

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

17 April 2018

BUSINESS UPDATE: PARTIAL ACQUISITION OF EQUIPMENT FINANCE BROKER EXECUTED

Consolidated Operations Group Limited (COG) is pleased to announce that binding agreements have been executed for the partial acquisition of an equipment finance broker referred to in a previous announcement on 5 February 2018 with settlement to take place 1 May 2018.

Simply Finance Australia and Simply Automotive (Simply)

Simply Finance Australia is a national asset finance broker operating primarily in the automotive sector. The business was established in 2010 by Adam Lane. Simply Automotive operates alongside Simply Finance, they service the finance clients by offering new and used vehicle procurement and trade-in solutions.

Adam and his brother Sam Lane, the existing shareholders both manage the Simply businesses.

Platform Consolidated Group Pty Limited (Platform), a 64.70% owned COG subsidiary will acquire a 25% equity holding in the Simply businesses.

With a normalised EBITA of \$501k for CY17, Platform will pay \$752k cash for a 25% equity holding in the business, being a 6 times multiple. As COG will provide the cash as additional equity in Platform, this will increase COG's shareholding in Platform to 65.26%. Platform and the vendors of Simply have put and call options (at 5.25 times EBITA) which will take the Platform holding to 80% of Simply at an earliest date of July 2023 if exercised. In addition, the vendor shareholders have put options (at 5.25 times EBITA) which will take the Platform holding to 100% at an earliest date of July 2025 if exercised.

With strong referral networks and a technology led marketing strategy, 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