

The Manager – Listings
Australian Securities Exchange Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

29 January 2018

BUSINESS UPDATE: EXCHANGE OF BINDING CONTRACTS - IT SERVICES BUSINESS (BUSINESSWORKS)

Consolidated Operations Group (COG) is pleased to announce that it has exchanged binding contracts for the acquisition of an IT services business based in Victoria called BusinessWorks. As previously announced on 19 January 2018, this business will integrate with COG's 100% subsidiary, Hal Group Pty Limited (Hal) which is an IT services business offering managed services, professional services and hardware and software sales to more than 80 clients throughout Australia.

BusinessWorks has more than 20 years' experience providing a complete range of IT support services and solutions for small-to-medium sized enterprises in Melbourne's eastern suburbs. With more than 90 clients the business is stable and has consistent growth in sales.

The transaction details:

- Purchase 100% of the business assets for 3.75 times normalised FY17 EBITDA;
- The purchase price is \$1.3m and is payable in cash.

Settlement will occur within the next couple of days.

Hal will benefit from the scale and footprint, extracting expense and revenue synergies. This service related business within COG, whilst viable as a stand-alone division, also brings expertise and resources to the core business of equipment finance broking and aggregation.

This is a good purchase in terms of gaining critical mass and a presence in Victoria. We do not plan to purchase any other IT services companies as we are focused on what is currently a significant pipeline of asset finance broker purchases.

Cameron McCullagh
Managing Director