

ASX Release: 06 June 2017

ASX: WSG

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## Completion of FE Investments acquisition

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### Highlights:

- **WolfStrike completes acquisition of New Zealand non-bank deposit taker FE Investments Limited in 100% scrip deal**
- **Acquisition enhances WolfStrike's scale and sustainability, providing vertical integration for funding and leasing business**
- **Significantly reduces cost of funds and increases size of lease book**

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WolfStrike Rentals Group Limited, (ASX:WSG) (the **Company** or **WolfStrike**) is pleased to advise that it has today completed the acquisition of FE Investments Limited (**FEI**) (**Acquisition**). The Acquisition was first announced by the Company on 30 November 2016 and was approved by shareholders at an extraordinary general meeting held on 8 March 2017 (**Meeting**). Detailed information on the Acquisition, including the rationale for the transaction and Wolfstrike's strategy post Acquisition is set out in the 30 November 2016 announcement and the notice of meeting released to ASX on 7 February 2017.

The consideration payable for the Acquisition comprises:

- an initial upfront issue of 1,650,000,000 fully paid ordinary shares in WolfStrike (**Shares**) which have been issued today; and
- subject to FEI achieving 90% of its FY17 net profit before tax and bad debts/loan provisions projections, up to an additional 566,549,223 Shares (in a pre-consolidation basis). FEI's FY17 accounts are currently being audited and the Company will advise the market in due course the number of additional shares that will be issued to the FEI vendors (if any). However, based on preliminary management accounts provided by FEI, it is anticipated the earnout shares have been earned and will be issued in due course.

Under voluntary escrow provisions agreed with the FEI vendors, the consideration Shares will be escrowed for a period of two years from the date of issue, following which the FEI vendors must, if they wish to dispose of the consideration Shares, do so in a manner which promotes an orderly market for shares.

In connection with the Acquisition, Wolfstrike today welcomes TK Shim and Mel Stewart (both FEI vendors) to the Board. Both TK and Mel are founding directors of FEI, and their experience will be integral to the integration of FEI with Wolfstrike, and the execution of the Company's future strategy. Brief biographies of TK and Mel can be found in the Notice of Meeting.

Commenting on the Acquisition, Wolfstrike Managing Director Ian Bailey noted "As advised at the time of the listing of Wolfstrike, the company strategy is to reduce our interest costs, and increase the size of the business by way of organic growth and acquisitions. By virtue of this transaction we have achieved both objectives. Importantly, the acquisition of FEI provides WSG with the ability to fund further acquisitions of rental books and leasing businesses"

TK Shim noted "FEI are pleased to be part of the WolfStrike group. We see the synergies between the businesses will enable us to grow rapidly and we are already looking at how we increase our reach into the leasing market in both NZ and Australia. Both Mel and myself are also pleased to join the board and provide our skill set to driving the value of the business to the betterment of all shareholders..".

## Deferred Consideration Shares

Completion of the Acquisition also triggers the issue of deferred consideration shares to certain vendors of the original Wolfstrike business. As approved by shareholders at the Meeting, the Company has today issued 200,000,000 Shares to Kingfisher Corporate Trustee Limited (an unrelated party of Wolfstrike) and 300,000,000 Shares to Hippo Trustee Limited (**Hippo**) (being the entity nominated by River Horse Trustee Limited and an entity controlled by Ian Bailey and therefore a related party of Wolfstrike) to receive the deferred consideration shares under the original Wolfstrike acquisition agreements).

The Shares issued to Hippo will be escrowed until 29 March 2018 under ASX's mandatory escrow regime.

## Consolidation

As approved by shareholders at the Meeting, following completion of the Acquisition, Wolfstrike will consolidate its capital on a 30 to 1 basis. The indicative timetable for the consolidation is as follows:

| Event   | Date         |
|---|--------------|
| Last day for trading in pre Consolidated securities   | 7 June 2017  |
| Consolidated securities commence trading on a deferred settlement basis   | 8 June 2017  |
| Proposed Consolidation Record Date<br>Last day for Company to register transfers of securities on a pre-Consolidation basis | 9 June 2017  |
| First date to register transfers on a post Consolidated basis   | 13 June 2017 |
| Proposed Consolidation Despatch End Date<br>Deferred settlement trading ends  | 19 June 2017 |

Notes:

1. All dates are indicative only and are subject to change

An Appendix 3B applying for quotation of the initial consideration Shares and Kingfisher deferred consideration Shares and cleansing notice in respect of the Shares follows.

**– ENDS –**

## About WolfStrike Rentals

WolfStrike Rentals Group 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.

## About FE Investments Limited

FE Investments Limited (**FEI**) has been operating since July 2003. It is a non-bank deposit taker (NBDT) operating under the relevant regulations issued by the Reserve Bank of New Zealand. FEI lends money and provides financial support to enterprises in the business and property sectors.

In addition, FEI enters into underwriting commitments for debt securities issued by third party issuers. FEI earns fees from such underwriting commitments and when called upon, would subscribe for the securities which it has agreed to underwrite.

FEI is part of the FE Group, a New Zealand financial services group. FE Group also include FE Securities Limited, which is a corporate advisory business. FE Securities specialises in innovative structures in raising capital. The Company has only acquired FEI under the Acquisition, and the other entities in the FE Group will continue with their existing lines of business.

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