



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

**30 July 2015**

**Disruptive Investment Group Limited (ASX: DVI)**

**Quarterly Update: 30 June 2015**

**KEY HIGHLIGHTS**

DVI is now a significant shareholder in two profitable<sup>1</sup> and growing Australian technology companies Find Solutions Australia Pty Ltd (**FSA**) and Professional Performance Systems Pty Ltd (**PPS**) (together the **Portfolio Companies**). DVI wishes to inform that Phase 2 of its corporate strategy has now been delivered.

The two Portfolio Companies continue to break their own revenue records:

- PPS's business BYOjet.com.au (**BYOjet**), one of Australia's leading online travel groups, achieved approx. \$27.8 million<sup>1</sup> total transaction value (**TTV**) representing a new quarterly TTV record; and
- FSA's business iBuyNew.com.au (**iBuyNew**), a leading online off-the-plan property marketplace, achieved approx. \$17.6 million<sup>1</sup> TTV representing a new quarterly TTV record.

**General Business Update**

The Board of DVI is pleased to provide the following update in relation to the quarter ended 30 June 2015 (**Q4 FY15**). Q4 FY15 was an important quarter for the company, with BYOjet increasing profitability on the back of innovative initiatives, and DVI moving to a 50% ownership stake in iBuyNew.

From a corporate and capital management perspective, DVI successfully completed a \$1.65 million capital raising via the placement of 137.5 million new shares to new and existing institutional and sophisticated investors.

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<sup>1</sup> During Q4 FY15

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During the quarter, DVI acquired an initial 25% stake in FSA (the owner of iBuyNew) and subsequently exercised its option to acquire an additional 25%, for cash consideration of \$1.5 million<sup>2</sup>. DVI has also elected to invest a further \$75,000 via senior secured convertible note investment in PPS (the owner of BYOjet) bringing its total investment to \$1.5 million.

DVI Chairman Dr Adir Shiffman said: “After two years of hard work behind-the-scenes, we have now closed two material investments in quality founders running profitable, growing, established, defensible and disruptive technology businesses. We believe it is a desirable strategy for providing investors with exposure to high growth technology companies.

The Directors of DVI have extensive experience in accelerating high-growth businesses, and we have seen these benefits over the past six months with PPS. The Directors will continue to work closely with both business to drive the next phase of growth with the aim of creating two genuinely leading Australian technology companies.”

### **BYOjet Update**

	June 2014 Quarter <sup>3</sup>	June 2015 Quarter	Increase
<b>TTV</b>	\$19.1 million	\$27.8 million	46%
<b>Direct Hotels Relationships</b>	2,263	2,450	8%
<b>JETMAX Pipeline</b>	NA	63	NA

Note that PPS cash flow is not consolidated into DVI’s current quarterly Appendix 4C report<sup>4</sup>.

PPS is the owner and operator of BYOjet, one of Australia’s largest online travel agents (**OTA**) that also includes businesses in New Zealand and Singapore. PPS also owns the proprietary white-label online platform for travel agents, JETMAX.

BYOjet achieved a record quarterly TTV of \$27.8m, profitable operating EBITDA and a 30% growth (albeit from a small base) in its offshore operations for the quarter. TTV growth was achieved through technical integrations, off-shore market expansion and previous R&D investment. Management continues to focus on margin expansion initiatives and costs management. JETMAX now has 22 live sites, 5 sites being commissioned and 36 in negotiations.

BYOjet has pioneered facilitated booking integrations with a global meta search engine. This technological achievement is a significant milestone for the group and a key point of differentiation in a highly competitive market. Management continues to work on increasing TTV margins through the cross sale of ancillary services such as hotels, insurance, car hire and others, to customers purchasing

<sup>2</sup> In addition, to this cash consideration, DVI has agreed to issue deferred consideration to the FSA vendors in the form of up to 53.3 million shares subject to an agreed commissions receivable target being met by 30 June 2018

<sup>3</sup> Pre-merger with check-in.com.au; TTV excludes check-in.com.au, direct hotels relationship through check-in.com.au

<sup>4</sup> DVI owns 38.73% of PPS and a \$1.5 million convertible note in PPS which if converted will result in a 54.69% interest

only flights (currently over 90% of customers only purchase flights). This represents a key strategic initiative going into FY16.

Other strategic developments deployed or completed during the June quarter:

- Launch of “Make an Offer”, allowing customers to make an offer to hotels;
- Technical integration with AirAsia offering live pricing and special offers;
- Technical integration with Orbitz hotels increasing the number of available hotels and rooms; and
- Technical integration with Australia’s largest car rental aggregator.

#### **iBuyNew Update**

	June 2014 Quarter <sup>5</sup>	June 2015 Quarter <sup>6</sup>	Change
<b>TTV</b>	\$7.2 million	\$16.8 million	133%
<b>Commissions Receivable<sup>6</sup></b>	\$262,270	\$808,367	208%
<b>Properties Sold<sup>7</sup></b>	16	31	94%

Note that FSA’s cash flow was not consolidated into DVI’s current quarterly Appendix 4C report; DVI expects to consolidate FSA cash flow in DVI’s next quarterly Appendix 4C report.

FSA is the owner and operator of leading online off-the-plan property marketplace iBuyNew with over 2,200 off-the-plan apartments across 95 different developments in New South Wales, Victoria and Queensland. Access to this extensive property portfolio represents a significant opportunity for iBuyNew.

During the quarter, iBuyNew continued to perform strongly through the sale of 31 properties generating commissions receivable of \$808,000.

The significant improvement in performance over previous comparable period is a result of management continuing to execute on the company’s growth strategy, repeat sales and improved market conditions. During Q4 FY15, iBuyNew’s management successfully launched a Melbourne office to service Victoria with sales achieved shortly after the launch.

iBuyNew’s management continues to implement strategic growth initiatives to support and improve distribution, supply and cost management in order to drive growth. These initiatives include:

- launching a wholesale platform;
- launching a Chinese language website;
- build an internal sales team nationally;
- pursue exclusive sale arrangements with developers; and

<sup>5</sup> Figures are on an unaudited basis

<sup>6</sup> 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)

<sup>7</sup> Properties sold refer to the number of properties that IBN facilitated a contract exchange on during the period.

- streamlining the acquisition process through technology.

Following its investment in iBuyNew, DVI's Chairman Dr Adir Shiffman and Mr John Kolenda joined FSA's Board of Directors.

#### **Appendix 4C**

DVI currently holds 38.73% of PPS and, as such, does not consolidate PPS into DVI's cash flow statement.

During Q4 FY15, DVI acquired an initial 25% stake in FSA (iBuyNew) and as such did not consolidate FSA into DVI's cash flow statements. Subsequently, DVI exercised its option to acquire an additional 25% bringing its total investment to 50% ownership. As such the Board expects to consolidate FSA's cash flow into DVI's cash flow in the next quarter.

**For further information, please contact Dr Adir Shiffman on (02) 9248 6988.**

**ENDS**

#### **About Disruptive Investment Group Limited (ASX:DVI)**

Disruptive Investment Group Limited is an owner, developer and operator of retail, franchise and e-commerce brands, listed on the Australian Securities Exchange trading under the ASX Code: DVI.

DVI is a significant investor in one of Australia's leading OTA, BYOjet, and iBuyNew.com.au, one of Australia's leading off the plan marketplaces.

The BYOjet Group comprises an OTA that processed over \$95 million worth of transactions in FY15, as well as hotel booking websites of the Check-In group, comprising Check-In.com.au and Cheaphotels.com.au, and a customer database in excess of 490,000 members. BYOjet also owns the proprietary JETMAX platform, a technology that enables offline travel agents to quickly and easily offer a full service branded online travel service to their customers.

The iBuyNew platform allows customers to instantly compare over 1,800 properties online and has sold over 400 properties worth over \$186 million since inception. iBuyNew is profitable and has recently completed an agreement to pilot a program with a wholesale retail partner.

DVI's stated growth initiatives also include pursuing targeted acquisitions both within the retail, franchise and e-commerce sectors, particularly where its existing digital platform and expertise can provide a meaningful benefit to any acquisition.

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# 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")

30 June 2015

### Consolidated statement of cash flows

<b>Cash flows related to operating activities</b>		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from customers	7	352
	<i>Less</i> commissions paid to wholesaler*	(0)	(257)
	Net receipts from customers	7	95
1.2	Payments for		
	(a) staff costs	Wages (14)	Wages (76)
		Consultant Fees (0)	Consultant Fees (69)
		Directors Fees (13)	Directors Fees (66)
	(b) advertising and marketing	(48)	(96)
	(c) research and development		
	(d) leased assets	(0)	(12)
	(e) other working capital		
		(91)	(425)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	3	29
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other – Security deposits		
	<b>Net operating cash flows</b>	(156)	(620)

\* As a result of changes in payment processing receipts & commissions paid have been identified separately to provide further information to shareholders.

	Current quarter \$A'000	Year to date (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	(156)	(620)
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments	(777)	(794)
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.10 Proceeds from disposal of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.11 Loans to other entities	(75)	(1,504)
1.12 Loans repaid by other entities		
1.13 Other (provide details if material)		
(a) due diligence on Find Solutions Australia Pty Ltd transaction	(0)	(51)
<b>Net investing cash flows</b>	(852)	(2,349)
<b>1.14 Total operating and investing cash flows</b>	(1,008)	(2,969)
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	1,544	2,947
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	(21)	(24)
<b>Net financing cash flows</b>	1,523	2,923
<b>Net increase (decrease) in cash held</b>	515	(46)
1.21 Cash at beginning of quarter/year to date	1,380	1,985
1.22 Exchange rate adjustments to item 1.20		
1.23 <b>Cash at end of quarter</b>	1,895*	1,939*

\* As announced to the market on 24 September 2014, the company disposed of the Disruptive Opportunities No.1 Pty Ltd (DON1) shares on 23 September 2014. The above figures show the consolidated cash flows of DON1 up until the date of disposal and therefore there is a difference between the 'cash at end of quarter' figure between the current quarter and YTD.

**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	42
1.25	Aggregate amount of loans to the parties included in item 1.11	

1.26 Explanation necessary for an understanding of the transactions

\$28,600 for accounting & tax services rendered by entities partially controlled by directors.

\$13,200 for director's fees (incl. GST) paid to Disruptive Capital Pty Ltd in relation to Adir Shiffman, John Kolenda and Calvin Ng for the month of October 2014.

**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

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

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## 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	1,895	1,380
4.2 Deposits at call		
4.3 Bank overdraft		
4.4 Other (provide details)		
<b>Total: cash at end of quarter</b> (item 1.23)	1,895*	1,380*

\* Disruptive Opportunities No.1 Pty Ltd was disposed of during the September 2014 quarter and therefore its cash balance is no longer reported in the reconciliation of cash.

## Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

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## 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 ~~does not~~\* (*delete one*) give a true and fair view of the matters disclosed.



Sign here: ..... Date: 30 July 2015

(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.

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