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

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Disruptive Investment Group Limited (ASX: DVI)

Annual General Meeting – Monday, 30 November 2015

Chairman's address

The 2015 financial year represented a transformative year for DVI. The Company completed the first important steps in realizing its strategy of partnering with quality businesses and using the expertise and resources of DVI to accelerate the growth of these businesses.

During the reporting period, DVI became a significant shareholder in two growing Australian technology businesses, being Professional Performance Systems Proprietary Limited, known as PPS, which owns and operates the BYOjet group, and Find Solutions Australia Proprietary Limited, or FSA, which owns and operates the website iBuyNew.com.au.

Our investment in PPS came through PPS's merger with DVI subsidiary Disruptive Opportunities No. 1 Pty Ltd, known as DON1. DVI currently holds 38.73 per cent of PPS with the option to increase this to 54.69 per cent, via the conversion of \$1.5 million of convertible notes.

The merger of PPS and DON1 brought together a hotel booking platform with one of Australia's leading online travel agencies holding a customer database of nearly half a million consumers. While online travel is globally competitive, this investment created a unique technology platform operated by a highly-experienced management team.

Initially, the priority of PPS was to restructure the business to reduce costs and refocus on becoming a technology leader in the online travel space. The results of PPS during the 2015 financial year, particularly in the second half of the year, demonstrated the value of DVI's investment, with the company achieving monthly sales records on three occasions. PPS's earlier investments in technology,

partnerships and its focus online and on niche markets produced a record total transaction value, or TTV, of \$92.4 million unaudited, representing an 11 per cent increase on the previous financial year.

The launch of the JETMAX white label platform as a business-to-business software model was another highlight of the year, and it achieved strong take up among travel agencies with 22 live sites, five awaiting deployment and another 36 agencies negotiating contracts at the end of the financial year.

In recent months PPS has also won a number of Australian and international awards for BYOjet and JETMAX, which are a credit to the motivated management team and we believe will provide further momentum for future growth.

Separately, DVI entered into an agreement to acquire up to 100 per cent of one of Australia's leading online off-the-plan property marketplaces, I Buy New dot com dot AU, which is operated by FSA. I Buy New allows prospective off-the-plan property buyers to search and compare more than 2,200 properties across three Australian states. The business helps buyers through all stages of their property purchase, which is how it differs from other operators.

DVI's investment in FSA followed three years of informal discussions and guidance provided to FSA's founder and CEO Mark Mendel. The transaction took place in various stages during the year and today, DVI holds 50 per cent of FSA with the option to acquire the remaining 50 per cent for a price dependent on the growth and earnings delivered by the business in 2019.

This investment has been pleasing, with the 2015 financial year marking another record year of growth for FSA. Its revenue increased by 56 per cent over the previous year to \$3.306 million, demonstrating a compound annual growth rate of 51 per cent since 2012. Operating EBITDA was \$1.103 million, which represented a 72 per cent increase over 2014 and a compound annual growth rate of 49 per cent since 2012. It recorded a net profit of \$912,000, with 101 properties sold for the year, a 26 per cent increase on the previous year.

These results were the outcome of FSA's management continuing to execute the company's growth strategy. This included the launch of a Victorian office in Melbourne during the year, which achieved its first sales shortly after.

The Directors of DVI are extremely pleased with the progress our investments have made financial year to date.

Both businesses have strategies to continue growth into 2016.

PPS plans to increase its TTV through achieving recurring sales and continuing to target niche and profitable business-to-consumer and business-to-business markets as well as corporate clients and partnerships and less competitive travel markets overseas. It plans to increase the sale of ancillary services such as travel insurance and car hire and grow its direct relationships with key hotels and airlines to remove third parties where possible.

Improvements in technology and streamlined processes will also play roles in managing costs for PPS in 2016.

FSA, meanwhile, aims to grow into a national brand, leveraging its superior service that it offers to clients from selection to settlement and beyond. The business's subscriber database has increased to more than 25,000 members and the platform has experienced a number of repeat sales from satisfied customers which demonstrates the success of its business model. FSA will focus on building a national sales team which will consist of a number of fixed and commission-based remuneration models to offer a lower fixed cost base across the business.

DVI continues to assess and support both of our investments in regards to key growth initiatives that have been identified and we will work with them to grow their respective platforms. We believe both of them offer great potential to deliver immense value to our shareholders, and we look forward to further delivering that in 2016.

Finally, to demonstrate our commitment to corporate governance, the board has resolved to adopt or revise the following new corporate governance policies:

- Securities Trading Policy;
- Continuous Disclosure Policy;
- Board Charter; and
- Code of Conduct.

We will make these new policies available on our website.

ENDS

About Disruptive Investment Group (ASX: 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 and 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 is a significant shareholder in two growing Australian technology companies:

- Find Solutions Australia Pty Ltd (FSA), owner and operator of iBuyNew.com.au (iBuyNew). iBuyNew is an online, off-the-plan property platform operating in Australia's eastern states. DVI currently holds 50% of FSA and has the option to increase its holding. FSA has been profitable since inception and has delivered consistent growth during the last five years.
- Professional Performance Systems Pty Ltd (PPS), owner and operator of BYOjet. BYOjet is an Australian owned and operated online travel agency and technology platform encompassing a number of travel websites offering travel and accommodation booking and services. BYOjet operates in the B2C market via its Australia, New Zealand and Singapore flagship websites and it services the B2B market through its JETMAX white label offering

DVI is focused on further growth using its existing acquisition protocols to drive synergies within retail, franchise and e-commerce sectors as well as other markets.