

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

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## **COMPLETION OF ACQUISITION OF 50% OF SOVEREIGN TASMANIA**

Consolidated Operations Group (**COG**) is pleased to announce that its 50% owned subsidiary Linx Group Holdings Pty Ltd (**Linx**) has completed the 50% acquisition of equipment finance broker Sovereign Tasmania Pty Ltd (**Sovereign**).

### **Sovereign**

Sovereign is a leading equipment finance broker in Tasmania trading as Capitalcorp Equipment Finance Tasmania & Capitalcorp Finance Tasmania and servicing clients in many industries including forestry, transport, agriculture and civil construction.

The total acquisition value of Linx's 50% interest in Sovereign is \$2.226m based on an enterprise value of \$4.453m.

The purchase consideration is comprised of \$1.699m cash and \$0.556m worth of COG shares based on 11c per share. COG's direct contribution to the purchase price is \$0.4m cash and \$0.312m worth of COG shares.

The acquisition is seen as an excellent cultural and strategic fit. Sovereign has a strong management team that are aligned with Linx's in terms of client-focussed advice and corporate values.

This transaction demonstrates COG's continued investment in quality, leading businesses in equipment finance broking. Whilst COG, through its subsidiary equity brokers, is the largest broker of equipment finance in Australia, there remains significant further opportunity.

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#### **Who We Are**

Consolidated Operations Group (COG) has two complementary businesses:

1. **Asset Finance Broking.** Through our membership group serving independent brokers and COG's equity owned brokers (brokers in which we have invested), we are Australia's largest asset finance group, representing over \$4 billion per annum of Net Asset Finance (NAF). We will grow NAF through organic growth and further equity investment in brokers.
2. **Product.** Through broker distribution, TL Rentals provide equipment finance to SMEs. We have grown annual lease origination organically by 27% and 38% in the last two financial years.

In both businesses we are small parts of large markets, with growth opportunities through consolidation and organic growth.