FEI Group Limited

September- 17 Half Year Results Update

FE Investments
Further Everyday

December 2017

Business Update – Half Year September 2017

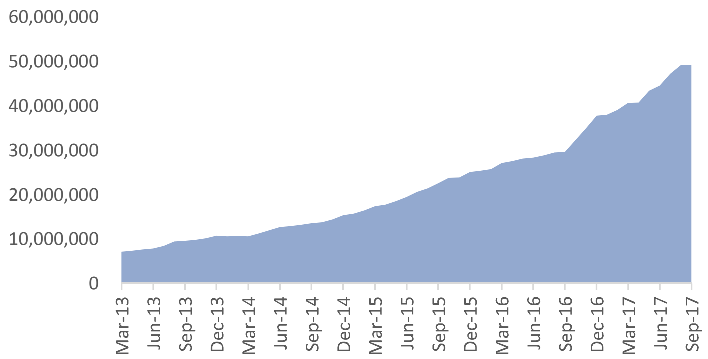
- Company name was changed from Wolfstrike Rental Services Ltd on 31st August 2017 to FE Investments Group Ltd (FEIG) to reflect the Group's core financial business supported by strengths and strategic advantage
- Appointment of new Australian based Chairman to support Australian growth initiatives while providing additional guidance and support of FEIG's growth implementation strategy
- Private Placement of AUD$1m in October 2017 to enhance Capital Ratio required to continue Total Asset Growth
- Once off merger and consolidation costs which had a significant impact on Half year results although noting Assets have grown by 43% under the merger
- Operating expenses from continuing operations increased as the company has front loaded its employee and operating expenses to embark on expansion plan of its Total Assets
- Consolidation both business operations has been completed with synergies on track to "kick in" from 2018 onwards driving significant revenue growth and profitability

Market Update– Deposit Taking

- License issued by Reserve Bank of New Zealand (RBNZ) – enables deposit taking in NZ and Australia
- Average size of deposit is NZD$48,000 ensures diversification of deposit base
- Approximately 65% of depositors roll deposits at the expiry of the term
- Deposit growth has been steady with key KPI achieved with more diverse and wider depositor base and at progressively reduced deposit rates offered to investing public
- FEIG purposely slowed deposit growth of which still grew by over 21% in last 6 months
- FEIG still provides NZ leading deposit rates
- Future plan to increase capital base to launch deposit taking activities in Australia (subject to regulatory requirements)

Term Deposit Rates	
Term	**NZD$5,000 or over**
9 months	5.35%
12 months	5.50%
18 months * (special rate)	6.10%
24 months	5.70%
36 months	5.85%

Consistent Deposit Growth



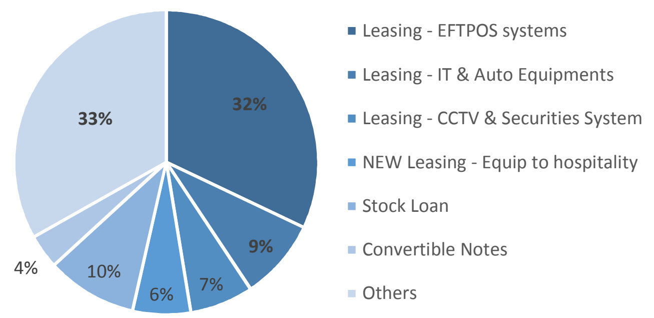
Market Update – SME Lending

- Leasing receivables have grown 22% since June 2017
- Diverse customer base of over recurring borrowers close to 6,000 customers

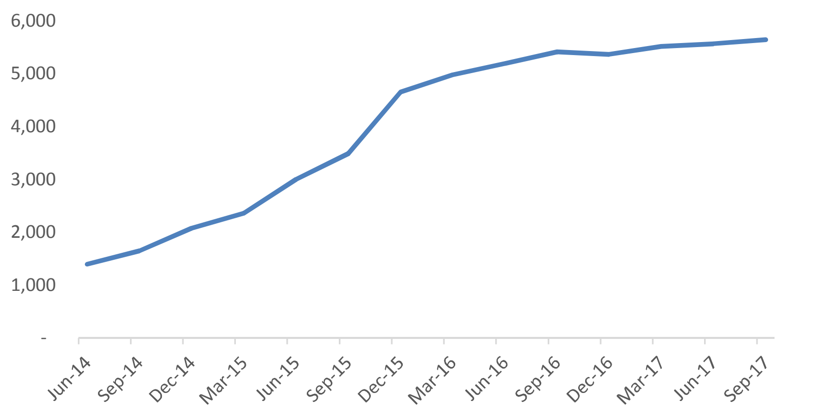
SME Lending continues to deliver strong growth results:

- ✓ Launch of Equipment to Hospitality products
  - ✓ Such as Mobile Coffee vans and pizza outlets
- ✓ Launch of Auto and IT equipment
- ✓ Launch of "Business to Business" micro-lending products based on credit scoring matrix and online application forms. Significant customer interest has been generated since October 17

Product Allocations – September 2017



Number of Contracts - September 2017

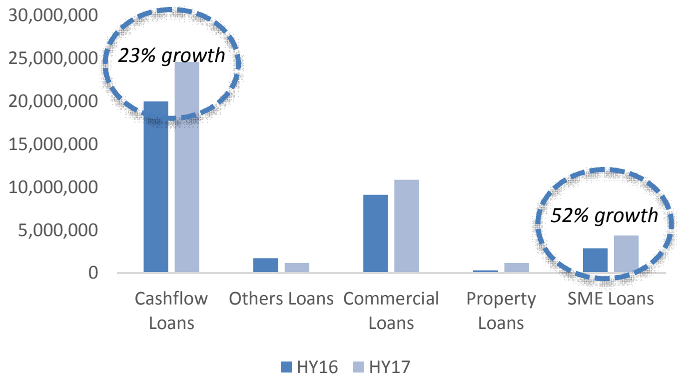


Market Update – Asset and Loan Growth

Loan Summary

- Loan receivables grown by 24% across all loan categories in the 12 months to Half-Year Sept 17
- SME loans category was stand-out performance with 53% increase in Half-Year Sept 17
- Property loans category represents 23% of total loan receivables. Plan to reduce this category over next 12 months and re-deploy funds to SME and cashflow lending categories

Receivables – Growth Breakdown YOY



Note: receivables growth not Total Receivables

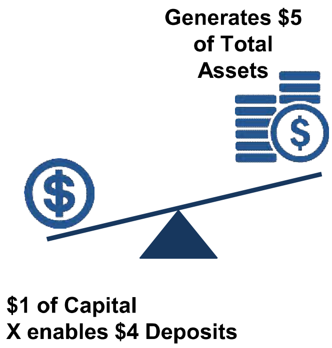
Asset Summary

- Total assets have been growing at a compounded rate of 56% per annum since FY14
- Assets have grown by 43% under merger of which Total Assets are now $72m (Sep 17)
- Cash Reserves at $16m (Sep 17)
- Shareholders' funds at $25m (Sep 17)
- Further growth in Total Assets is only limited by capital constraint.

Funding Considerations

- **Our only restriction to growth has been access to capital:**
  - Historically funded capital via equity contributions from shareholders (when private company)
  - Required to maintain a conservative capital ratio of 8% set by RBNZ
  - Conservatively operating with a risk – adjusted capital ratio of 9%-10%
  - Never breached capital ratio – even in periods such as the GFC

- **Significant returns to investors:**
  - Significant leverage can be applied to increase ROI
  - $1 of **Capital** enables $4 of **Deposits** which Generates $5 of **Total Assets**
  - Average Return on Equity: over 16% consistently



- **Profitable Net Interest Margin:**
  - Average loan return: 14.5%
  - Less the cost of deposit: 6.5%
  - Net Interest Margin: **8%**

Profit & Loss- 1HY Sept 17

Profit & Loss Statement (AUD)			
	FY2015	**FY2016**	**FY2017**
Interest Income	2,097,241	3,350,620	*5,301,660*
Loan Income	820,026	1,236,690	*1,500,590*
Group Revenue	2,917,266	4,587,310	*6,802,250*
Revenue Growth	*44%*	*57%*	*48%*
Funding Costs	1,139,355	1,751,750	*2,256,800*
Gross Profit	1,777,912	2,835,560	*4,545,450*
Gross Margin	*61%*	*62%*	*67%*
Operating Expenses	1,213,699	1,789,970	*2,998,450*
NPBT	564,213	1,045,590	*1,547,000*
NPBT Growth	*50%*	*85%*	*48%*
Key Metrics			
Loan Write offs	*0.00%*	*0.10%*	*0.00%*
NIM (Average)	*5.26%*	*6.48%*	*8.28%*
Interest Cover	*1.84*	*1.91*	*2.35*

Profit & Loss Statement (AUD) September Half Year		
	1H 2016 FEI	**1H 2017** FEIG
Interest Income	*2,439,840*	*2,600,840*
Loan Income	*0*	*1,636,680*
Financial Lease Income	*911,720*	*636,640*
Group Revenue	3,351,346	4,874,160
Revenue Growth		*45%*
COGS (leasing)		1,061,680
Funding Costs	1,041,389	1,491,232
Gross Profit	2,309,956	2,321,248
Gross Margin	*69%*	*48%*
Operating Expenses	1,238,923	2,796,948
Merger Costs – One off Adjust	0	719,021
NPBT (Adjusted)	1,071,035	243,321

Merger Once off and Consolidation Costs had a impact on 1HY September 2017. Business on track for in 2018 growth

Note: Merger Costs have been Normalised. Financials are based of Audited Accounts. This excludes Merged Entity WSG
Year End is 31st March. Assume FX rate of $0.92 For Half Year

Profit & Loss

Half Year Update

- The Half-Year September 17 results were done on the basis of Reverse Acquisition Accounting which reflects FEI Investment Ltd business operations (accounting acquirer)
  - Enables a "like for like" HY comparison
- Revenue continues to show a positive growth trend driven largely by SME loans and leasing financing
  - ➢ Further growth is expected from these 2 key drivers in FY18
- COGS leasing is a cost previously not incurred but incorporated under new leasing business.
  - ➢ By recognising COGS leasing upfront the company will derive monthly annuity-type income over the duration of the leases
- Operating expenses from continual operations have increased as the company is front loading its employee and operating expenses to embark on expansion plan of its Total Assets. It will take time for the company to leverage this upfront expenses to increase revenue
  - ➢ Capex items were incurred in order to reposition new strategy such as building an Interactive Website (NZ & AUD)

Balance Sheet

Balance Sheet (AUD)			
	FY2015	**FY2016**	**FY2017**
Deposit	17,178,398	26,815,246	40,230,934
Deposit Growth	*64%*	*56%*	*50%*
Total Assets	21,184,837	33,861,246	50,352,120
	57%	*60%*	*49%*
Total Loans	17,640,259	25,757,325	38,165,400
Loan Growth	*49%*	*46%*	*48%*
Net Debt	*$0*	*$0*	*$0*
Key Metrics			
Loans / Deposit Ratio	*1.03*	*0.96*	*0.95*
Return On Assets	*2.66%*	*5.76%*	*2.19%*
Return On Equity	*15.46%*	*30.54%*	*11.59%*
Capital Adequacy Ratio	*10.47%*	*9.01%*	*10.82%*
Impairments Losses -	*0.00%*	*0.10%*	*0.70%*

Balance Sheet (AUD)	
	1HY -Sep 2017
Deposit	49,201,000
Cash On hand	15,922,000
Total Assets	72,860,000
Total Loans	41,786,000
Loan Growth YOY	*24%*
Net Debt	*$0*
Net Assets	*22,106,000*

Half Year Update

- Significant cash balance of $15.9m supported by deposit growth of 21% in last 6 months
- Total assets in HY September 17 increased due to intangibles arising from merger
- Total Deposits grew by 21% in 6 months to September 2017

Note: Merger Costs have been Normalised. Financials are based of Audited Accounts. This excludes Merged Entity WSG
Year End is 31st March
Assume FX rate of $0.92 Half Year results

Vertically Integrated Model

- **Deposit:**
  - Ability to adjust interest rate dynamically
  - No ‘at call’ deposits
  - Independent of wholesale bank funding lines
  - Substantial deposit base – easily grown through marketing campaigns and reinvestors

- **Loans:**
  - Broker network lowers fixed cost base – Significant ability to scale up
  - Dedicated network established to source loans – also provides diverse customer base
  - Disciplined lending policies

- **Platform:**
  - Established lending platform with credit scoring matrix system
  - 80% of credit scores and loan applications completed on platform
  - Significant customer database with payment history to enable further lending opportunities into the database

- **Products:**
  - Opportunities to broaden product range and offering
  - Enables ability to increase revenue per customer
  - Diversification of business activities expands revenue base and further de-risks model

Unique Positioning

- **Established track record:**
  - Well established reputation in New Zealand as a leading provider of innovative funding for the SME sector – operating for over 13 years
  - Including secured debenture financing, cashflow lending, trade finance and bridging finance facilities

- **Loyal customer base:**
  - Established brand name and proven network to raise deposits in NZ – household name through the high saver community
  - Long term rental contracts with diverse customer base
  - High rates of re-investment ensure deposit base grows sustainably
  - Aiming to replicate position in Australia

- **Stringent governance – regulatory climate has tightened with high entry barriers:**
  - Regulatory RBNZ reporting and oversight
  - Operating with risk adjusted capital ratio of 9%-10% – opposed to statutory mandated ratio of 8%
  - Formal S&P rating of B stable

- **Financially profitable but equity capital will support stronger growth in FY18 due to :**
  - New Product lines
  - Sustainable deposit growth
  - Investment in HR resources to expand business
  - Looking for lending and deposit opportunities in Australia

Product Suite Overview

Leasing/Rental Products

POS hardware

CCTV systems

Cash registers

Payment terminals

Smart device accessories

Proximity beacons

Table pagers

Audio & PA systems

Contact

Australia

Level 32, 101 Miller St
North Sydney

Sydney, NSW 2060

Phone: +61 2 9025 3567

New Zealand
FEI - Head Office

Level 8 92 Albert Street, Auckland 1143,
New Zealand

Phone: +64 9 359 9445
Email: enquiries@fei.co.nz

TK Shim
Managing Director

Mobile: +64 21 618 889
DDI: +64 9 359 9715
Email: tkshim@fei.co.nz

Disclaimer

- This presentation may contain certain statements and projections provided by or on behalf of FEI Group Limited (ABN 72 107 745 095) with respect to anticipated future undertakings. Any forward looking statements reflect various assumptions by or on behalf of FEI Group Limited.

- Accordingly, these forward looking statements are subject to significant business, economic and competitive uncertainties and contingencies associated with the business of FEI Group Limited which may be beyond the control of FEI Group Limited. Unforeseen circumstances could cause actual results or trends to differ materially, including but not limited to competition, industry downturns, inability to enforce contractual and other arrangements, legislative and regulatory changes, sovereign and political risks, ability to meet funding requirements, dependence on key personnel and other market and economic factors. Accordingly, there can be no assurance that any such forward looking statements and projections will be realised. FEI Group Limited makes no representations as to the accuracy or completeness of any such statement of projections or that any forward looking statements will be achieved.

- Additionally, FEI Group Limited makes no representation or warranty, express or implied, in relation to, and no responsibility or liability (whether for negligence, under statute or otherwise) is or will be accepted by FEI Group Limited or by any of their respective officers, directors, shareholders, partners, employees, or advisers (Relevant Parties) as to or in relation to the accuracy or completeness of the information, statements, opinions or matters (express or implied) arising out of, contained in or derived from this presentation or any omission from this presentation or of any other written or oral information or opinions provided now or in the future to any interested party or its advisers. In furnishing this presentation, FEI Group Limited undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

- Except to the extent prohibited by law, the Relevant Parties disclaim all liability that may otherwise arise due to any of this information being inaccurate or incomplete. By obtaining this document, the recipient releases the Relevant Parties from liability to the recipient for any loss or damage which any of them may suffer or incur arising directly or indirectly out of or in connection with any use of or reliance on any of this information, whether such liability arises in contract, tort (including negligence) or otherwise.