

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

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BUSINESS UPDATE: PARTIAL ACQUISITION OF EQUIPMENT FINANCE BROKER SETTLED

Consolidated Operations Group Limited (COG) is pleased to announce that the partial acquisition of an equipment finance broker referred to in a previous announcement on 19 January 2018 has now been settled.

Vehicle and Equipment Finance Pty Ltd (VEF)

VEF is an equipment finance broker based in Shepparton, Victoria predominantly servicing SME businesses in Metropolitan Melbourne, Rural Victoria and Southern New South Wales and in many cases multiple generations of these business owners. VEF offers a full range of asset finance facilities for all types of equipment, vehicles, plant and machinery.

Formed in 2002, VEF have been recognised every year since the award was created as the Rural Asset Finance Broker of the Year with ANZ and also as a Westpac Premier Broker.

Platform Consolidated Group Pty Limited (Platform), a 62% owned COG subsidiary has acquired a 50% equity holding in VEF. The senior management at both VEF and Platform have known each other for many years, making this partial acquisition a great cultural fit and enhancing Platform's offering further throughout Victoria.

With a normalised EBITA of \$1.334m for FY17, Platform has paid \$3.001m cash for a 50% equity holding in the business, being a 4.5 times multiple, with an effective date for profit share of 1 January 2018. As COG has provided the cash as additional equity in Platform, this has increased COG's shareholding in Platform to 64.70%. Platform and the vendors of VEF have put and call options which will take the Platform holding to 75% of VEF at an earliest date of July 2023 if exercised.

With strong client relationships and a great regional presence, Platform see great opportunity to expand the business.

This partial acquisition shows the continuation of the strategy of COG to acquire equipment finance brokers which represent a good cultural and commercial fit.

Cameron McCullagh
Managing Director