

DIVERSA

GROUP

24 November 2015

ASX MARKET RELEASE

INVESTOR PRESENTATION

Attached is a presentation delivered by Mr Vincent Parrott, the Chief Executive Officer of Diversa Limited (ASX:DVA)('Diversa'), today to the Annual General Meeting of Thorney Opportunities Ltd (ASX:TOP).

Thorney Opportunities is an investor in Diversa, currently holding approximately 11% of the Company's issued capital.

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About Diversa:

Diversa Ltd (ASX: DVA) is an ASX-listed superannuation and investment company. Diversa provides superannuation trustee, administration, promotion and investment services to wholesale clients such as super fund trustees and super fund promoters, including financial advisers and corporates; and also uses those services to provide superannuation and insurance products directly to its retail clients.

Diversa Group

November 2015

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Diversa Summary

- Diversa is a superannuation company. The Group provides specialist services to superannuation funds. Specifically:
 - Trustee
 - Fund Administration
 - Fund Promotion and Product Management (including Life & Salary Continuance insurance products)
 - Investment Services

In addition the Group also promotes its own public offer Superannuation Master Trust.

- These operations are carried out through 2 business units:
 - Trustee Services - Trustee and Investment Services
 - Superannuation Services - Fund Administration and Promotion and Product Management Services (including insurance products)

The Superannuation Sector

- Australia has the third largest retirement savings pool in the world (behind USA and UK)⁽¹⁾.
- Superannuation FUM has experienced a CAGR of over 11% since 2004 ⁽²⁾.
- As at June 2015 total superannuation FUM is over \$2 trillion, and expected to grow to approximately \$3.7 trillion by 2029 ⁽³⁾.
- Diversa's exposure is predominantly to the retail sector of the superannuation industry which accounts for approximately 28% of the sector. This is expected to grow to over 32% over the next decade.
- Growth to be driven by government regulation including increasing superannuation guarantee rate to 12% and investment returns.

Notes:

(1) Towers Watson Global Pension Asset Study 2015

(2) Sourced from APRA Superannuation Quarterly Bulletins

(3) Based on data from Rice Warner 2015

Diversa Strategy

- Specialist capability available to clients separately or in combination.
- Potential for multiple revenue streams from a single client/fund.
- Trustee service is typically the gateway to providing other client services.
- Trustee service is now the pre-eminent outsourced commercial trustee providing services to APRA regulated funds.
- The future growth of the business will be driven by a combination of the following factors:
 1. Continued legislated growth in the level of super contributions
 2. Growth in investment markets
 3. Providing further services to existing customers
 4. Market share growth of specific client funds
 5. Increasing the number of employers selecting our Superannuation Master Trust
 6. Further acquisition and consolidation within the industry and our target market

Financial performance

Historical Group results & guidance

	2011 \$m	2012 \$m	2013 \$m	2014 \$m	2015 ⁽²⁾ \$m	2016 Guidance
Revenue	2.5	4.0	4.6	4.4	9.5	12.5 - 13.5
Operating Costs ⁽¹⁾	(3.9)	(6.3)	(6.0)	(5.5)	(8.9)	(10.0) - (11.0)
Results from underlying operations ⁽¹⁾	(1.4)	(2.3)	(1.4)	(1.1)	0.6	2.0 - 2.5

Notes:

- (1) Results from underlying operations is the Results from operating activities adding back Amortisation and depreciation, Impairment losses and Other expenses - which includes non-operating costs related to acquisitions, due diligence and legal costs and other corporate transaction costs and any other non-recurring costs.
- (2) 30% of TFS was acquired on 1 September 2014. This investment was equity accounted during the 6 mths to Dec 2014 then consolidated for the period of Jan to Jun 2015 due to the nature of the contractual arrangements. The remaining 70% was acquired on 30 June 2015.

FY15 Achievements

- Transformational period for the Diversa Group.
- Increase in FUTMA serviced from \$1.5bn in July 2014 to \$7.3bn in September 2015.
- July/August 2014 - Raised approximately \$7.4m in equity capital to complete the acquisitions below.
- September 2014 - Acquired The Trust Company (Superannuation) Ltd - superannuation trustee services.
- September 2014 - Acquired 30% of Tranzact Financial Services Ltd (TFS) - administration, promotion and investment services to the Smartsave 'Member's Choice' Superannuation Master Plan.
- Completed the integration of the Group's two trustee operations.
- Finalised funding arrangements with Macquarie Bank to satisfy regulatory capital requirements.
- June 2015 - acquisition of remaining 70% of TFS and commenced integration of the two administration operations.
- June/July 2015 - Raised approximately \$4.4m in equity to complete the TFS acquisition.
- Continued ongoing improvement in underlying financial performance.

Financial Results Summary

Profit & Loss	2014 audited ⁽¹⁾ 12 mths \$m	2015 audited ⁽¹⁾ 12 mths \$m	Dec 14 6 mths ⁽³⁾⁽⁴⁾ \$m	June 15 6 mths ⁽⁴⁾ \$m
Revenue	4.4	9.5	3.4	6.1
Results from operating activities	(3.9)	(1.0)	(0.6)	(0.4)
Results from underlying operations ⁽⁵⁾	(1.1)	0.6	(0.5)	1.1

Balance Sheet	30 June 2014 audited ⁽¹⁾ \$m	30 June 2015 audited ⁽¹⁾ \$m
Current assets	1.9	7.3
Non current assets	3.0	13.3
Total assets	4.8	20.6
Current liabilities	2.0	8.0
Non current liabilities	nm ⁽²⁾	2.5
Total liabilities	2.0	10.5
Net assets	2.8	10.1

Refer to Appendix 1 for more information and note references.

Movements between FY2014 and FY2015 driven by the factors noted on previous slide

Current Services & Products

	Trustee Services	Superannuation Services
Services	Act as a third party commercial trustee for a wide range of super funds, including investment consulting services	Provide administration services for super funds, including insurance administration, and promotion and product management services
Employees (FTEs) ⁽³⁾	18	27
No. of Clients ⁽¹⁾	33 funds	5 funds
Total FUTMA ⁽¹⁾	\$6.8bn	\$0.5bn
Projected FY16 revenue ⁽²⁾	\$6.4m	\$6.1m

(1) Some clients are provided more than one service and may be included in more than one business unit

(2) Projected revenue for FY16 is based on 3 mths of actual revenue to September 2015

(3) Does not include directors or 3 corporate employees

Data is as at 30 September 2015

Growth Prospects & Outlook

- Trustee Services
 - Current clients have demonstrated strong FUM growth⁽¹⁾ with collective increase of 43% in 2013, 34% 2014 and 33% in 2015.
 - Has significant market position as largest (by number of clients), and most comprehensively resourced provider of outsourced RSE services.
- Superannuation Services
 - On average one new administration client has been successfully taken on every year over the last 6 years.
 - Significant reconfiguration of the operations is being undertaken which will enable the Group to increase the number and complexity of new clients taken on in the future.

Capability and capacity in all service offerings are at the highest level since inception.

- FY16 financial outlook guidance provided in August 2015:
 - Revenue: \$12.5m - \$13.5m
 - EBITDA: \$2.0m - \$2.5m
- Currently on track to meet this guidance

Notes:

(1) 12 months to 30 June of each respective year, may not have been Diversa clients for the entire period

Investment Highlights

Track Record	Diversa has built a strong service platform and capabilities via acquisition, subsequent enhancement and integration
Large Attractive and Growing Market	Diversa is well placed to capitalise on the continued growth of the superannuation sector
Scalable Infrastructure	Client capture has been increasing steadily. The scalable infrastructure will now enable this to accelerate over the next few years
Improved Financial Position	Profitable underlying business operations enable the strong organisational capability that has been built up over recent periods to be better leveraged for business growth initiatives
Organic Growth	The Group continues to work on a number of additional revenue streams including attracting new clients and revenue growth through offering additional services to existing clients
Growth by Acquisition	Will consider acquisitions which add scale and benefits of synergies to Diversa's existing operations

Corporate Information

Directors	Executives
Stephen Bizzell - Non-executive Chairman	Vincent Parrot - CEO
Matthew Morgan - Non-executive Director	Rob Chmielewski - Head of Trustee Services
Garry Crole - Non-executive Director	Andrew de Vries - Head of Superannuation Services
	Angus Craig - CFO and Company Secretary

Ordinary Shares	Number of Shares (m)	%
Directors + Executives	9.6	16%
Thorney Opportunities Ltd	6.5	11%
Empshore Pty Ltd	5.3	9%
Other shareholders	37.9	64%
Total	59.3	100%

ASX information	
ASX Code	DVA
Share price ⁽¹⁾	\$0.50
12 month trading range ⁽¹⁾	\$0.37 - \$0.58
Market capitalisation ⁽¹⁾	\$30m

Notes:

(1) As at 13 November 2015

Appendix 1: Financial Results

Financial Period	2014 audited ⁽¹⁾ 12 mths \$m	2015 audited ⁽¹⁾ 12 mths \$m	2015	
			Dec 14 6 mths ⁽³⁾⁽⁴⁾ \$m	June 15 6 mths ⁽⁴⁾ \$m
Revenue	4.4	9.5	3.4	6.1
Administrative expenses	(1.4)	(2.6)	(1.0)	(1.6)
Amortisation and depreciation	(0.4)	(0.8)	nm ⁽²⁾	(0.8)
Occupancy expenses	(0.3)	(0.5)	(0.2)	(0.3)
Personnel expenses	(3.9)	(6.2)	(2.7)	(3.5)
Impairment losses	(2.3)	nm ⁽²⁾	-	nm ⁽²⁾
Other expenses	(0.1)	(0.4)	(0.1)	(0.3)
Results from operating activities	(3.9)	(1.0)	(0.6)	(0.4)
Net finance expenses	(0.9)	(1.0)	(0.4)	(0.6)
Profit/loss of associates	nm ⁽²⁾	nm ⁽²⁾	0.1	(0.1)
Loss before income tax	(4.8)	(2.1)	(0.9)	(1.2)
Results from underlying operations⁽⁵⁾	(1.1)	0.6	(0.5)	1.1

Notes:

- (1) Audited or audit reviewed financial results as reported to ASX.
- (2) nm means not meaningful: in this case less than \$50k.
- (3) TTCSL was acquired on 1 September 2014 and accordingly 4 months of operations are included in the Dec 2014 period
- (4) 30% of TFS was acquired on 1 September 2014. This investment was equity accounted during the 6 mths to Dec 2014 then consolidated for the period of Jan to Jun 2015 due to the nature of the contractual arrangements. The remaining 70% was acquired on 30 June 2015.
- (5) Results from underlying operations are the results from operating activities adding back amortisation and depreciation, impairment losses and other expenses - which includes non-operating costs related to acquisitions, due diligence and legal costs and other corporate transaction costs and any non-recurring expenses.

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