

# **DISRUPTIVE INVESTMENT GROUP LIMITED** ACN 108 958 274 **(ASX: DVI)** **ANNUAL GENERAL MEETING**

30 November 2015

AGM Presentation

Dr Adir Shiffman (Chairman & non-executive director)

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## 1. Business of the Annual General Meeting (Dr Adir Shiffman)

- Quorum update
- Notice of AGM discussion
- Financial statements and reports
- Resolutions
- Other business
- Meeting closed

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## 2. Chairman's Address and Presentation (Dr Adir Shiffman)



- Quorum update

Proxies have been received representing:  
154,728,995 shares or 22.2% of the issued capital of 697,890,999 Shares.

- Notice of AGM discussion

- Financial statements and reports

- “ To receive and to consider the Annual Financial Report of the Company for the financial year ended 30 June 2015 together with the declaration of the Directors, the Directors’ Report, the Remuneration Report and the Auditor’s Report for that financial year.”

1. **RESOLUTION 1** – Adoption of remuneration report

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2. **RESOLUTION 2** – Re-election of Dr Adir Shiffman as Director

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3. **RESOLUTION 3** – ASX Listing rule 7.1A approval of future issue of securities

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4. **RESOLUTION 4** – Approval of future issue of shares to Mark Mendel and Marshe Nominees Pty Ltd (or their nominees)

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5. **RESOLUTION 5** – Ratification of prior issue of shares

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## 1. Adoption of remuneration report

*“That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the remuneration report as contained in the Company’s Annual Financial Report for the financial year ended 30 June 2015.”*

For	Against	Abstain
63,445,929	86,814	53,956
99.87%	0.13%	

*Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company*



## 2. Re-election of Dr Adir Shiffman as Director



Dr Adir Shiffman

To consider and, if thought fit, to pass, with or without amendment, Resolution 2, Re-Election of Dr Adir Shiffman, as an **ordinary resolution**.

*“That Dr Adir Shiffman, a Director who retires by rotation in accordance with the Company’s Constitution and ASX Listing Rule 14.4, and being eligible offers himself for re-election, is re-elected as a Director of the Company.”*

For	Against	Abstain
131,014,75	29,280	23,679,956
99.98%	0.02%	

## 3. ASX Listing Rule 7.1A approval of future issue of securities

To consider and, if thought fit, to pass, with or without amendment, Resolution 3, ASX Listing Rule 7.1A Approval of Future Issue of Securities as a special resolution.

*“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, the Shareholders approve the issue of equity securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

For	Against	Abstain
154,690,682	28,357	4,956
99.98%	0.02%	



## 4. Approval of future issue of shares to Mark Mendel and Marshe Nominees Pty Ltd (or Their Nominees)

To consider and, if thought fit, to pass, with or without amendment, **Resolution 4, Approval of Future Issue of Shares to Mark Mendel and Marshe Nominees Pty Ltd (or their Nominees)** as an ordinary resolution

“That for the purposes of ASX Listing Rule 7.1 and for all other purposes, the Shareholders of the Company approve the issue and allotment of 26,670,000 fully paid ordinary shares at a deemed issue price of 1.2 cents (\$0.012) per Share to Mark Mendel and Marshe Nominees Pty Ltd (or their nominees), on the terms and conditions which are described in the Explanatory Statement which accompanies and forms part of the Notice of Meeting.”

For	Against	Abstain
154,633,225	84,614	6,156
99.05%	0.95%	

## 5. Ratification of prior issue of shares

To consider and, if thought fit, to pass, with or without amendment, Resolution 5, Ratification of Prior Issue of Shares as an ordinary resolution.

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify the allotment and prior issue of 84,058,649 fully paid ordinary shares, on the terms out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

For	Against	Abstain
120,878,919	16,946	508,714
99.99%	0.01%	



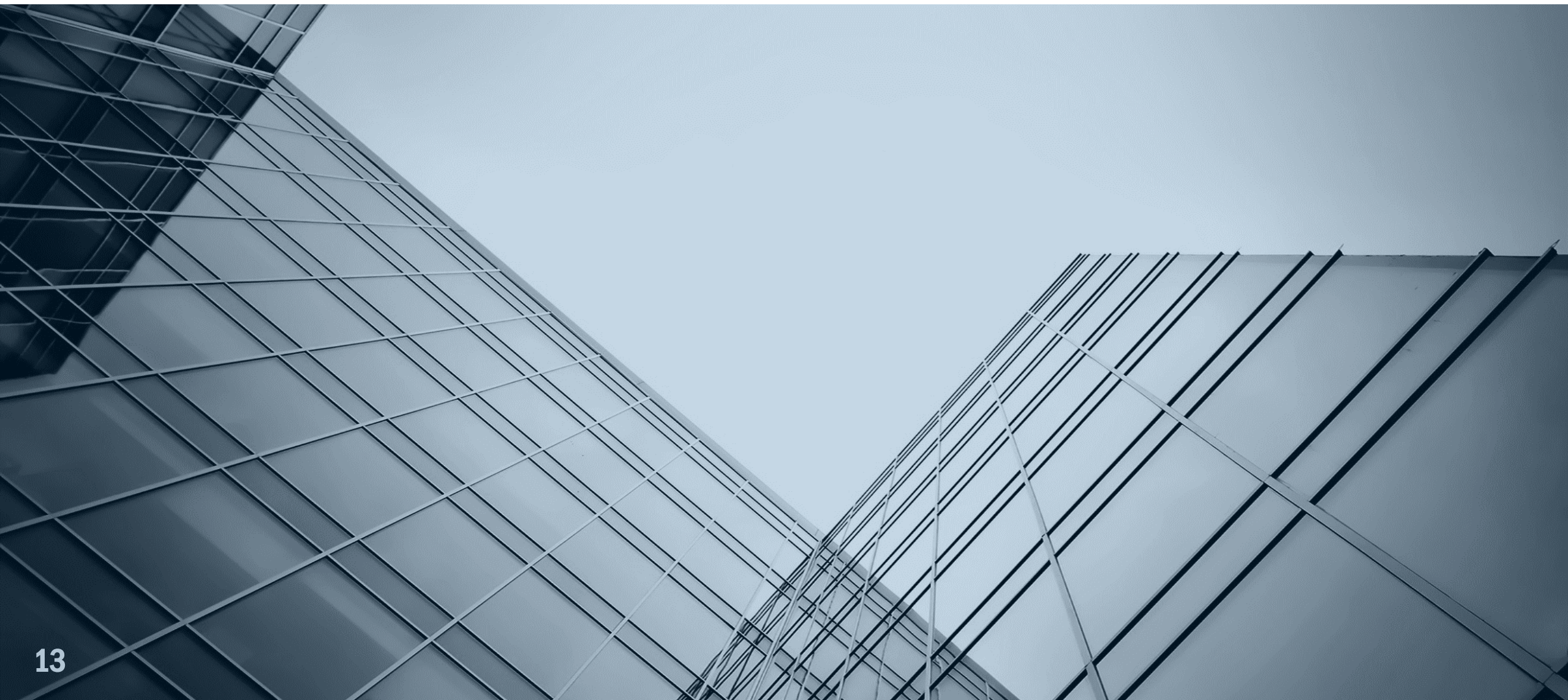


# Meeting Closed





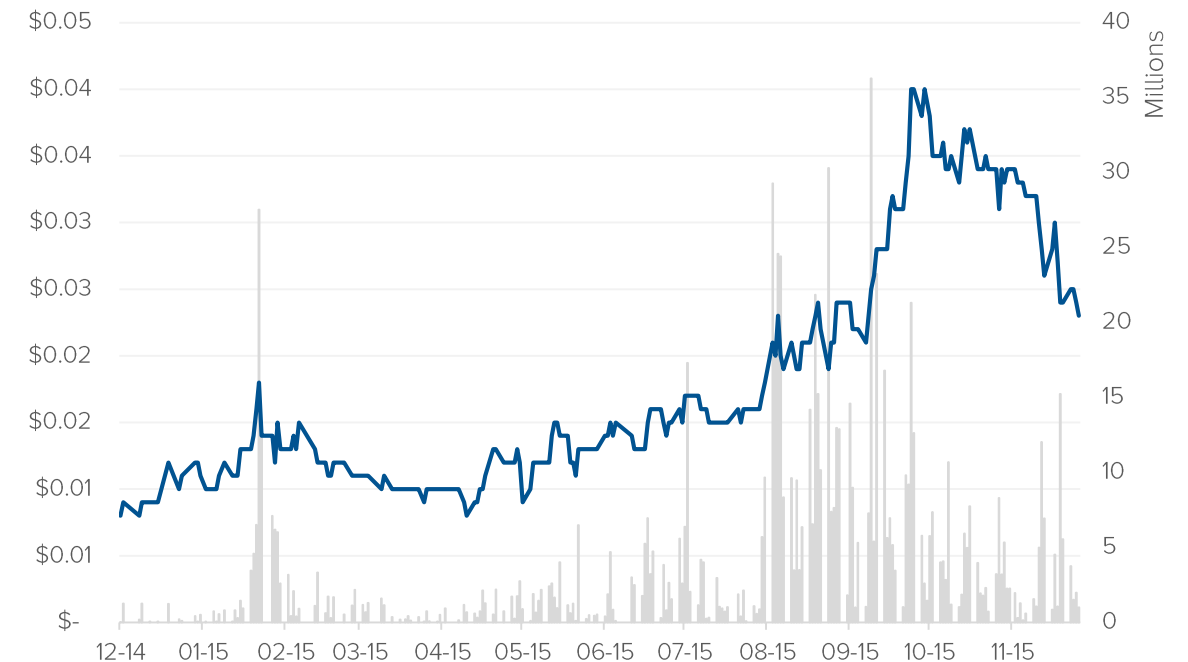
# Chairman's Address and Presentation



## Key Statistics

ASX Code	DVI
Closing Share Price	AU\$0.027
Shares on Issue	~698 million
Market Capitalisation (undiluted)	~\$18.85m
Cash (30 Sept 2015)	~\$1.418 million <sup>1</sup>
Enterprise Value (based on cash at 30 Sept 2015)	\$17.43 million
Debt free	
As at 27/11/2015	

## 12-month Share Price Performance



As at 27/11/2015

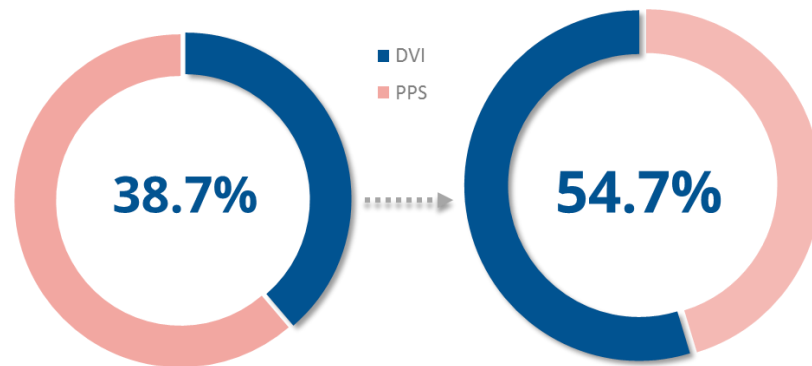
<sup>1</sup>As announced to the market on 1 July 2015, the company acquired a further 25% in Find Solutions Australia Pty Ltd (FSA) bringing its total equity interest in FSA to 50%. From 1 July 2015, the cash flow figures are now consolidated and also include 50% of the cash flow for FSA.



## Significant shareholder in two fast growing Australian technology companies



DVI currently holds 38.73% of Professional Performance Systems Pty Ltd (PPS) (the owner of The BYOjet Group) and a \$1.5 million convertible note in PPS which if converted results in a 54.69% interest. Further, if converted PPS accounts will be consolidated into DVI's P&L.

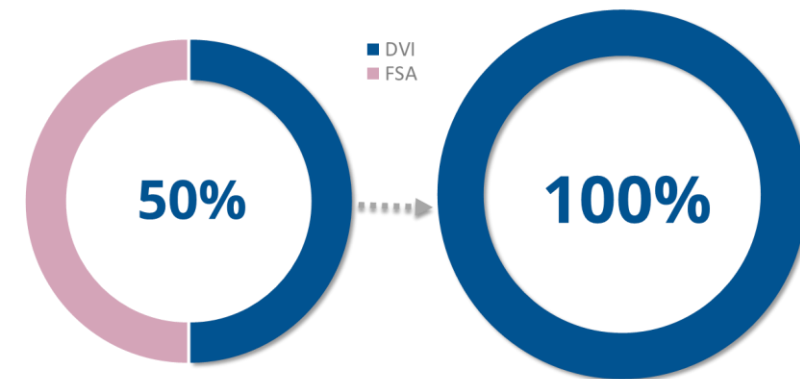


Current DVI interest in PPS

DVI interest in PPS if convertible note is converted



During FY15, DVI made an initial 25% investment in Find Solutions Australia Pty Ltd (FSA) the owner of iBuyNew.com.au (IBN).<sup>2</sup> Subsequently, DVI exercised its first option and now owns a 50%<sup>2</sup> stake in FSA. 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<sup>3</sup>



Current DVI interest in FSA

DVI interest in FSA if option is exercised

<sup>2</sup> The initial \$750k cash was settled on 30 April 2015 along with a deferred share consideration of 26.67m shares, subsequently the first option exercise was completed on 13 July 2015 for an exercise price of \$750k in cash. The total deferred share consideration to the FSA vendors in the form of up to 53.3 million shares are subject to an agreed commissions receivable target being met by 30 June 2018.

<sup>3</sup> Exercisable between 1 July 2019 and 30 October 2019.

FY15 was a transformative one for DVI, partnering with quality founders running quality businesses, and then using DVI's resources and expertise to accelerate growth

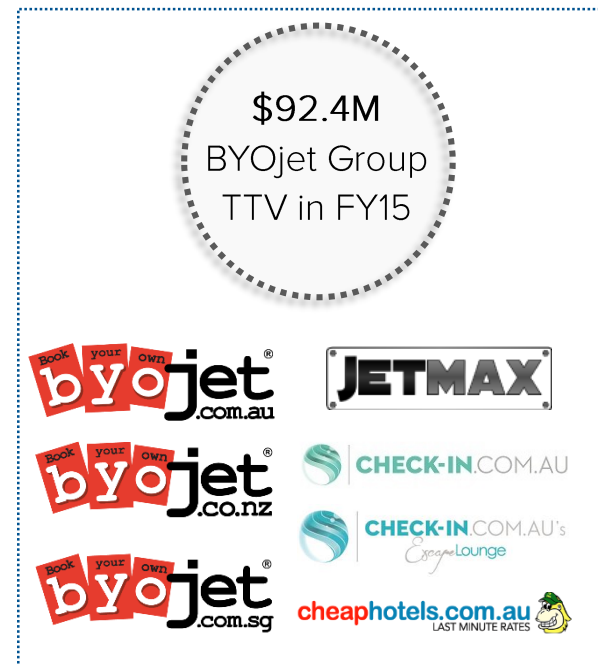
## DVI in FY14

### Online Travel



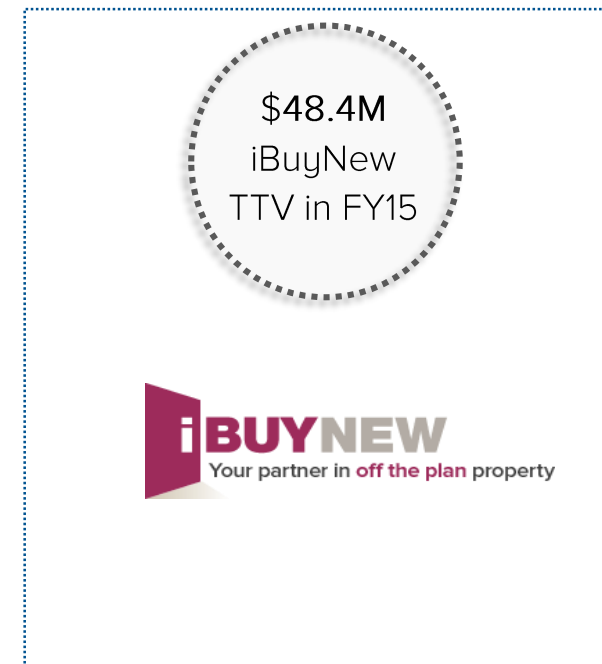
## DVI in FY15

### Online Travel



+

### Online real estate



=

**\$140.9M**

BYOjet Group +  
iBuyNew  
TTV in FY15

# Key Portfolio Highlights

BYOjet and IBN experienced strong growth, increasing Total Transaction Value (TTV), revenue and profitability



## Investment announced 24 September 2014

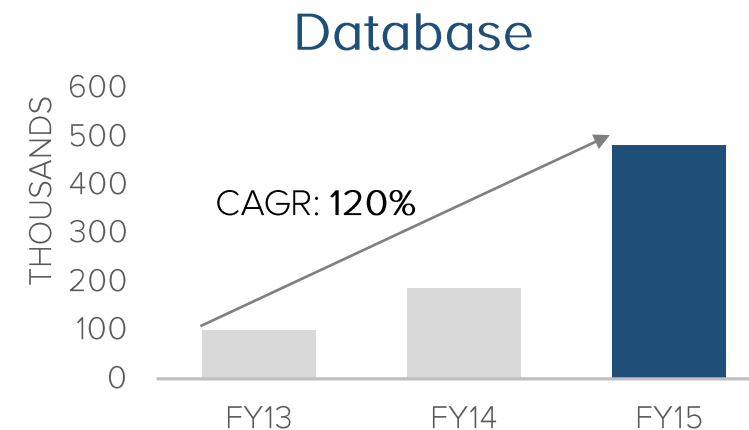
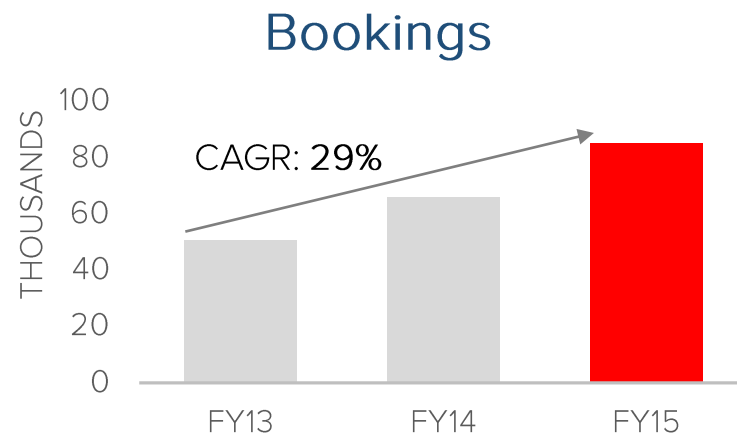
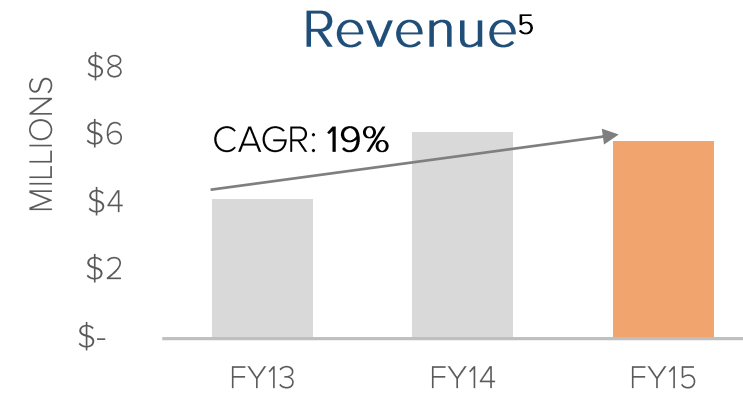
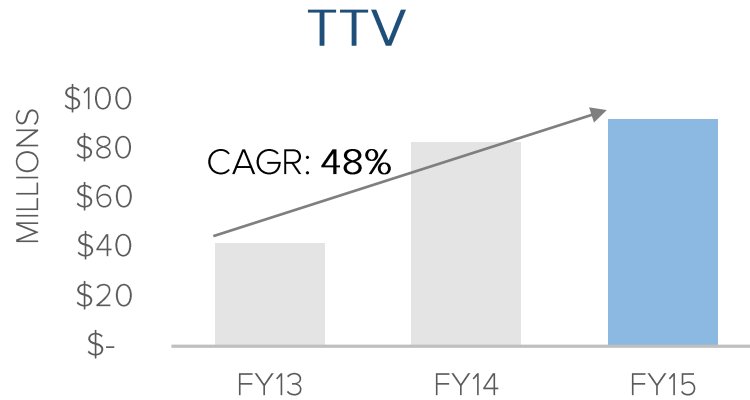
- TTV \$92.4 million\* in FY15, 11% increase from FY14
- For the 9 months post the merger of DON1 and PPS (together, PPS Group) the business recorded a TTV of \$70 million:
  - ❑ \$4.8 million revenue;
  - ❑ (\$32k) operating EBITDA;<sup>4</sup> and
  - ❑ (\$813k) net (loss).
- Following the restructuring in the December 2014 quarter PPS Group recorded strong results in 2H FY15:
  - ❑ \$3.4 million revenue;
  - ❑ \$1.29 million operating EBITDA;<sup>4</sup> and
  - ❑ \$242k net profit.



## Initial 25% investment settled 30 April 2015

- TTV \$48.4 million\* in FY15, 18% increase from FY14
- FSA recorded strong earnings in FY15 compared to FY14:
  - ❑ \$3.3 million revenue, up 56%;\*
  - ❑ \$1.1 million operating EBITDA, up 72%;\* and
  - ❑ \$912k net profit, up 69%.\*
- In addition a number of records were achieved:
  - ❑ 101 property sales, 25% increase from FY14;\* and
  - ❑ 2,200 properties available online, 47% increase from 1H FY15.
- Subsequently, in July 2015 DVI acquired an additional 25% of FSA bringing its total investment to 50% ownership, and as such FSA will be consolidated onto DVI's financial reporting moving forward.

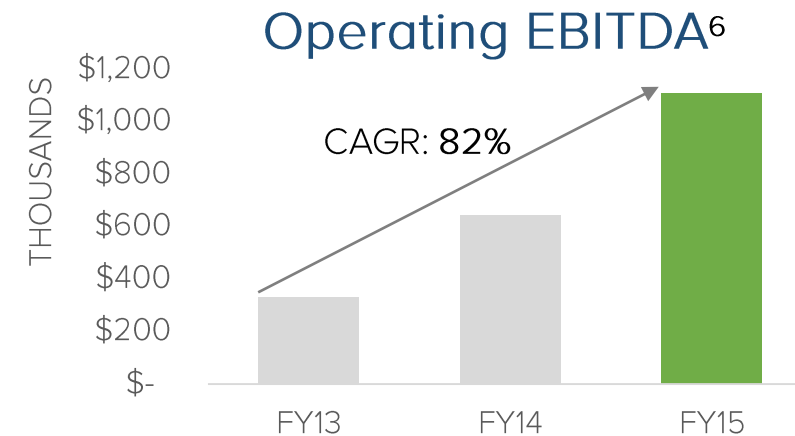
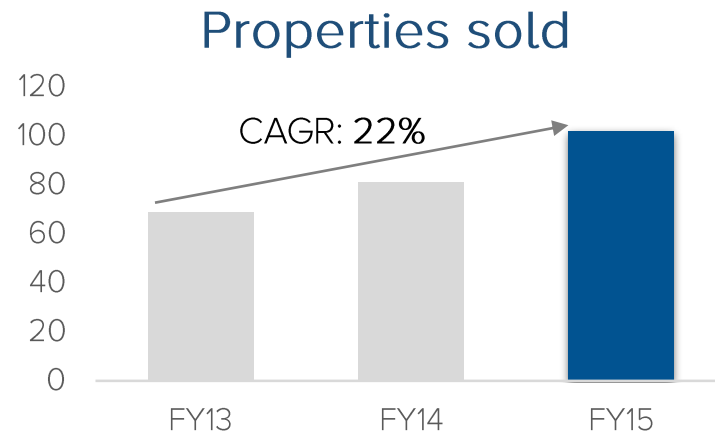
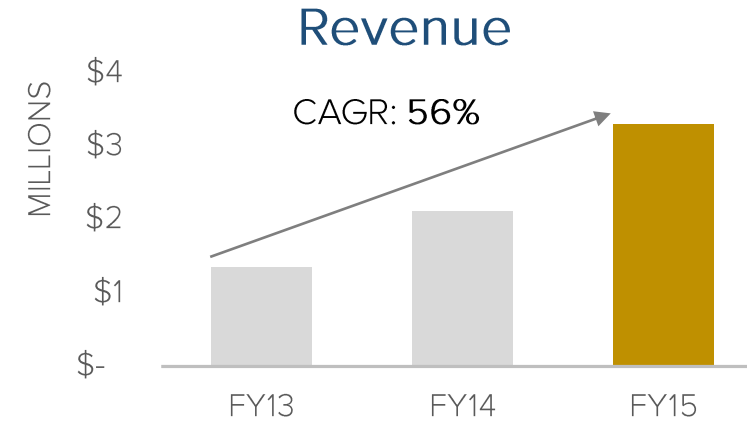
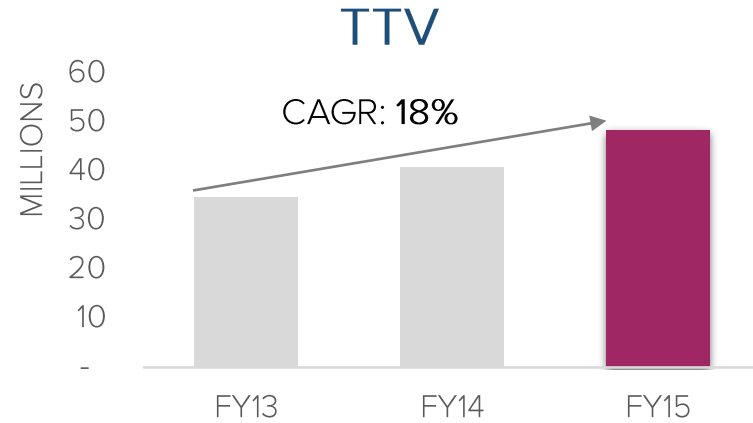
# BYOJet Highlights FY15



Note: Results prior to investment are on an unaudited basis.

<sup>5</sup> FY15 revenue has been adjusted to reflect public accounting/auditing standards, PPS accounts are recognised under the equity accounting method from the time of investment and have been audited for 9 months.

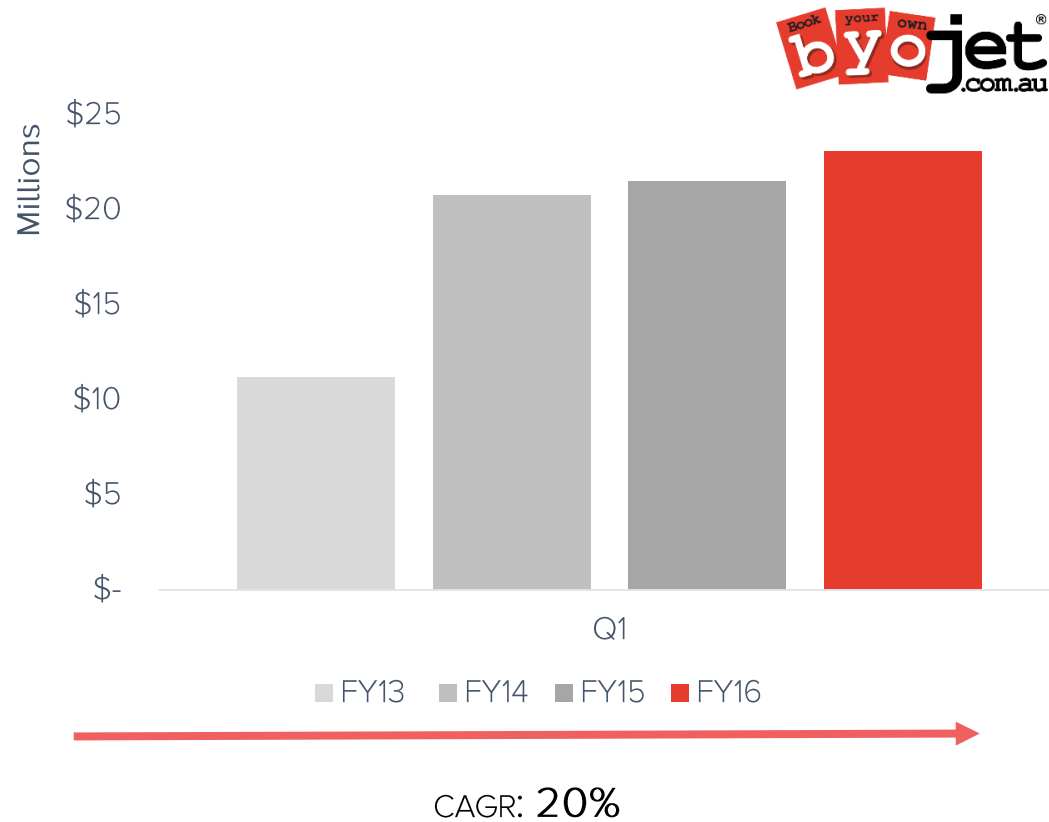
# iBuyNew Highlights FY15



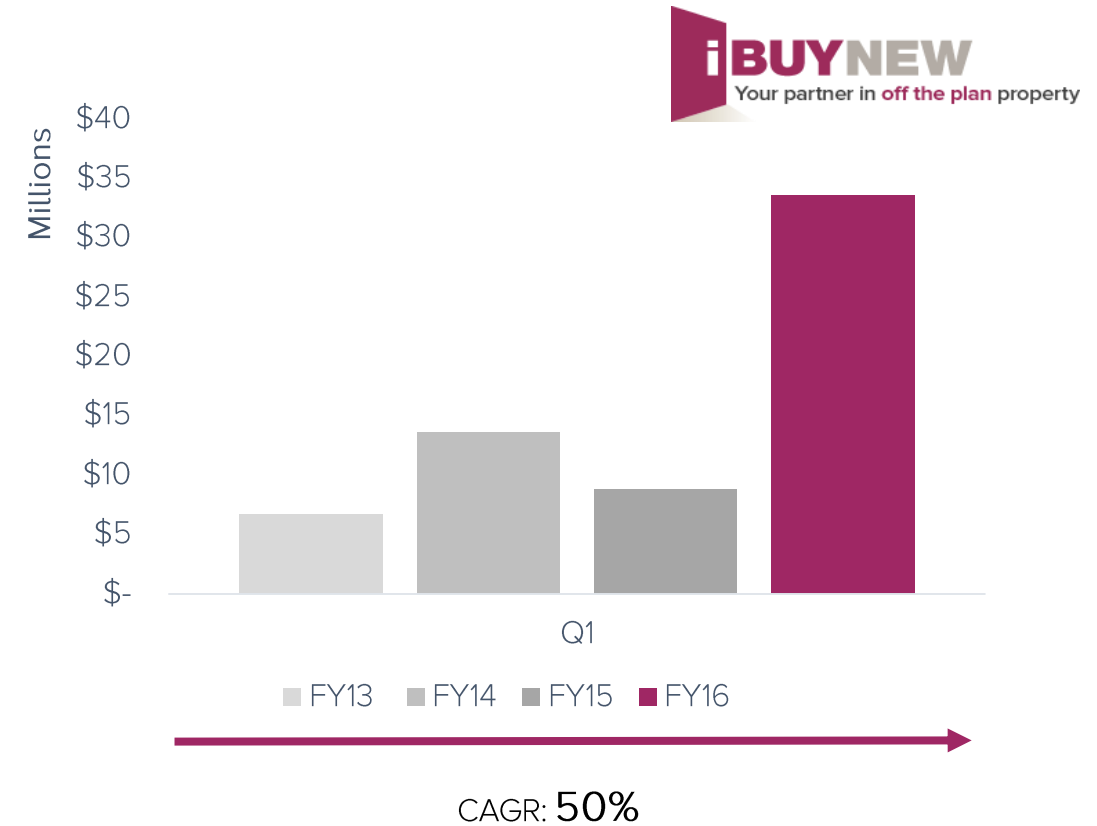
Note: Results prior to investment are on an unaudited basis.

<sup>6</sup>Operating EBITDA prior to FY15 have been normalised for non-reoccurring one off expenses.

## BYOjet 1Q16 TTV Growth



## iBuyNew 1Q16 TTV Growth





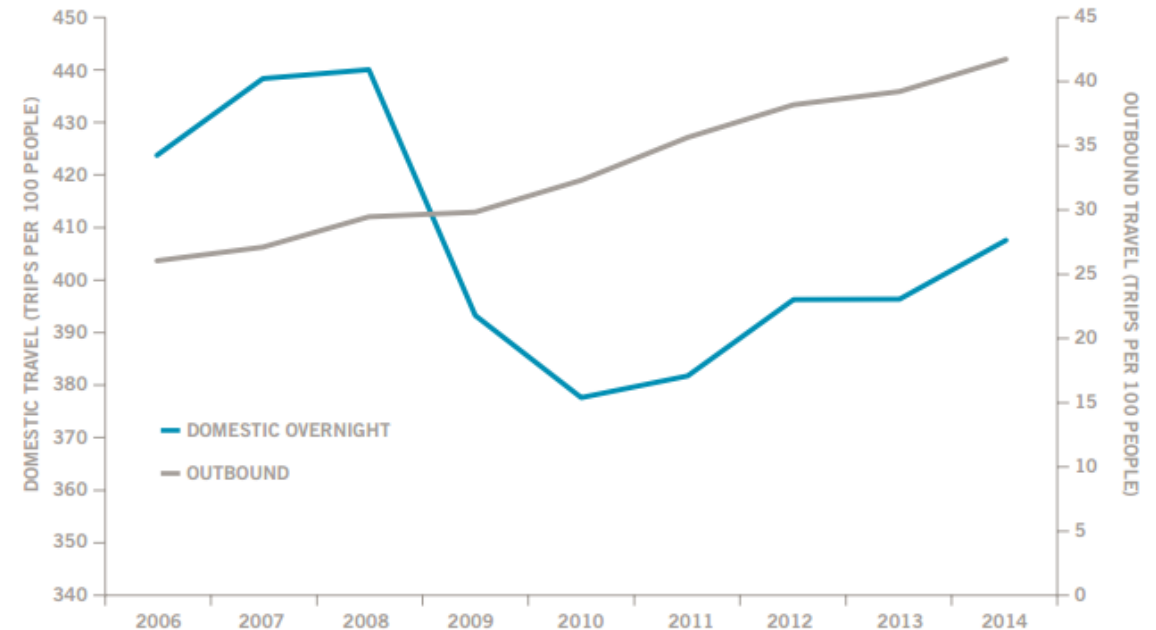
Australians continued to travel overseas in record numbers in 2014–15, with total domestic departures reaching 9.2 million (up 2.9 percent).

Australia travel agency and tour arrangement services revenue: <sup>(7)</sup>

- \$4 Billion FY15
  - \$3.1 Billion FY14
- ↑ 29% increase

- Australian holidays and Visit Relatives and Friends (VFR) continued to drive growth in outbound trips (up 3.7 per cent and 4.4 per cent, respectively).\*
- Outbound travel is expected to reach 11 million departures by 2019-2020.\*
- In FY15 overall, average expenditure remained steady (\$5,967) per trip<sup>(8)</sup>

Australian Propensity To Travel - Domestically And Outbound, Years Ending March 2006 To 2014\*

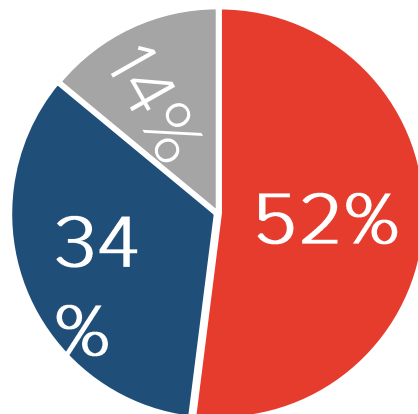


\*Source: TRA, National Visitor Survey 2014

## Online Travel Booking Industry by Size & Growth

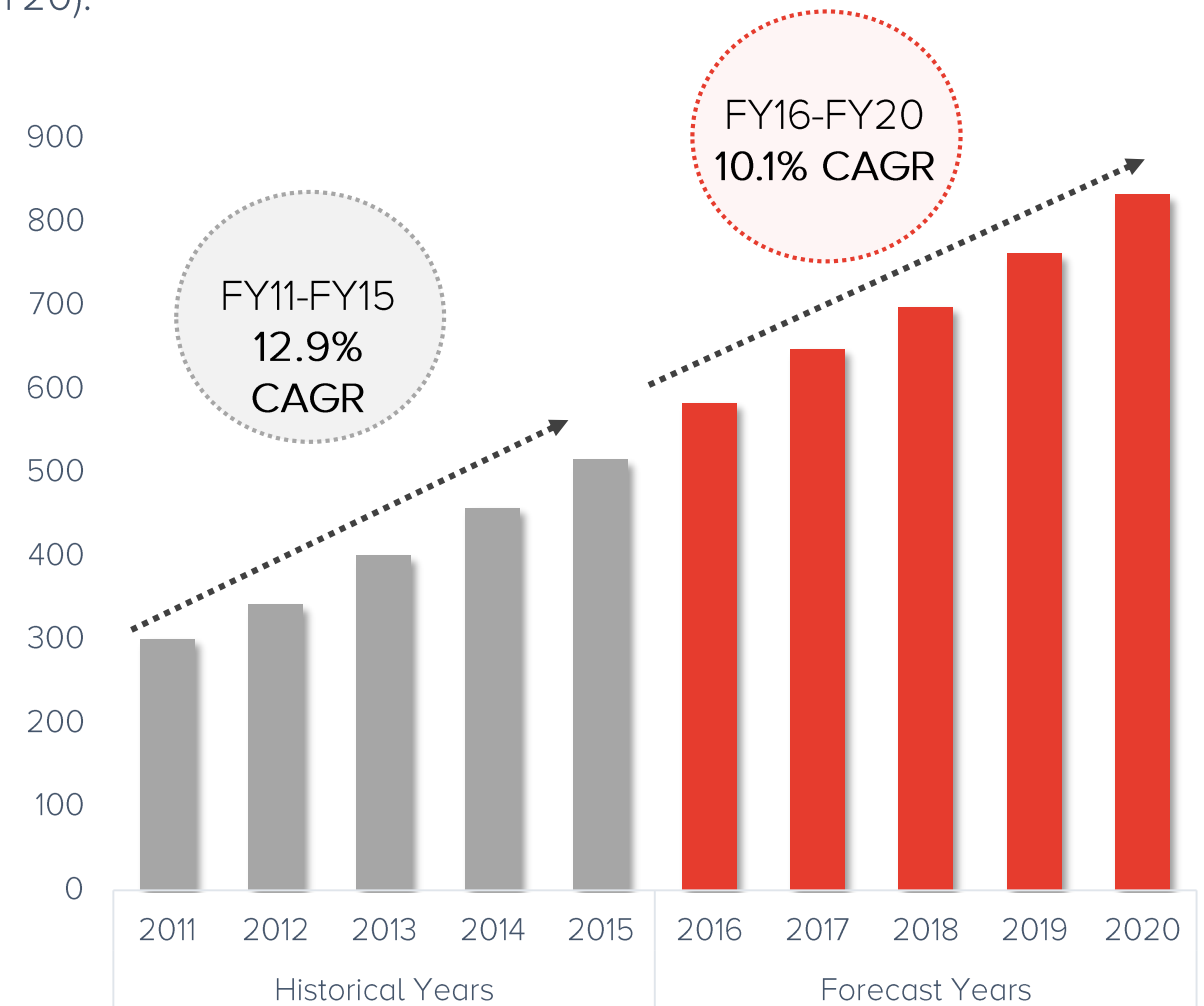
- In FY15, the Australian Online Travel Booking industry generated approx. \$515.7 million in revenue. The industry is expected to grow at an annualised rate of 10.1% over the next five years to FY20, with the increasing sophistication of mobile technology and internet expecting to fuel demand for services.

Industry spending breakup 2015:



■ Flight Bookings ■ Accommodation ■ Other Services

Online Travel Booking - Historical & Forecast Industry Revenue (FY11 – FY20):



Source: IBISworld 2014 Online travel booking in Australia.

Note: Forecast revenue has been provided as a guide to potential growth in the online travel industry. Forecasts are subject to a variety of risks and uncertainties which could cause actual events or results to differ from such forecasts. DVI and its directors make no assurances that growth in the online travel industry will be achieved or that PPS will benefit from any such growth.

The online travel sector continues to grow while its competitive environment is quickly evolving

## Introduction of new players

Heavy discounting to gain market share (margin compression/discounting bubble)

## The rise of technology players

Meta-search engines, Google, Facebook, Trip Advisor

## Increasing consolidation for Online Travel Agencies (OTAs)

\$1.3 trillion global travel market E.g. Expedia acquires (Wotif, Orbitz world wide, and HomeAway/Stayz)

## A fast changing environment

Rise of disruptive players such as Airbnb

Major influences to the Australian online travel industry

- Fluctuation in currency (AUD)
- Growing number of international players entering into Australia
- Growth in Meta-search providers have changed the Australian landscape. UK, US, and German meta-search engines focusing on Australia

BYOjet will continue to service the JETMAX platform as a growth engine on the back of innovative initiatives to increase profitability across the travel group



## Increase TTV

- Repeat sales through loyalty program
- JETMAX B2B sales through white label offering to third parties;
- Target B2B corporate clients in underserved SME sector;
- Continue to explore international markets; and
- Product innovation through the development of direct partnerships for B2B and B2C channels.



## Increase Margins

- Increasing direct relationships with key hotels and airlines resulting in higher margins;
- Cross selling higher margin ancillary services ie; hotels, travel insurance, car hire etc; and
- Improved purchasing power, rebates and commissions through scale.



## Manage Costs

- Cloud based IT systems;
- Constantly review lead generation and marketing channels;
- Manage initiatives to reduce cost base; and
- Continue to invest in one common proven and scalable platform.



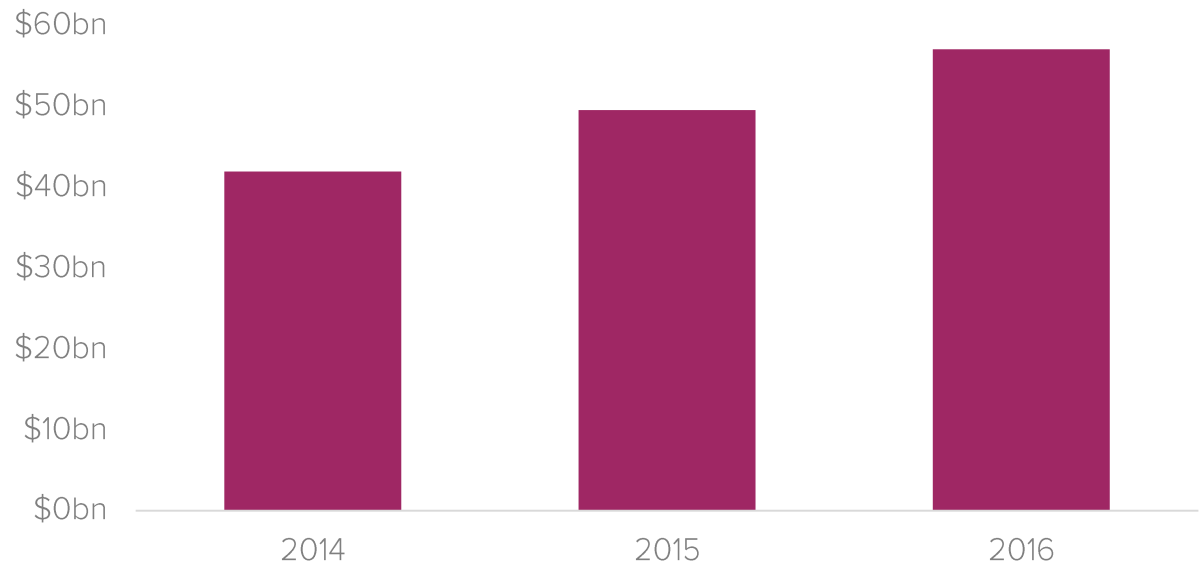
## Technology

- Proven state-of-the-art proprietary technology platform powering over 30 travel sites, in-house and through to third parties; and
- Highly scalable platform.

IBN operates in a \$57.1 Billion market and focuses on a niche segment within the highly fragmented property market concentrating solely on new and OTP properties

- Revenue for the property construction industry's is expected to reach \$57.1 Billion in 2015-16;
- In the space of 12 months ending 30 June 2015 approvals lifted by \$7.5 billion;
- Over 200,000 dwellings are expected to be constructed across Australia between 2015-2016; and
- Australia's housing construction sector remains as an economic bright spot.

Approved Property Development Value  
\$ Billion



Source: IBISworld 2014 Construction in Australia and Commsec.

## The Australian property market

Pre-existing property auction clearance rates start to decline

iBuyNew focuses solely on new Off-The-Plan (OTP) properties

Historically low interest rates but may rise in 2016

Over 200,000 dwellings are scheduled to be built between 2015-2016

Banks start cracking down on investor lending

iBuyNew consultants guides investors throughout the entire sales process, suitable properties are presented to the investors based on needs, goals and wants

The Australian unemployment rate still below forecasts at (5.9%) versus an average of 6.69% from 1978-2015

Source: Australian Bureau of Statistics as at 27 November 2015 and tradingeconomics.com

## Foreign investments into Australia

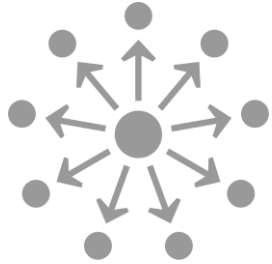
- The lower AUD presents new opportunities for diversified international buyers;
- According to the Foreign Investment Review Board (FIRB) total foreign residential investment represented 13.2% of the market volume in 2013-2014.

Foreign investment share 2013-14	\$ million	Percentage
Total market volume	258,164	100%
FIRB total foreign residential investment	34,720	13.4%
FIRB Chinese residential investment estimate	5,774	2.2%

Source: NAB Quarterly Australian Residential Property Surveys



# Key Growth Drivers – IBN



## Distribution

- Build internal sales team nationally;
- Wholesale platform;
- Chinese language;
- Establishment of Melbourne office; and
- Initiate marketing initiatives to build the IBN brand.



## Supply

- Pursue exclusive sale arrangements with property developers;
- Partnerships with new and existing project marketers; and
- Increase properties listings.



## People

- Head of sales and projects appointed in NSW and VIC;
- Recruiting high quality internal sales team;
- On boarding sales oriented members onto the wholesale channels.



## Technology

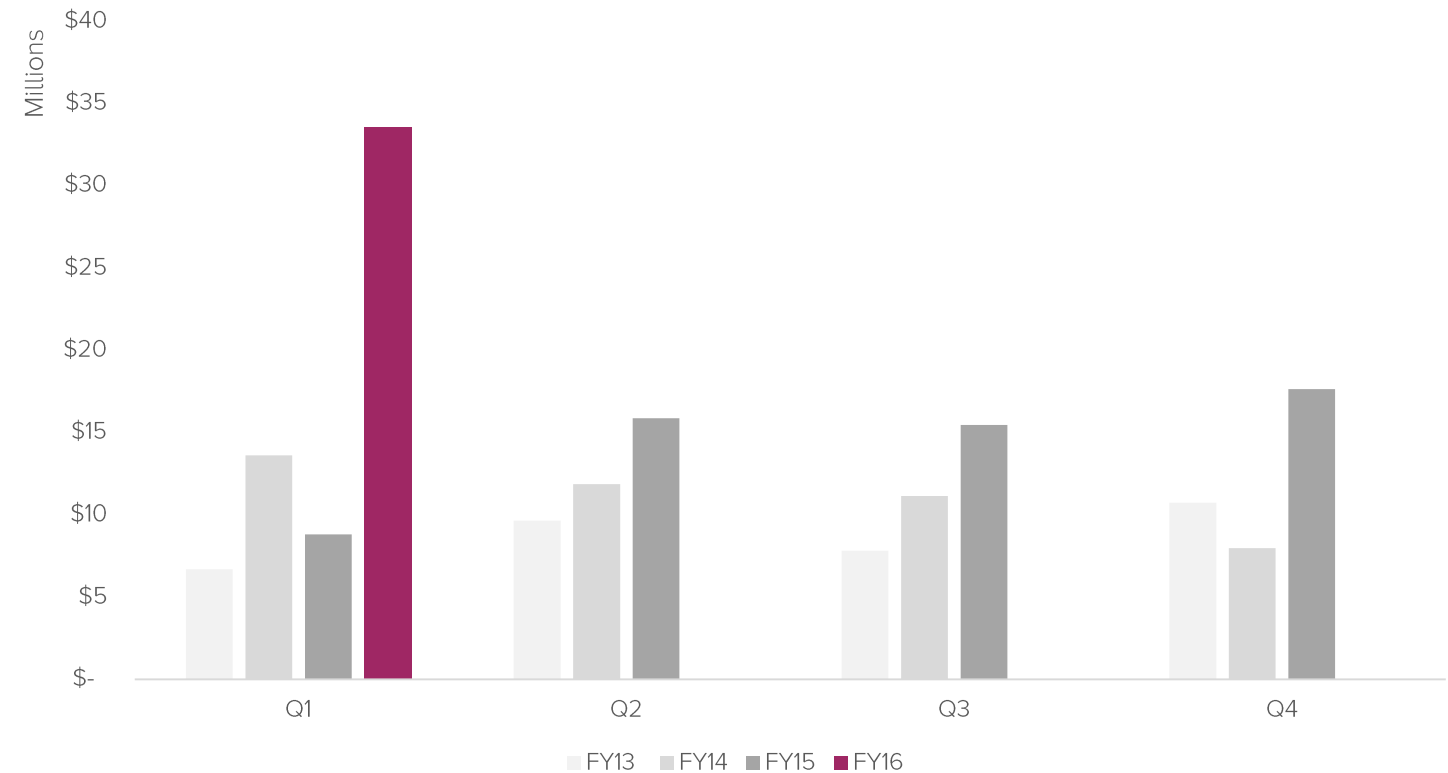
- Leveraging state-of-the-art technology to grow online presence;
- Continued improvements to the proven and advanced platform to generate a higher number of online leads;
- Advanced web tools to increase conversion rates; and
- Mobile enabled platform.

FY13 to 1Q16 TTV growth has been delivered solely by the internal sales channel

## Building new sales channels for growth

- iBuyNew expects to build 3 additional sales and distribution channels in FY16;
- 1Q16 TTV was a result of executing key growth initiatives.

IBN Quarterly TTV Growth



iBuyNew's aspirational target is to reach 1,000 property sales per year

## iBuyNew will comprise of 4 sales channels

- Each new channel is expected to deliver new revenue.

## Internal sales team

Build internal sale team nationally:

- Head of sales NSW and VIC recently appointed to drive sales team.

## Wholesale Partnership Model

Targeting real estate agents who do not have access to iBuyNew's stock:

- Since 1 October 2015 to 26 November 2015, iBuyNew's wholesale partnership model has generated nine sales worth \$5.5m of TTV.

## Corporate Partnership Model

Referral model, for brokers, planners and advisers referring qualified leads to iBuyNew:

- Secured trial with 800+ mortgage broker group with approximately 30 mortgage brokers participating in pilot.

## Agent Partnership Model

Provides licenced real estate agents with iBuyNew systems and tools to sell iBuyNew properties on a commission only model:

- Already gained over 20 expressions of interest from agents.

## Repeat Sales

iBuyNew expects to generate a material number of repeat sales from servicing the 4 channels:

- The iBuyNew platform has already experienced a number of repeat sales from its existing clients through the internal sales team.



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# DISRUPTIVE INVESTMENT GROUP LIMITED

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