



5 October 2015
ASX RELEASE

BINDING HEADS OF AGREEMENT TO ACQUIRE SOFTWARE & TECHNOLOGY DEVELOPMENT COMPANY INVESTIA TECHNOLOGIES

HIGHLIGHTS

- Advanced Engine Components Limited (ACE) to acquire 100% of Investia Technologies Pty Ltd (**Investia**), a software as a service (**SaaS**) & financial services platform.
- ACE to seek to re-comply on the ASX as a technology company and to be renamed Ookami Limited.
- Investia to be the first acquisition within the Ookami intellectual property portfolio of technology solutions; focussing in financial services, Big Data Analytics, application & communication software, SaaS and online social networking services.
- Investia's proprietary financial services software platform provides Australian Financial Services Licence (AFSL) holders a streamlined total managed solution to capital raisings and distribution of public and private offerings.
- Unique Peer to Peer (**P2P**) community, Business to Business (**B2B**), and Data Collection & Analytics capabilities.
- Ookami to enter the expanding Australian financial services industry, which accounts for the highest share of sector value in the Australian economy, adding 9% to national GDP and contributing to \$18B tax revenue per year¹.
- Experienced Board of Directors – expected to comprise Mr Faldi Ismail, Dr Brendan de Kauwe, Mr Peter Wall and Mr Chris Ntoumenopoulos upon completion of the Investia transaction.



¹ Source: Financial Services Council, *State of the Industry 2014*.



The Board of Advanced Engine Components Limited (ASX:**ACE**) is pleased to announce that it has executed a binding heads of agreement with Perth based software company Investia Technologies Pty Ltd (**Investia**) to acquire 100% of the issued capital of Investia (**Acquisition**). Investia offers unique SaaS technologies and financial services software to Australian Financial Service Licence holders that vastly improves efficiency and accuracy with public and private capital raisings.

ACE (to be renamed **Ookami Limited**, subject to shareholder approval) has agreed to a transformational acquisition to obtain a 100% interest in Investia.

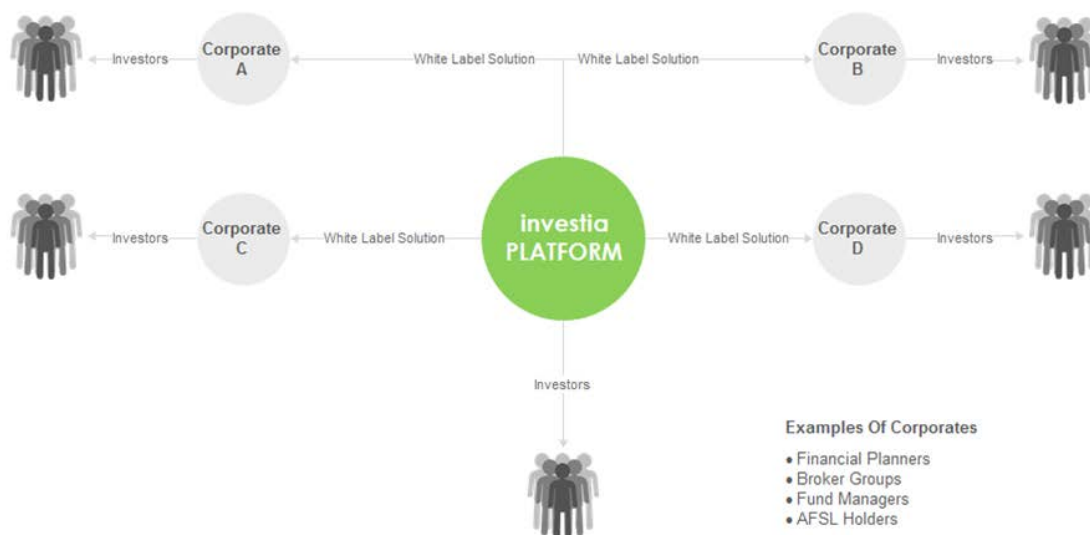
Investia is an Australian private company which holds intellectual property assets pertaining to a financial services software application known as the Investia Platform.

The Investia Platform is a financial services software platform that provides AFSL holders with a streamlined total managed solution to capital raisings and distribution of public and private offerings, with P2P capabilities.

The Investia Platform combines an all in one solution, including data collection, client management, offer generation and auditing systems. Further intuitive features include the creation and marketing of public and private offer documents, encrypted storage of client information, share registry submission and many others.

The Investia Platform also has the ability for an AFSL holder to offer its placement to the clients of other license holders in the Investia Platform, via a unique client management and integrated commission sharing feature, whilst maintaining the private client relationship.

A further exciting feature of the Investia Platform for the AFSL client is the ability to utilise Investia as a 'White Label' solution, thereby allowing the integration of the Company's branding and presence to its clients via the web based platform and mobile app.





There are currently 5,101 AFSL licensees as of FY2014 and 3,391 AFSL authorised to provide personal advice in Australia², which may benefit from the Investia Platform and services.

The Investia Platform also takes advantage of multiple revenue streams via capital raising fees, transaction fees, AFSL annual subscriptions and advertising.

Investia has developed and will bring to the Company a strong Board and management team with specialised expertise and a proven track record in technology and business development.

KEY ACQUISITION TERMS

In consideration for 100% of issued capital of Investia Technologies Pty Ltd, ACE will issue to Investia shareholders:

- 17,500,000 fully paid ordinary shares in ACE (**ACE Shares**) at a deemed issue price of \$0.02 each (**Initial Consideration Shares**) and 17,500,000 options (exercisable at \$0.03 each, expiring three years from date of issue) (**Consideration Options**). All consideration securities will be subject to ASX escrow provisions;
- Up to 32,500,000 deferred consideration shares (**Deferred Consideration Shares**) on the following milestones being achieved:
 - 15,000,000 ACE Shares at a deemed issue price of \$0.02 per ACE Share upon Investia achieving 25,000 registers users on the Investia Platform within 18 months of listing on the ASX (**Milestone 1**); and
 - 17,500,000 ACE Shares at a deemed issue price of \$0.02 per ACE Share upon Investia achieving \$25,000,000 total capital raised on the Investia Platform within 24 months from listing on the ASX (**Milestone 2**).

Settlement of the Acquisition is conditional upon the satisfaction (or waiver) of the following conditions precedent:

- Shareholder approval for the change of its business from an automobile and components company to a software & technology company;
- Shareholder approval to change the name of Advanced Engine Components Limited to Ookami Limited;
- Completion of due diligence by ACE on Investia's business and operations, to the sole satisfaction of ACE within 1 month of the HOA being executed;
- ACE obtaining all necessary regulatory approvals or waivers pursuant to the ASX Listing Rules, Corporations Act or any other law to allow ACE to lawfully complete the matters set out in the HOA, including but not limited to, conditional approval to reinstatement of ACE to official quotation on ASX following completion of the Acquisition on conditions satisfactory to ACE and Investia, including;

² Source: ASIC Annual Report 2013-2014.



- obtaining any necessary regulatory approval and ASX Listing Rule waiver to permit ACE's re-compliance with Chapters 1 and 2 of the ASX Listing Rules to occur despite the price of ACE Shares being less than \$0.20 per ACE Share (being a price of at least \$0.02 per ACE Share) and exercise price of Consideration Options being less than \$0.20 each;
 - ASX granting a waiver to ACE under the relevant ASX Listing Rules to permit ACE to issue the Deferred Consideration Shares upon satisfaction of the Milestones;
- Execution by the Investia shareholders of ASX restriction agreements for the Initial Consideration Shares and Consideration Options;
 - Establishment of a performance rights plan, the terms of which are to be agreed between ACE and Investia, and obtaining shareholder approval to issue 9 million performance rights to each of Faldi Ismail, Brendan de Kauwe, Peter Wall and Chris Ntoumenopoulos, in tranches of 3 million performance rights each, with Share price vesting hurdles of 3 cents, 4 cents and 5 cents respectively for each tranche (based on a 10 day Share VWAP), expiring 3 years after grant and otherwise on terms to be agreed;
 - ACE undertaking a capital raising an raising not less than \$3,400,000 through the offer of ACE Shares at a price of not less than \$0.02 per ACE Share (**Capital Raising**);
 - ACE obtaining all necessary shareholder approvals pursuant to the ASX Listing Rules, Corporations Act or any other law to allow ACE to lawfully complete the matters set out in the HOA, including (if required) ASX Listing Rule 11.1, ASX Listing Rule 10.1 and item 7 of section 611 of the Corporations Act 2001 (Cth) (Act) and to:
 - issue 25,000,000 unlisted options (exercisable at \$0.03 each, expiring 3 years from date of issue) to brokers in part consideration for capital raising fees in respect of the Capital Raising (**Transaction Options**); and
 - issue up to 15,000,000 Shares, at a deemed issue price of \$0.02 per Share, on completion of the Acquisition, to convert convertible loans granted by ACE to third party investors (**Convertible Loans**).

PUBLIC OFFER

Subject to shareholder approval, ACE will undertake a capital raising and raising not less than \$3,400,000 through the offer of ACE Shares at a price of not less than \$0.02 per ACE Share.



PROPOSED CAPITAL STRUCTURE

PROPOSED CAPITAL STRUCTURE	SHARES	OPTIONS	\$
Existing securities on issue	35,092,289	25,000,000 ⁴	-
Shares to be issued under convertible loans @2cents	15,000,000	-	\$300,000
Securities to be issued under Capital Raising Prospectus to raise \$3.4 million	170,000,000	25,000,000 ⁵	\$3,400,000
Investia shareholder Initial Consideration Shares and Consideration Options	17,500,000	17,500,000 ⁵	-
Total issued capital at re-listing	237,592,289^{2,3}	67,500,000	\$3,700,000

Market Cap on listing	\$4,751,846		
Cash at Bank			~\$3,176,000¹

¹ Cash net of costs (including DOCA payment, capital raising fees, legal cost, relisting Costs).

² Excludes 32.5m Deferred Consideration Shares

- Milestone 1 – Issue 15m shares on achievement of 25,000 registered users on the Investia platform within 18 months of relisting.
- Milestone 2 – Issue 17.5m shares on achievement of AUS\$25m total capital raising on the Investia platform within 24 months of relisting.

³ Excludes director performance shares totalling 36m, vesting in three tranches on achieving a share price of 3c, 4c and 5c on a 10 day VWAP

⁴ Existing unlisted Options on Issue exercisable at 2 cents per share and expiring 3 September 2019.

⁵ Consideration Options and broker Transaction Options to be issued exercisable at 3 cents per share and expiring 3 years from the date of issue.

INDICATIVE TIMETABLE*

Event	Date
Execute Heads of Agreement	2 October 2015
Completion of due diligence	30 October 2015
ACE shareholder & regulatory consent	November 2015
Lodgment of Prospectus with ASIC	November 2015
ASX Conditional Confirmation of reinstatement to quotation	November 2015
Completion of Capital raising & Investia acquisition	November 2015

*These dates are indicative only and subject to change

BOARD OF DIRECTORS

It is proposed that the Board will consist of Mr Faldi Ismail, Dr Brendan de Kauwe, Mr Peter Wall and Mr Chris Ntoumenopoulos upon completion of the Acquisition. A brief on the directors are as follows:



Mr Faldi Ismail

Mr Ismail is an experienced corporate advisor who specialises in the restructure and recapitalisation of a wide range of ASX listed companies, specialising in information technology. He has many years of investment banking experience and has advised on numerous cross border transactions including capital raisings, structuring of acquisitions and joint ventures overseas. Mr Ismail is also the founder and operator of Otsana Capital, a boutique advisory firm specialising in mergers and acquisitions, capital raisings and Initial Public Offerings.

Mr Ismail currently sits on the board of a number of ASX listed companies.

Dr Brendan de Kauwe

Dr de Kauwe studied a Bachelor of Science and Bachelor of Dental Surgery from the University of Western Australia. He also holds a Post Graduate Diploma in Applied Finance, majoring in Corporate Finance, and is currently completing his Masters in Applied Finance.

He is also an ASIC complaint (RG146) Securities Advisor. Dr de Kauwe's extensive technology, science and bio-medical background, coupled with his finance backing, gives him an integral understanding in the evaluation of projects over a diverse range of sectors. He has been involved in a number of corporate restructures, capital raisings, and is currently a director of a number of ASX listed companies. Dr de Kauwe is also owner and director of a successful private publishing company and a Full Voting Member of APRA/AMCOS.

He has previously been involved a number of ASX listed boards.

Peter Wall

Mr Wall is a corporate lawyer and has been a Partner at Steinepreis Paganin (Perth based corporate law firm) since July 2005. Mr Wall graduated from the University of Western Australia in 1998 with a Bachelor of Laws and Bachelor of Commerce (Finance). He has also completed a Masters of Applied Finance and Investment with FINSIA. Mr Wall has a wide range of experience in all forms of commercial and corporate law, with a particular focus on technology, equity capital markets and mergers and acquisitions. He also has significant experience in dealing in cross border transactions.

Mr Wall currently sits on the board of a number of ASX listed companies.

Chris Ntoumenopoulos

Mr Ntoumenopoulos is a partner at CPS Capital, a WA based stockbroking and corporate advisory firm. He has worked in financial markets for the past 12 years, focusing on capital raisings, portfolio management and corporate advisory. Mr Ntoumenopoulos has advised and funded numerous ASX companies from early stage venture capital, through to IPO. He is an executive director of various private companies which span across finance, technology and medical sectors.

Mr Ntoumenopoulos has a Bachelor of Commerce degree from the University of WA, majoring in Money and Banking, Investment Finance and Electronic Commerce.



PRO FORMA BALANCE SHEET

	Audit Reviewed 31 December 2010	Pro-Forma adjustments prior to completion of Acquisition	Pro-forma on completion of Acquisition
	\$	\$	\$
Current Assets			
Cash & cash equivalents	354,561	2,821,439	3,176,000
Trade receivables	1,455,673	(1,455,673)	-
Inventories	1,480,272	(1,480,272)	-
Total Current Assets	3,290,506	(114,506)	3,176,000
Non-Current Assets			
Other assets	40,317	(40,317)	-
Property, plant and equipment	287,682	(237,191)	50,491
Intangible assets	3,696,175	(3,396,666)	299,509
Total Non-Current Assets	4,024,174	(3,674,174)	350,000
TOTAL ASSETS	7,314,680	(3,788,680)	3,526,000
Current Liabilities			
Trade & other payables	(2,133,129)	2,133,129	-
Borrowings	(10,054,142)	10,054,142	-
Provisions	(333,769)	333,769	-
Total Current Liabilities	(12,521,040)	12,521,040	-
Non-Current Liabilities			
Provisions	(123,694)	123,694	-
Total Non-Current Liabilities	(123,694)	123,694	-
TOTAL LIABILITIES	(12,644,734)	12,644,734	-
NET ASSETS	(5,330,054)	8,856,054	3,526,000
Equity attributable to the equity holders of the Company			
Issued Capital	21,193,635	3,926,000	25,119,635
Reserves	1,143,793	-	1,143,793
Accumulated losses	(27,667,482)	4,930,054	(22,737,428)
TOTAL EQUITY	(5,330,054)	8,856,054	3,526,000



Notes:

The Pro-forma Balance Sheet above represents the Company's position as at 31 December 2010 (being the most recent audit reviewed accounts), adjusted to reflect the pro forma position prior to and post completion of the proposed Acquisition.

Adjustments prior to completion of the proposed Acquisition include the clearing of balances on completion of the DOCA, payment of \$200,000 to the creditors trust and the issue of \$100,000 in equity to creditors for forgiveness of debt, \$3,400,000 in capital raising less capital raising costs (\$204,000 payable to Otsana) and costs of recapitalisation (\$120,000).

Adjustments on completion of the proposed Acquisition include the mandatory conversion of convertible notes on re-listing and the issue of shares and options as consideration for the acquisition of Investia Technologies Pty Ltd.

Further information will be provided in the notice of meeting document to be sent to shareholders in the coming weeks.

-Ends-

Faldi Ismail
Chairman
Advanced Engine Components Limited

Further enquiries:
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