WOLFSTRIKE RENTALS GROUP LIMITED
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ASX Release: 6 December 2016 **ASX: WSG**

WolfStrike finalises Earnout Agreement with Original WolfStrike Vendors And Completes Acquisition of Leasetech

As advised in the prospectus dated 24th December 2015, WolfStrike Rentals Group Limited (**WSG or WolfStrike**) had an obligation to enter into an earnout agreement, providing for a total of up to 595,671,000 shares in the capital of WSG to be issued to the original vendors of the WolfStrike business (**Vendors**) in two tranches (**Earn-out Shares**).

Any issue of Earn-out Shares would be subject to WSG shareholder approval, agreed performance conditions being satisfied, and any necessary regulatory approvals being obtained.

After further negotiation between the independent board members[1] of WSG and the Vendors, WSG and the Vendors have entered into an agreement to reduce the amount of Earn-out Shares to 500,000,000 shares (**New Earn-out Shares**) and have agreed the performance conditions of the New Earn-out Shares (**Earn-Out Agreement**). Details of the performance conditions for the New Earn-out Shares, and other material terms of the Earn-Out Agreement are summarised in the Annexure ("New Earn-out Share Performance Criteria").

It is expected that, should the recently announced transaction for the acquisition of FEI Limited (**FEI**) (see ASX Announcement of 30 November 2016) be approved, the entitlement of the Vendors to be issued the New Earn-out Shares will vest. WSG intends to seek the approval of shareholders to the grant of the New Earn-out Shares at the extraordinary general meeting to be convened to consider the FEI acquisition.

The Board of WolfStrike is also pleased to confirm that, further to the announcement of 28 November 2016, WSG confirms the acquisition of LeaseTech Limited (**LeaseTech**) was completed on 1 December 2016.

The acquisition of LeaseTech provides WolfStrike with access to more than 5,000 new customers and a significantly enhanced reseller network in New Zealand.

– ENDS –

About WolfStrike Rentals

WolfStrike Rentals Group Limited is an Australasian Company with a core focus on the financing and management of rental contracts for technology solutions. With operations throughout Australia and New Zealand, WolfStrike provides a range of financial and operational services to SMEs.

In addition to providing rental facilities, WolfStrike also manages its own direct and agent-based sales network which provides a consistent deal flow to the rental Company.

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[1] Certain Vendors are associated with Mr Ian Bailey, who is a director of the company.

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Annexure

New Earn-out Share Performance Conditions

		No. Shares
	Performance Conditions (PC) for Tranche 1 of the New Earn-out Shares	
PC 1	Gross Rent Book increases by 20% from date of Shareholder Approval to the first anniversary of the Shareholder Approval	62,500,000
PC 2	EBITDA for the Companies on a consolidated basis, including any acquisitions, at the end of the first anniversary of the date of Shareholder Approval is equal to or greater than $NZ3,000,000.00	62,500,000
PC 3	The revenue of the Australian Business (including the revenue from the acquisition of any other businesses and companies) is equal to or greater than $A1,000,000 at the end of the first anniversary of the date of Shareholder Approval	62,500,000
PC 4	Completion of a Material Transaction before the first anniversary of Shareholder Approval	62,500,000
	Total PC Shares for Tranche 1	**250,000,000**
	Performance Conditions for Tranche 2 of the New Earn-out Shares	
PC 1	Implementation of the sales agency model (subject to an ASX announcement on 20 August 2016) including generating combined sales of $NZ5,000,000 and cost savings of $NZ2,200,000. The measurement of these items will take into account the new revenue sources identified and cost savings mentioned in the ASX announcement of 20 August 2016	62,500,000
PC 2	The EBITDA for the Companies on a consolidated basis at the end of the second anniversary of the date of Shareholder Approval is equal to or greater than $NZ4,000,000	62,500,000
PC 3	The revenue of any Material Transaction between the date of completion of the Material Transaction and the secnd anniversary of Shareholder Approval be at least $A3,000,000 with EBITDA of at least $A2,200,000	62,500,000
PC 4	The Gross Rent Book Value of the Companies on a consolidated basis has increased by 50% between the date of Shareholder Approval and the second anniversary of the date of Shareholder Approval	62,500,000
	Total PC Shares for Tranche 2	**250,000,000**
	Total New Earn-out Shares	**500,000,000**

Definitional Notes:

1. **Material Transaction** means the acquisition of a business or assets that has a value of at least 20% of WSG's market capitalisation at the time the acquisition is completed and the acquisition is forecast to deliver proforma EBITDA of at least $A1,000,000

2. **PC** means Performance Conditions as set out in the table above.

3. **Shareholder Approval** means the Extraordinary Shareholders Meeting where these Earnout shares are approved.

4. **VWAP** means volume weighted average of the price of WSG's shares.

5. **Change Event means** any of the following circumstances:

(i) a takeover bid is made under Chapter 6 of the Corporations Act for the ordinary shares in WSG;

(ii) a compromise or arrangement is approved by a court under Part 5.1 of the Corporations Act in relation to the transfer or acquisition of the ordinary shares of WSG;

(iii) a person (other than the Vendors, or any person who the Vendors have directed any shares in WSG to be issued to or any person who the Vendors direct any New Earn-out Shares to be issued to, or any of their associates) acquires a relevant interest in 30% of the ordinary shares of WSG;

on or before the second anniversary of the date of shareholder approval to the Earn-Out Agreement.

Other material terms of the Earn-Out Agreement are as follows:

1. Subject to the Corporations Act and the Listing Rules, if a Change Event occurs, then, subject to such approvals by the shareholders of WSG as are required under the Corporations Act and the Listing Rules, WSG shall issue to the Vendors and/or such other person as are directed, any Shares the subject of the Earn-Out Agreement that are yet to be issued irrespective of whether the Performance Conditions have been satisfied at the time of the Change Event.

2. Should the Vendors be entitled to any shares pursuant to the Earn-Out Agreement, but shareholder approval is not received within 4 months of the Vendors becoming entitled to the shares or WSG is prohibited or restrained in any way from issuing the shares, WSG must pay to the Vendors an amount equal to the number of shares due to the Vendors times by the 90 day VWAP of WSG's shares.