

# Annual General Meeting

**30<sup>th</sup> November 2016**

Wolfstrike Rentals Group Limited: ACN: 107 745 095 / ASX: WSG  
Australia: +61 2 9025 3567 / New Zealand: +64 9 282 5953

**[investors@wolfstrike.net](mailto:investors@wolfstrike.net)** **[www.wolfstrike.net](http://www.wolfstrike.net)**

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# Progress Since Requotation

- March 2016 - **Requotation**
- July - appoint **John Seton as Independent Director**
- August - Advise market of **agent strategy**
  - **Reduce overheads** by \$2.2M per annum
  - **Reduce debt** by \$2.2M
  - Obtain commitment for **\$5M PA in new contract flow**
- August - **Beer and co research report – 5.1c**
- August - **Announce Convertible notes** at lower interest rates – 10.5%
- October - Appointment of **Tom McDonald as Independent Director**
- November - Announcement of completion to **acquire LeaseTech**
- November – Announce **FE Investments Limited acquisition**

# 12 Month Company Plan

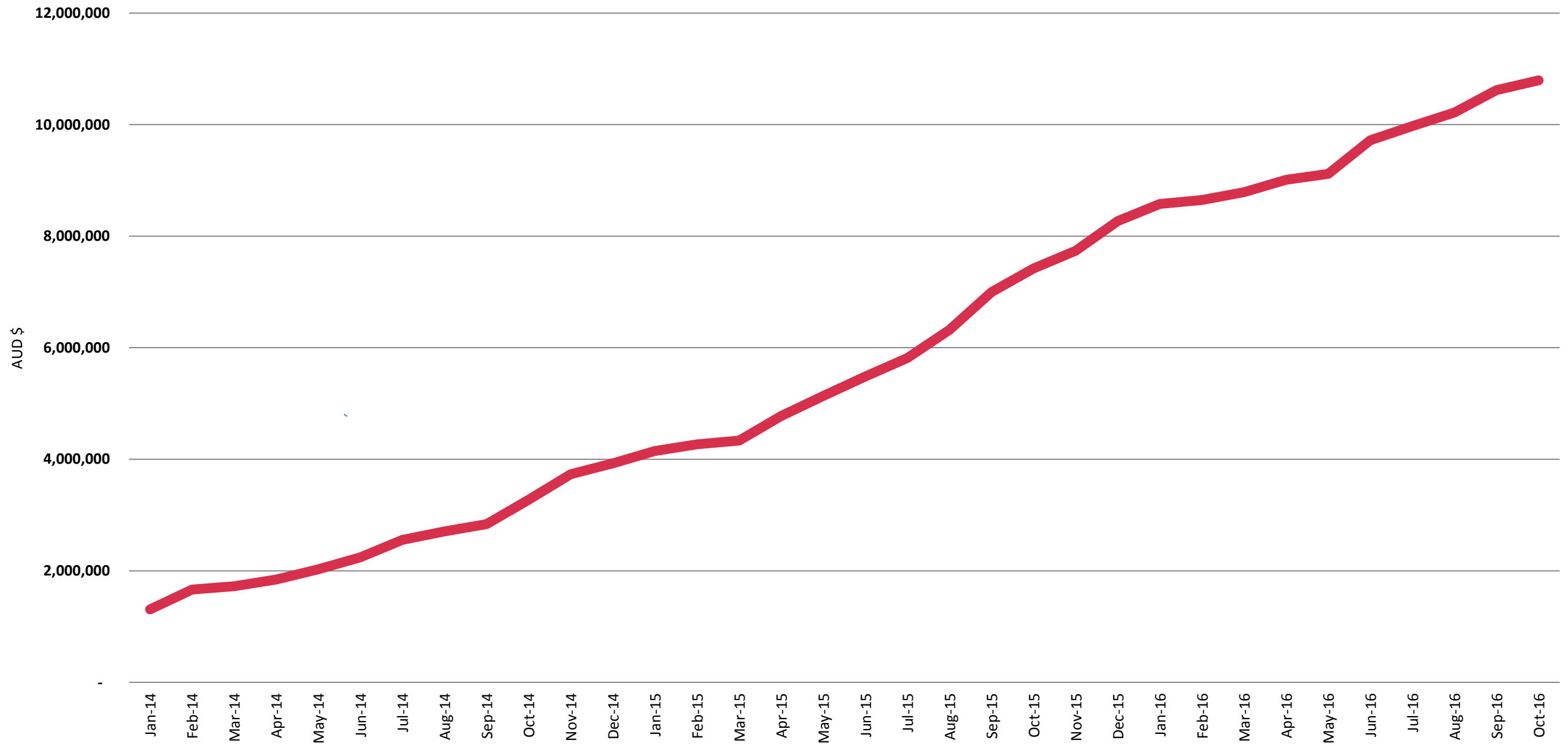
**STRATEGY AND ANNOUNCED 27th MAY 2016 – Completed in 6 months**

- Build on customer base in NZ – **NZ base now over 3,000 (excludes Leasetech)** 
- Grow the rental book – **rent book now in excess of AUD\$10M. Plus FEI book growth to be added** 
- Kick start Australian operations – **established first contracts – now looking for acquisitions** 
- Acquire synergistic businesses – **Lease tech Acquisition underway and FEI Announced today** 
- Reduce interest costs to increase profits – **reduced interest in Nov & FEI acquisition will reduce** 
- Identify and attract additional directors – **Appointed Tom McDonald and John Seton** 
- Focus on Cashflows and profitability – **Convertible notes issued, Focus on resellers/agents** 

## • **CONTINUED STRATEGY OF EXPANSION BY ORGANIC GROWTH AND ACQUISITIONS**

# Organic Company Growth – End Oct - \$10.7M

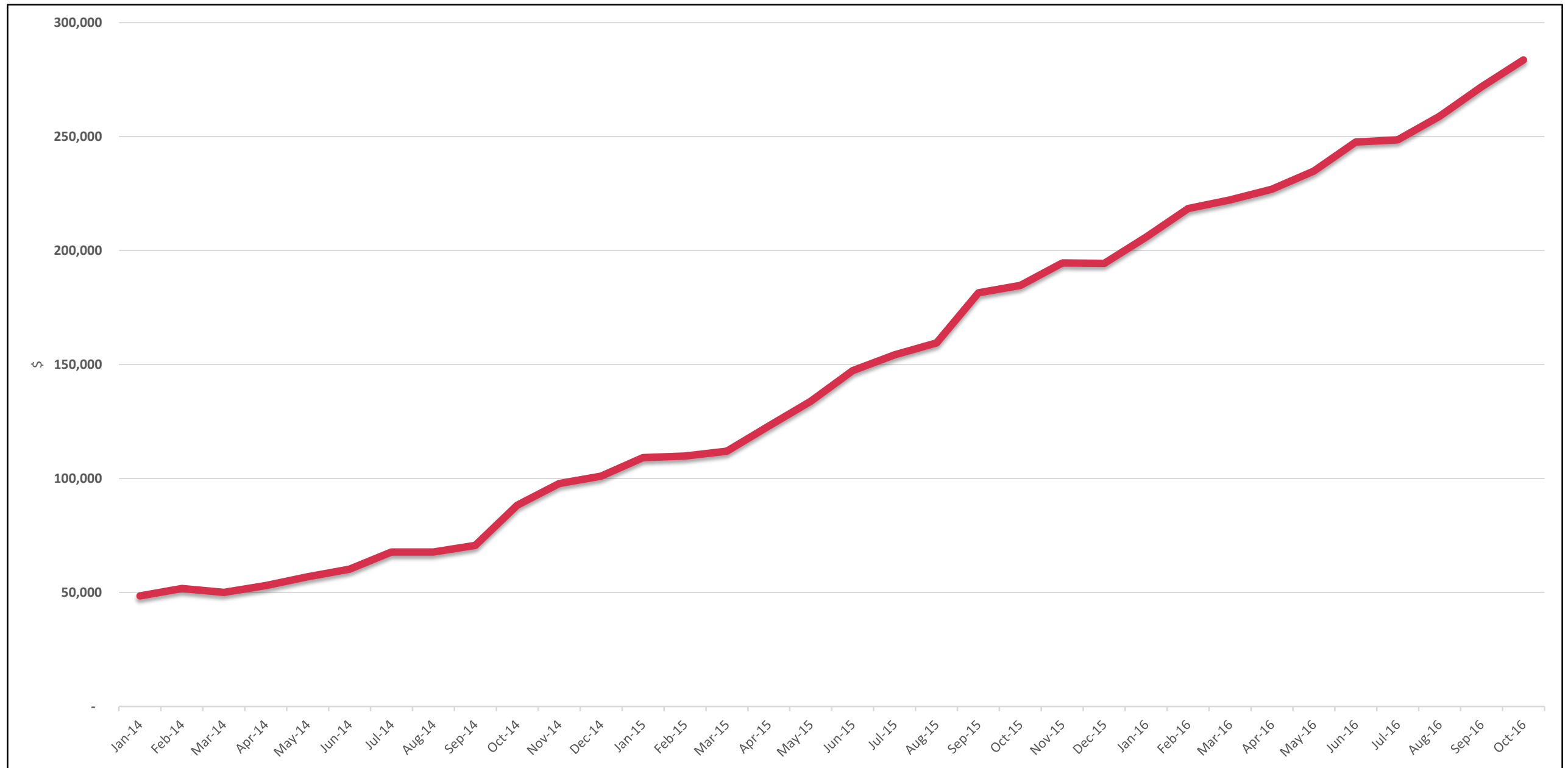
TOTAL CONTRACTED RENTAL BOOK CASHFLOWS (AUD)



• Excludes inertia revenues

# Organic Company Growth – End Oct – increased to \$283K pm

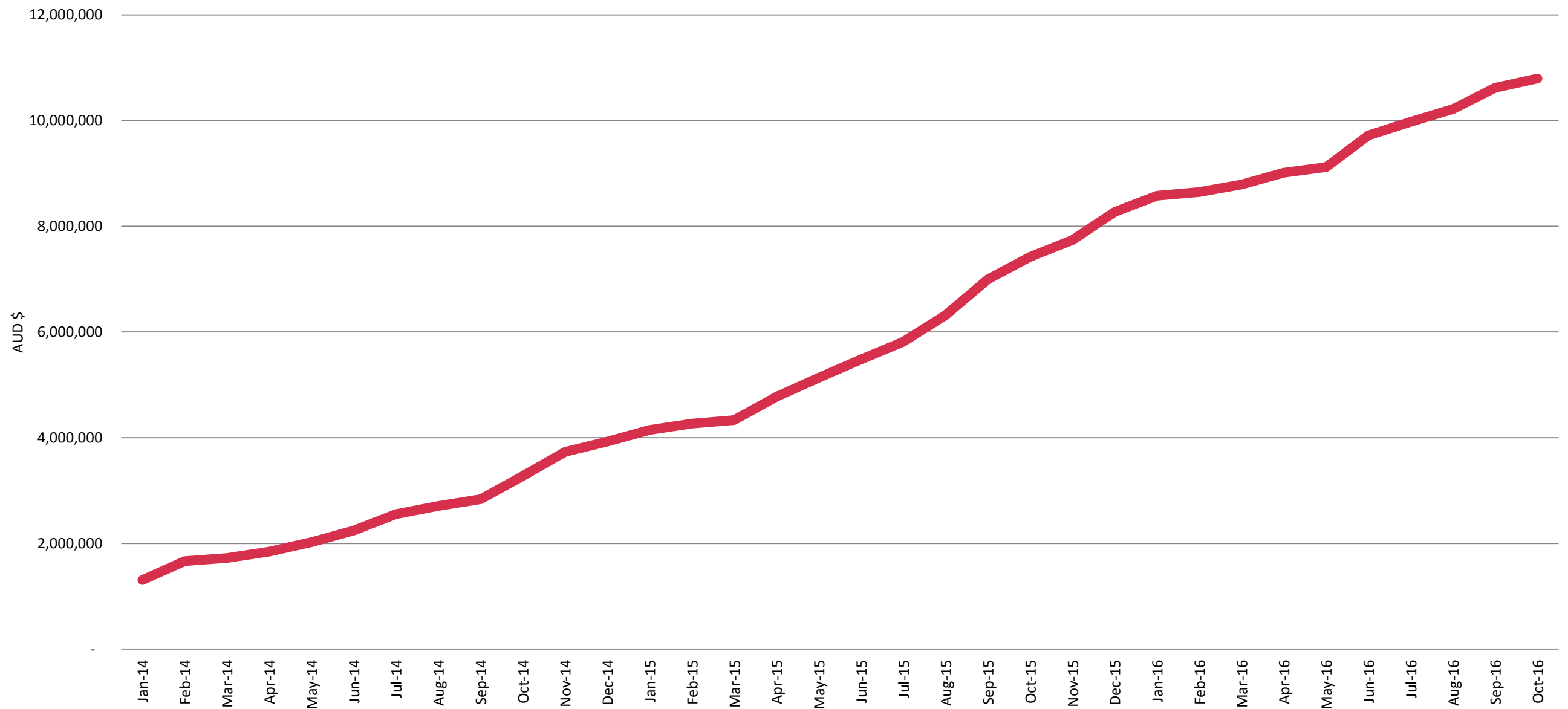
## MONTHLY RENTAL BOOK CASHFLOWS (AUD)



• Excludes inertia revenues

# Organic Company Growth – End Sept increased to 3,500

## CUSTOMER BASE (excludes Leasetech)

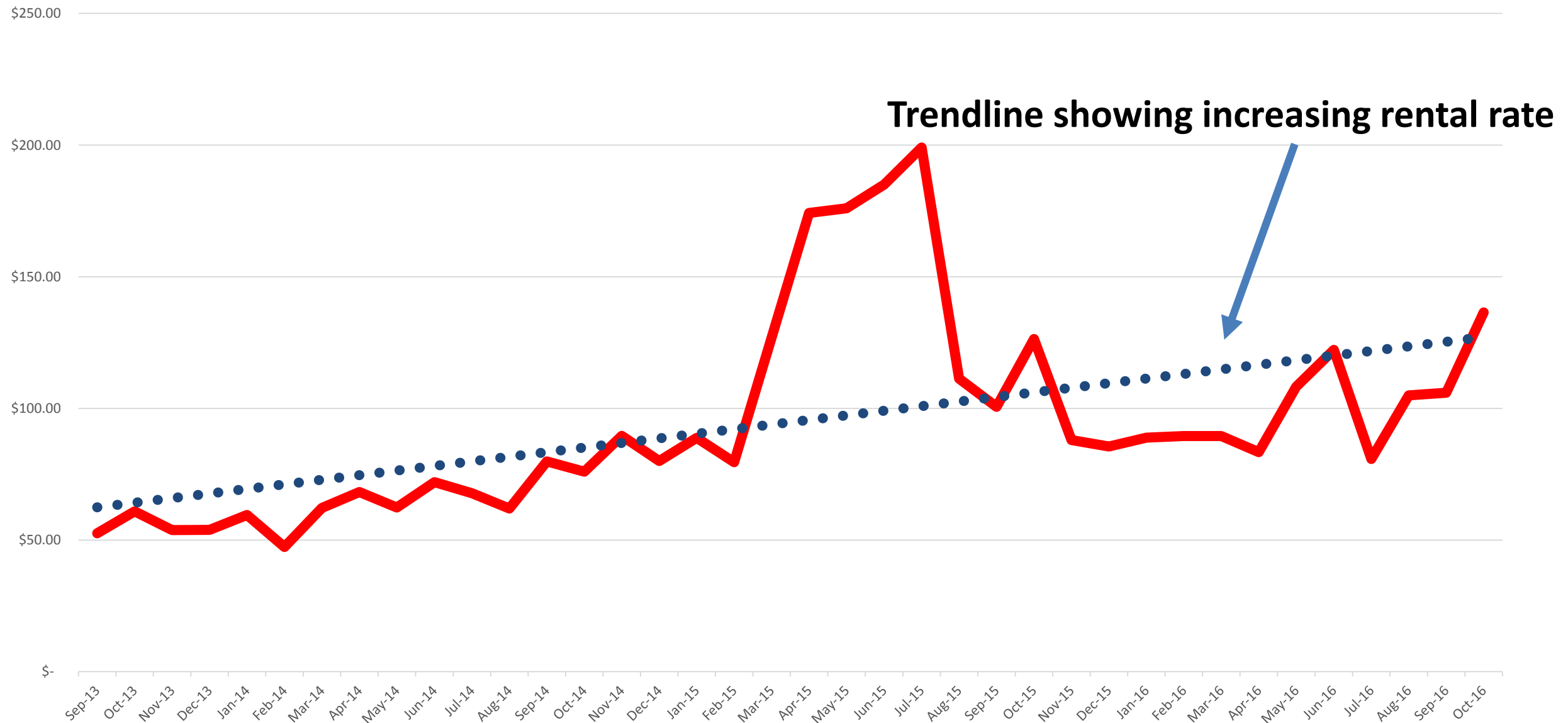


• Excludes Lease Tech customer base



# Organic Company Growth – End October Increase to \$136 P.M

## AVERAGE CONTRACT SIZE (AUD)





# Acquisition LeaseTech

## CORE COMPONENTS OF LEASETECH LIMITED

**LEASETECH LTD** leasing made simple.

- Established 2002 – [www.Leasetech.co.nz](http://www.Leasetech.co.nz)
- Over 5,000 customers on database – **1,000 contracted customers**
- Uses third party funders and convert to WolfStrike funding facilities
  - Contract buy back possible which, and if completed will add:
    - \$3M to lease book value
    - \$174,226 to monthly cashflows
- New contracted customer **minimum \$2M P.A** – expected to grow to \$5M p.a
- **Continue with Leasetech brand** and staff
- Payment of \$360,000 and \$40,000 creditors using existing facilities
- Has **relationships with 400 resellers** – small number of core resellers including:
  - Repco, Brake and Transmission, Acquire.co.nz, Dove Electronics
  - Ability to expand the relationships with the resellers

# Today Announced Acquisition of **FE INVESTMENTS LIMITED (“FEI”)**

- **Licenced by the Reserve bank of New Zealand** as a non-bank Deposit Taker
- Regulated by Reserve Bank of New Zealand under NBDT Regulations
- **Has Standard and Poors “B Stable”** credit rating
- Total **assets of NZ\$42.02m** (Sept)
- **Shareholders funds of NZ\$9.29M**
- **Profitable** - March 2016 - \$2.1M, Sept half year \$1.16M
- Distinguished **history since 2003**
- A lender operating in New Zealand and Australia.
- FEI **specialises in cashflow lending** to SME companies as follows:
  - Working capital facilities, acquisition financing, term loans, rental book funding
- **Script only acquisition**

# Acquisition FEI

## CORE COMPONENTS OF FE INVESTMENTS LIMITED

### Deposits

- FEI deposits 12, 18, 24 & 36 month terms
- Interest rates
  - 4%p.a (6 months) to
  - 6.3%p.a (36 months).
- WolfStrike current **average COF 14.8%p.a**
- Approx. **70% of depositors rollover** investment
- Monthly deposit base has grown since FY14
- **Deposits FY16A grew at a rate of 56%**
- Holds cash at all times

### Lending

- Current funder of WolfStrike and others
- **Lending book of circa AUD\$38M**
- FEI is a specialist SME cashflow lender
- Has significant lease book other than WolfStrike

## Pro-Forma Merged Entity Balance Sheet (A\$ '000)<sup>1</sup>

	FEI	WSG	Proforma	WSG proforma
	pre transaction	pre transaction	Adjustments <sup>3</sup>	Consolidated
<b><u>ASSETS</u></b>				
Total Non-Current Assets	20,590	10,297	1,620	32,507
<b>TOTAL ASSETS</b>	<b>40,034</b>	<b>14,743</b>	<b>-208</b>	<b>54,569</b>
<b><u>LIABILITIES</u></b>				
Total Current Liabilities	18,957	3,774	-2,525	20,206
<b><u>Non-Current Liabilities</u></b>				
Total Non-Current Liabilities	12,530	7,464	-7,184	12,811
<b>TOTAL LIABILITIES</b>	<b>31,487</b>	<b>11,239</b>	<b>-9,709</b>	<b>33,017</b>
<b>NET ASSETS</b>	<b>8,547</b>	<b>3,504</b>	<b>9,501</b>	<b>21,552</b>
<b><u>Shareholders Equity</u></b>				
<b>TOTAL EQUITY</b>	<b>8,547</b>	<b>3,504</b>	<b>9,501</b>	<b>21,552</b>



# Total Leasing market size

## AUSTRALIA

Table 2:

### Product Type: New Business Volumes 2015

	General Equipment Finance		Fleet Leasing		Total Equipment Finance	
Finance Lease	\$4.9bn	13%	\$1.4bn	33%	\$6.2bn	15%
Operating Lease	\$2.8bn	7%	\$2.4bn	59%	\$5.2bn	12%
Total Lease	\$7.6bn	20%	\$3.8bn	91%	\$11.4bn	27%
Hire Purchase	\$2.4bn	6%	\$0.4bn	9%	\$2.8bn	7%
Chattel Mortgage	\$27.8bn	73%	\$0.0bn	0%	\$27.8bn	66%
<b>TOTAL</b>	<b>\$37.9bn</b>	<b>100%</b>	<b>\$4.2bn</b>	<b>100%</b>	<b>\$42.1bn</b>	<b>100%</b>

\* Totals may not add due to rounding

- Opportunity in the EDP/Office equipment market of over \$456M
- Wolfstrike also looking to other segments (not consumers vehicles)

Source: [www.AELA.asn.au](http://www.AELA.asn.au) (national association of equipment Leasing and finance industry – Australia)v

## Next 12 Month Company Plan

### FOCUS OF MANAGEMENT

- Acquire additional leasing customer bases
- Expand originator sales reach under Leasetech brand
- Identify an Australian based lease book to acquire
- Further reduction in interest rates
- Expand with FEI as core funder

## Additional board members

### EXPERIENCED FINANCE & LEASING EXPERIENCE



- TK is the founder of FEI and undertakes day to day management.
- TK specialises in innovative structured financing including arranging bond and unit trust issues, putting in place trade finance, financing acquisitions, securitisation facilities and other cashflow lending products.
- He was a banking law specialist with some of the major law firms in New Zealand and has also gained banking experience working with Westpac Banking Corporation.
- TK graduated with a law degree and a BA (economics major) from University Auckland



- Mel Stewart has extensive experience in financing in the property, residential, commercial and industrial sectors throughout Australasia and Oceania.
- He previously worked at the Rural Bank and Elders Finance giving him a comprehensive understanding of issues relating to these areas of finance.
- Mel is a qualified property valuer trained in New Zealand

# Contact Details

## GET IN TOUCH

### Australia

Level 32, 101 Miller St  
North Sydney

Sydney, NSW 2060

**Phone:** +61 2 9025 3567

**Email:** [info@wolfstrike.net](mailto:info@wolfstrike.net)

### New Zealand

#### **Operational address:**

110 Wairau Road  
Wairau Valley, Auckland 0627

#### **Postal address:**

|PO Box 33-1263  
Takapuna  
Auckland 0740

**Phone:** +64 9 282 5953

**Email:** [info@wolfstrike.net](mailto:info@wolfstrike.net)

### Ian Bailey

#### **Managing Director**

**Mobile:** +64 21 664 941

**DDI:** +64 9 280 3127

**Email:** [ianb@wolfstrike.net](mailto:ianb@wolfstrike.net)