553,038)	(385,969)	302%
Operating EBITDA	592,401	(276,794)	n/a
One off transaction costs	(46,000)	(57,652)	(20%)
Gain on disposal of subsidiary	5,000	875,183	(99%)
Share of (loss) from joint venture entity	(400,689)	(406,818)	(2%)
Net changes to fair value on available for Sale assets	(1,605,022)	-	n/a
Gain/(loss) relating to one off costs and travel related investment	(2,046,711)	410,713	(598%)
Statutory EBITDA	(1,454,310)	133,919	(1186%)
Net financing income and depreciation	(4,461)	11,172	(140%)
Profit/(Loss) before tax	(1,458,771)	145,091	n/a
Income tax expense (FSA)	(233,463)	(160,000)	46%
Net Profit/(loss)	(1,692,234)	(14,909)	11250%

Note:

- Revenue up 1865% from Prior Comparable Period (PCP) 1H FY15;
- Operating EBITDA from ongoing operations of \$592k;
- Growth driven by 100% accounting consolidation of strongly performing FSA (50% owned);
- Statutory Net (loss) of (\$1.69m) driven by:
 - ❑ Non cash revaluation of PPS investment of (\$1.6m); and
 - ❑ (\$400k) share of operating (loss) in proportion to DVI's interest in PPS.

Balance sheet as at 31 Dec 2015 – DVI

	31 Dec 15	31 Dec 14	% Change
Cash & cash equivalents	1,874,037	1,894,581	-1%
Other current assets	1,337,876	109,060	1127%
Other assets	2,421,616	3,739,762	-35%
Total assets	5,633,529	5,743,403	-2%
Trade and other payables	1,355,873	262,912	416%
Provisions	13,437	2,664	404%
Total current liabilities	1,369,310	265,576	416%
Total Liabilities	1,545,658	265,576	482%
Net Assets	4,087,871	5,477,827	-25%

Note:

- Growth driven by 100% accounting consolidation of strongly performing FSA (50% owned);
- Strong consolidated cash balance of \$1.87m;
- Other current assets largely relates to iBuyNew commission receivables and PPS asset;
- The decrease in other assets is a largely the result of the conversion of the convertible note in PPS.
- Trade and other payables largely relate to trade creditors, GST, income tax, expense reimbursements and interest free directors loan; and
- DVI exercised its First Option acquiring a further 25% in FSA for cash consideration of \$750,000 and deferred share consideration of \$453,450.

Operating cash flows as at end 1H FY16 – DVI

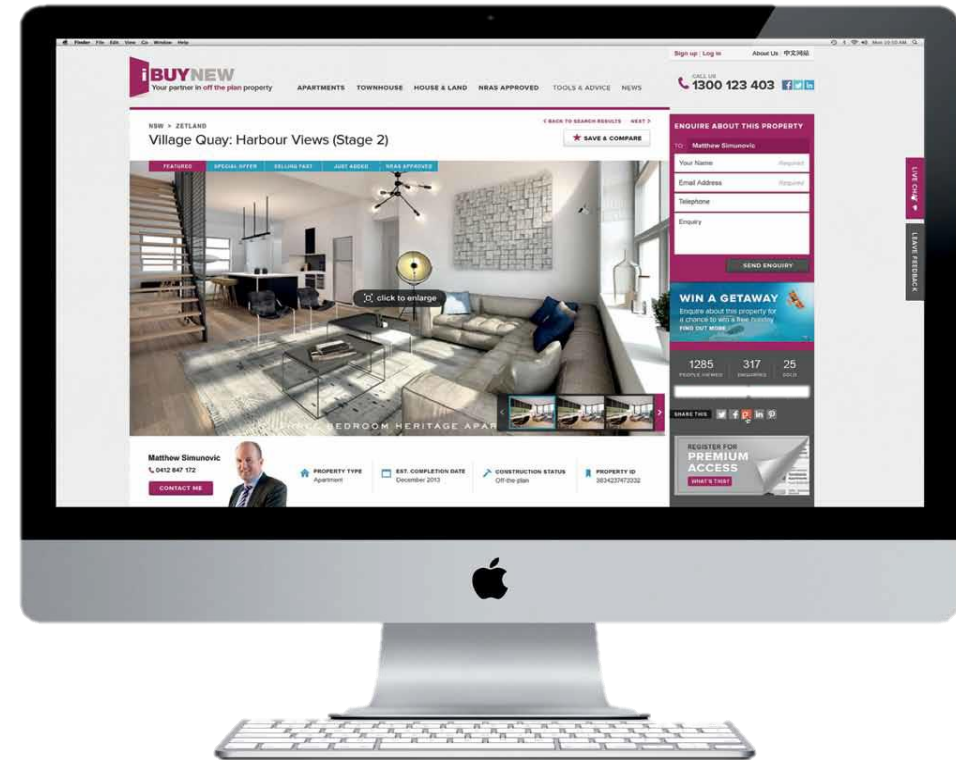
Cash flows from operating activities	1H FY16	1H FY15	% Change
Consolidated cash flows DVI	\$	\$	%
Cash receipts from customers	1,985,378	346,245	473%
Cash paid to creditors and suppliers	(1,565,018)	(695,951)	125%
Cash generated	420,360	(349,706)	(220)%
Interest received	8,080	21,496	(62)%
Net cash provided by/(used in) operating activities	428,440	(329,030)	(230)%

Note:

- Growth driven by 100% accounting consolidation of strongly performing FSA (50% owned);
- Strong receipts from property sales during the period and settlement commissions from prior period; and
- Positive Operating Cash flow of \$428k.



"One of Australia's leading online off-the-plan property marketplaces, providing a turn-key solution from selection to settlement"



P&L and key metrics or the period 1H FY16 – iBuyNew

December half year end	1H FY16	1H FY15*	% Change
Find Solutions Australia	\$	\$	\$
Revenue	2,011,825	1,413,482	42%
Expenses	(1,198,865)	(1,068,878)	12%
Operating EBITDA	836,511	469,263	78%
Net Profit after tax	592,975	328,484	81%
TTV	54,217,428	24,666,000	120%
Sales	106	55	93%
Total commissions from sales**	2,997,031	1,273,474	135%

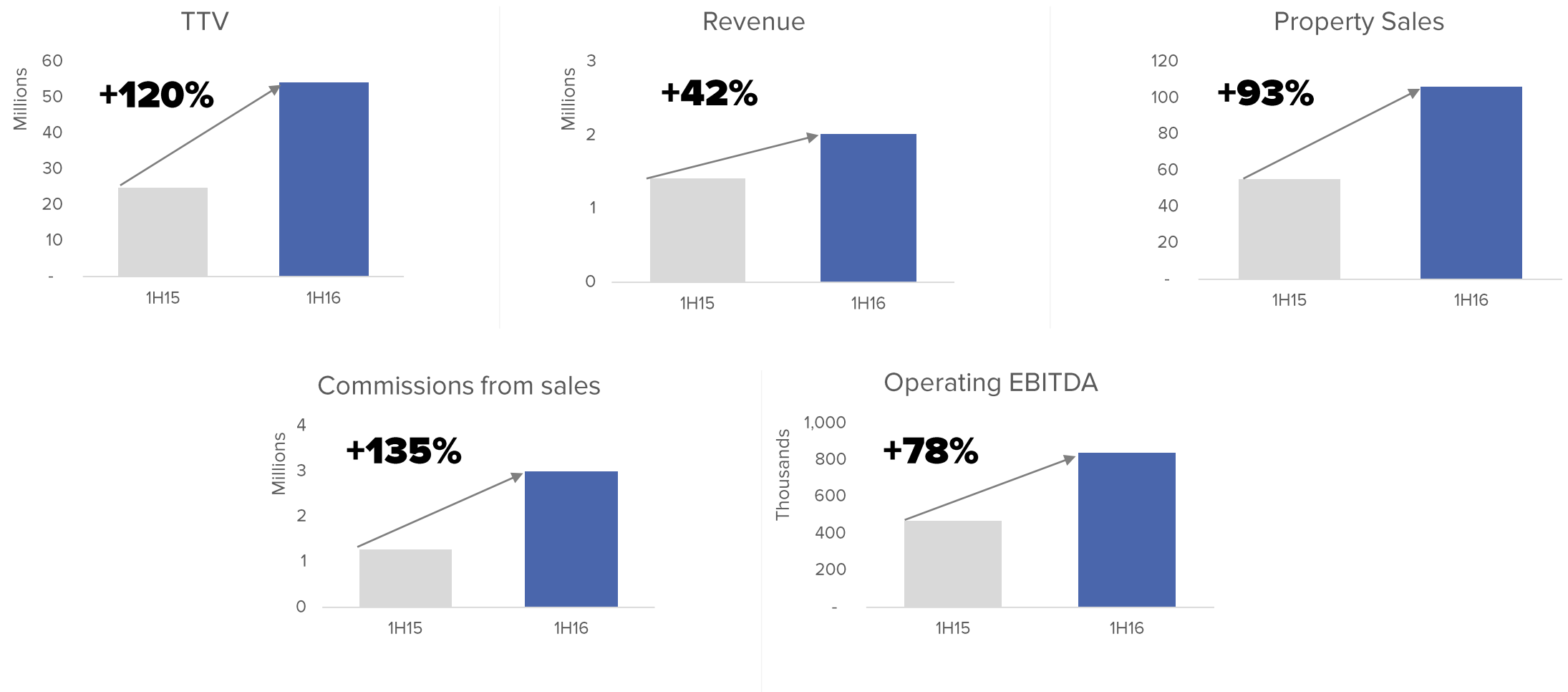
*Results prior to DVI's investment are on an unaudited basis.

**Total commissions from sales represents a 50% upfront payment on exchange of contracts and 50% on settlement of property sale.

Note:

- As at 31 December 2015, DVI owned a 50% interest in FSA, owner of iBuyNew, with a future option to acquire the final 50%;
- All key growth metrics up delivering strong results;
- Revenue up 42% from PCP to \$2m;
- Operating EBITDA up 78% from PCP to \$837k;
- NPAT increases up 81% from PCP to \$593k;
- TTV up 120% from PCP to \$54.2m;
- Sales by number up 93% from PCP and exceeding full year FY15; and
- Total commissions from sales up 135% from PCP at \$3m.

Strong Performance Across Key Metrics – iBuyNew



Results prior to DVI’s investment are on an unaudited basis.

Introduction and scale up of distribution channels



Wholesale Partnership Model

- Targeting real estate agents who do not have access to iBuyNew's stock.
- Early success, generated 10 sales worth \$6.2m in TTV in 1H FY16.



Corporate Partnership Model

- Referral model, for brokers, planners and advisers referring qualified leads to iBuyNew.
- Currently negotiating to secure a trial with a major mortgage broker group.
- Designed to provide a seamless referral process for qualified leads from mortgage brokers, financial advisors and accountants.



Agent Partnership Model

- Provides licenced real estate agents with iBuyNew's systems and tools to sell iBuyNew properties on a commission only model.
- Agents are paid on a commission-only model and iBuyNew collects a fee from every sale.

iBuyNew Growth Strategy

DISTRIBUTION



Technology driven distribution platform.

SUPPLY



Continued focus to list exclusive developments and listings on the platform.

TECHNOLOGY



Continued focus on improving the iBuyNew platform with investment into lead generation and improving conversion rates.

People



Recruiting high quality internal sales team.

On boarding sales oriented members onto the wholesale channels.

EXPANSION



Global opportunity.

RESEARCH & DEVELOPMENT



Further R&D towards the platform, ie 3D imagery and unique selling propositions.

Flight Centre Strategic Investment

- Flight Centre acquired an initial 70% stake in BYOjet and, subsequently, DVI agreed to an accelerated sell down of its remaining shares in BYOjet.
- Transaction details:
 - 21 December 2015 - Flight Centre agreed to subscribe for 70% of the shares in PPS and invested an upfront \$2.52m to support future growth and working capital.
 - 19 February 2016 – DVI agreed to sell its remaining shares in PPS and received an initial accelerated cash payment of \$700k.
 - Potential future payment of 6x PPS' FY18 EBITDA calculated as:

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

- Deal likely to accelerate BYOjet's future growth by:
 - Access to Flight Centre's vast array of privately negotiated airfares;
 - Increasing sales of other products, including hotels and insurance;
 - Improving its contracting;
 - Launching the business in new markets;
 - Using Flight Centre's marketing expertise to help grow the business and raise its profile.

Continued Strong Performance 2016

1H FY16

- DVI acquired an additional 25% stake in iBuyNew, now with a 50% interest and the option to acquire 100% in the future;
- Strong first half with iBuyNew performing stronger than full year FY15 within the first six months of FY16;
- Commencement of sales through iBuyNew's partnership and wholesale initiatives; and
- Flight Centre invested in BYOjet Group and subsequently on 19 Feb 2016 agreed to an accelerated acquisition of DVI's remaining shares.

Outlook

- On acquisition of its remaining shares in PPS DVI received an initial accelerated cash payment of \$700k from Flight Centre and may receive a future payment based on BYOjet's financial performance at the end of FY 18;
- DVI to focus on growing iBuyNew business;
- Continue to build sales force to compliment growth;
- iBuyNew to focus on R&D and assessing platform technologies operating in the property sector;
- Assessing global expansion opportunities; and
- Growing TTV, revenue and earnings.

Board of Directors



Dr Adir Shiffman – Non-Executive Chairman

Adir has extensive CEO and board experience across a number of technology companies. Adir's expertise lies in providing assistance in relation to the development of strategic plans; providing strategic advisory services, including with respect to mergers and acquisitions and restructuring; and working with senior management of Disruptive Investment Group Limited to execute those plans. Adir currently sits on a number of boards, including as the Executive Chairman of ASX-listed Catapult Group International (ASX:CAT), the founder and Non-Executive Chairman of Global Reviews and the founder and Non-Executive Chairman of StartHere.com.au. Adir graduated from Monash University in 1999 with a Bachelor of Medicine and a Bachelor of Surgery. Prior to becoming involved in the technology sector, he practised as a doctor.



Mr John Kolenda – Non-Executive Director

John is the Co-Founder and Managing Director of the Finsure Group one of Australia's largest mortgage broking and financial planning groups. John also jointly founded X Inc in 2004 and, following its merger with the mortgage broking operations of Ray White in late 2007 was an Executive Director of the merged entity Loan Market Group, comprising X Inc Finance, Loan Market and realestate.com.au Home Loans. Prior to X Inc, John spent 10 years with Aussie Home Loans in the capacity of general sales manager. John also has extensive private equity experience in property, finance, insurance and the food & beverage sector. John serves as a Director of several companies including Aura Capital Group, Freedom Insurance and Spectrum Wealth.



Mr Calvin Ng – Non-Executive Director

Calvin has significant investment banking, mergers & acquisitions and funds management experience. Calvin is a co-founder and Managing Director of the Aura Group, an independent corporate advisory and funds management business. He is also a co-founder and Non-Executive Director of the Finsure Group. Calvin has significant board experience in a number of businesses, with particular expertise in providing management oversight and strategic guidance to small and medium sized enterprises. Calvin currently sits on a number of boards, including entities associated with the Aura Capital Group, Finsure Group and ASX-listed Catapult Group International (ASX:CAT). Calvin holds a Bachelor of Commerce and Bachelor of Laws from the University of New South Wales. Calvin has also completed a Graduate Diploma of Legal Practice and has been admitted to practice as a lawyer in the Supreme Court of New South Wales.



Mr Andrew Jensen – Non-Executive Director

Andrew is an accomplished CFO with over 15 years' experience in senior finance & management roles. He is currently the Director and CFO of VGC Food Group, a private diversified manufacturing and franchising group. He has extensive knowledge in the management of all aspects of the finance function with strong commercial, strategic, M&A, and change management experience. Andrew has financially led companies engaged in various fields including telecommunications & technology, real estate, financial services and the franchising sectors both in Australia and Internationally. This included being Director and CFO of Australasia's largest real estate group Ray White, with over \$20 Billion in annual sales and one of Australia's largest independent mortgage broking business, The Loan Market.

Corporate Snapshot

Key Statistics

ASX Code	DVI
Closing Share Price	AU\$0.016
Shares on Issue	~724.6m
Market Capitalisation (undiluted)	~\$11.59m
Cash (31 Dec 2015)	~\$1.87m
Enterprise Value (based on cash at 31 Dec 2015)	\$9.72m
Debt free	

Closing share price as at 28/02/2015

Note: 19 February 2016 – DVI agreed to sell its remaining shares in PPS and received an initial accelerated cash payment of \$700k

12-month Share Price Performance

