

31st May 2019

2019 Appendix 4E Preliminary Financial Report

FE Investments Group Ltd (the Company or FEIG) is pleased to announce its Appendix 4E Preliminary Financial Report (Unaudited) for the year ending 31st March 2019 (FY19).

Pleasingly, the Company has returned a Net Profit after tax of \$0.01m from a loss of (\$15.2m) in FY18 (\$2.2m Normalised loss in FY18).

This was achieved while the Company completed a restructure to provide further process improvements and in preparation for our growth strategy which includes expansion of the business in Australia.

FY19 has been characterised by strong underlying performance against key strategic objectives and a change of leadership and key management.

- Revenue continues to show growth, increasing by over 16% driven by:
 - LeaseTech securing a number of automotive leasing contracts
 - Our SME business loan portfolio grew by 60% and
 - Rising loan and documentation fee structuring.
- Increased and diversified business lending into lower risk commercial sectors while continuing to decrease property development loan exposure.
- Consumer deposit growth of 10%, in line with the increase in the lending portfolio.
- Total assets in FY19 are now at \$78.1m (\$68.4m in FY18).

The financial statements for FY19 were impacted by a number of one- off costs including the following:

- Additional audit costs due to restatement of FY18 financial accounts
- The Company settling existing director loans under the Deed of Settlement
- Increased financing cost as the Company paid out interest on the FEI redeemable preference shares upon their redemption.
- Non capitalized AFSL acquisition costs including legal, consulting and accountancy fees.



Based on the above adjustments, the pro-forma FY19 accounts are as follow:

	\$000's
Net profit after tax	7
<i>Add back one-off expenses:</i>	
Additional audit related expenses	300
One-off director related expenses - Deed of Settlement	408
Financing costs - Interest paid for Redeemable Preference Shares	188
Non capitalized AFSL acquisition costs	79
Total one - off costs	975
FY19 Normalised Group Net Profit	982
<i>FY18 Normalised Group Net Loss</i>	<i>(2,184)</i>
Improvement YoY	3,166

This result is a strong turn around for the Company and provides a good platform for the expansion of our business in Australia and New Zealand.

Further detail will be provided in the FY19 Annual Report due to be released shortly.

Marcus Ritchie
Group Chief Executive Officer

Note all \$ dollar values are in NZD

FE Investments Group Ltd is a specialist financial institution offering securities and SME lending in New Zealand and Australia. The Company's subsidiary FE Investments Limited in NZ has been operating since 2003 and is regulated by the Reserve Bank of New Zealand and Independent Trustee. FEI Finance Ltd is an Australian subsidiary of the Company holding AFS Licence No. 408024. It is not authorised under the Banking Act 1959 (Cth) or supervised by the Australian Prudential Regulation Authority.