

**CML Group Limited (ASX:CGR)
& Consolidated Operations Group Limited (ASX:COG)**

**Merger of Equals
13 November 2019**





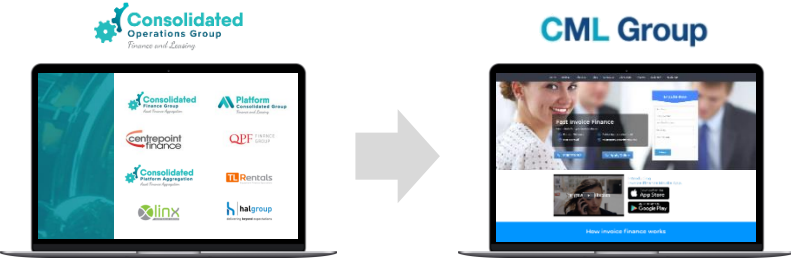
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Executive Summary

CML & COG have agreed to a merger of equals with the merged entity leveraged to the rapidly expanding SME finance market

Transaction Details	<ul style="list-style-type: none"> Consolidated Operations Group (ASX:COG) (“COG”) and CML Group (ASX:CGR) (“CML”) have agreed to implement a merger of equals The transaction, will be implemented via a scheme of arrangement whereby COG will acquire all the shares of CML (“Merged Group”) The Merged Group will be listed on the ASX and will be renamed and rebranded Further details of the transaction are contained in the separate announcement of today and in the Scheme Implementation Agreement lodged with ASX
Strategic Rationale	<ul style="list-style-type: none"> Provides considerable increase in scale with the Merged Group, leveraged to the rapidly expanding SME finance market Revenue synergies achieved through cross-selling CML’s established finance products through COG’s extensive broking network Synergies to be realised via opex reductions: Corporate overheads, lower ASX & compliance costs
Risk Mitigation	<ul style="list-style-type: none"> Both parties have undertaken due diligence and hold a strong level of comfort on: <ul style="list-style-type: none"> The quality of the COG platform and CML loan books The newly structured management teams ability to integrate and extract synergies from combined operations
Financial Impacts	<ul style="list-style-type: none"> Expected to be immediately EPS accretive



COG to acquire all shares in CML with the Merged Group to remain listed but be renamed and rebranded

Combined Revenue ¹	\$264.9m
Combined EBITDA ¹	\$50.3m
Combined NPATA ¹	\$17.4m

¹Based only on combined historical FY’19 audited financials, excluding any synergies post-acquisition and does not represent a forecast

Summary of Key Merger Details

CML & COG have entered into a Scheme Implementation Agreement (“SIA”) to effect the merger

- CML shareholders will have the option to elect to receive 100% of the Scheme consideration in COG shares or to receive a mixture of cash and COG shares. The Scheme consideration is as follows:
 - scrip consideration of 5.4 COG shares for every 1 CML share held; or
 - cash and scrip consideration of 2.7 COG shares plus A\$0.24 for every 1 CML share held (up to a total capped cash amount of A\$20 million)
- Each of these alternatives implies Scheme consideration of approximately A\$0.48 per CML share, valuing the equity of CML at approximately A\$111.4 million.
- In addition to the Scheme consideration, CML will pay a dividend of A\$0.03 per CML share immediately prior to the Scheme implementation date and subject to the Scheme becoming effective.



Merged Group Board & Management	CML & COG Board & Shareholder Support	Key Approvals
<ul style="list-style-type: none"> • Merged Group to be led by highly experienced Board & senior management teams, drawing on the strengths of both groups <ul style="list-style-type: none"> – Current COG CEO Andrew Bennett to assume role of CEO of Merged Group – Current CML CEO Daniel Riley to assume a new role as Executive-director • Merged Group’s Board of Directors will consist of multiple existing directors from both COG and CML 	<ul style="list-style-type: none"> • CML’s board has unanimously recommended that CML shareholders vote in favour of the merger in the absence of a superior proposal and subject to the Independent Expert concluding that the merger is in the best interests of CML shareholders • Directors of both groups intend to vote consistently with their recommendation • Major shareholders of CML and COG have signalled that they will support the Merged Group and remain committed to the long-term strategy and development of the Merged Group 	<ul style="list-style-type: none"> • The Scheme will be subject to the conditions set out in the SIA, which include: <ul style="list-style-type: none"> – Approval being received from CML shareholders; – Court approval; – The Independent Expert concluding that the Scheme is fair and reasonable and in the best interests of CML shareholders and not changing that conclusion; and – Other conditions customary for a transaction of this nature.

Side-by-side Comparison

The merger will deliver a vertically integrated SME finance platform with both distribution (COG) & product (CML) underpinned by a low-cost funding structure

- Combined historical FY'19 audited revenue of \$264.9m, EBITDA of \$50.3m and NPATA of \$17.4m
- Significant opportunity to increase market share in SME finance space via cross-selling through existing customer networks

Merged Group ¹	COG	CML	Merged Group
Revenue ²	\$217.2m	\$47.7m	\$264.9m
EBITDA (underlying) ²	\$29.9m	\$20.4m	\$50.3m
NPATA (underlying) ²	\$7.9m	\$9.5m	\$17.4m
Share Price (12 th November close)	\$0.092	\$0.46	
Shares on Issue (Fully Diluted)	1,348.1m	201.7m	
Maximum Shares on Issue (post rights issue) ³	1,571.7m	232.0m	
Market Capitalisation (pre-rights issues)	\$124.0m	\$92.8m	

¹The above figures exclude CML's acquisition of Classic Funding Group announced 10th September 2019 and are only based on the historical audited financials for each of COG and CML for FY'19

²Based on historical FY'19 audited financials, with combined figures excluding any synergies post-acquisition and does not represent a forecast

³Assumes all rights are taken up via both respective rights issues

Strategic Rationale

1 Leverages key strengths of both groups (broking distribution & finance products) driving revenue synergies

- COG is Australia's largest asset finance broker and an aggregator with ~17% market share of the intermediated asset finance market
- CML provides secured lending to a broad segment of SME's with facility sizes ranging from \$100k to \$14m in its invoice finance product, up to \$2m in its equipment finance product and facilities up to \$1.5m in its trade finance product
- Combining these two companies provides:
 - a) A material cross-selling opportunity, in particular an ability to offer COG's SME's with an invoice financing product
 - b) Ability to better leverage debt inside respective equipment financing businesses

2 Combines highly experienced Board & Management teams

- Complimentary skillsets of both leadership teams

3 Delivers low cost of funding with significant headroom

- CML's total available funding increased to \$397m with ~\$100m in headroom, including 3 wholesale funding facilities
- With increased volumes the Merged Group will benefit from a lower cost of funding
- Existing COG loans able to be transitioned to cheaper wholesale funding structures

4 Provides opportunity for operational cost synergies to be achieved

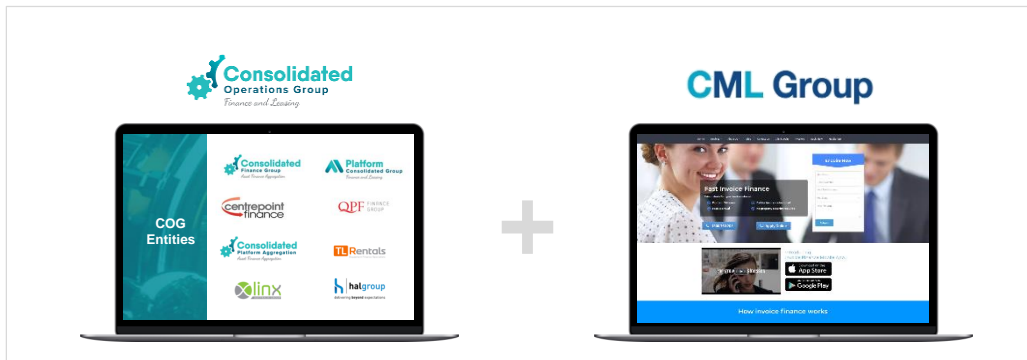
- Expected operational synergies to be achieved through corporate overheads, ASX & compliance costs

5 Strategic Objectives

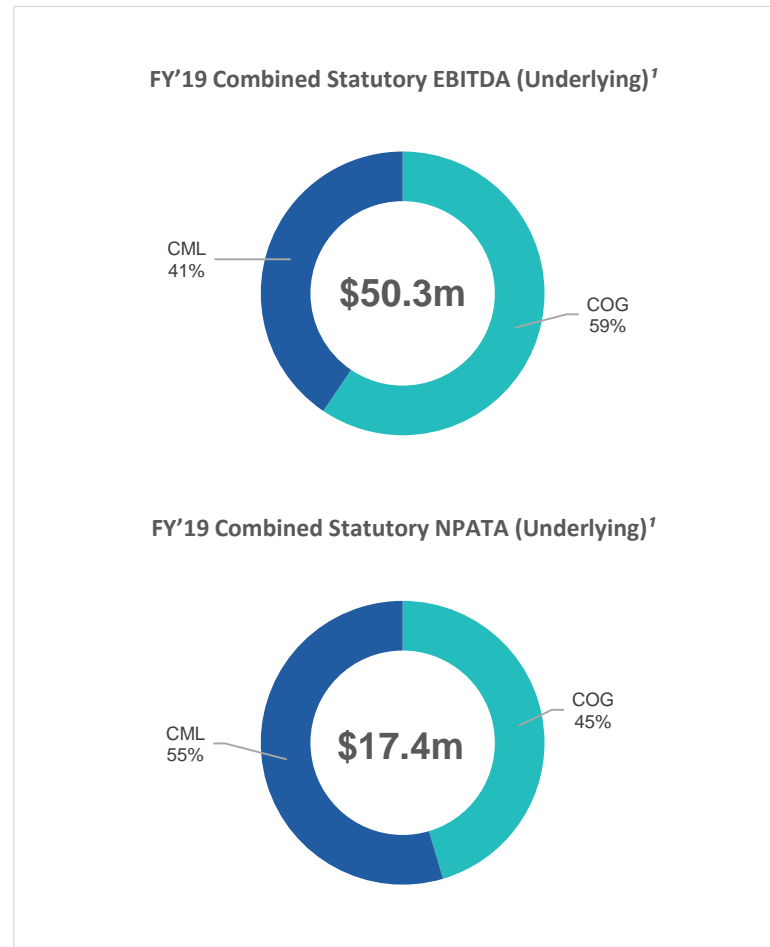
- The Merger satisfies both groups respective strategic objectives
 - **COG** – accelerates the strategic plan to deliver product, including invoice financing to its distribution network
 - **CML** – cross-selling will accelerate volume growth and achieve improved scale for all finance products and promote product diversification
 - Expected increase in liquidity in the stock

Overview of Merged Group

A fully integrated broking and finance platform, targeted at the rapidly expanding Australian SME market



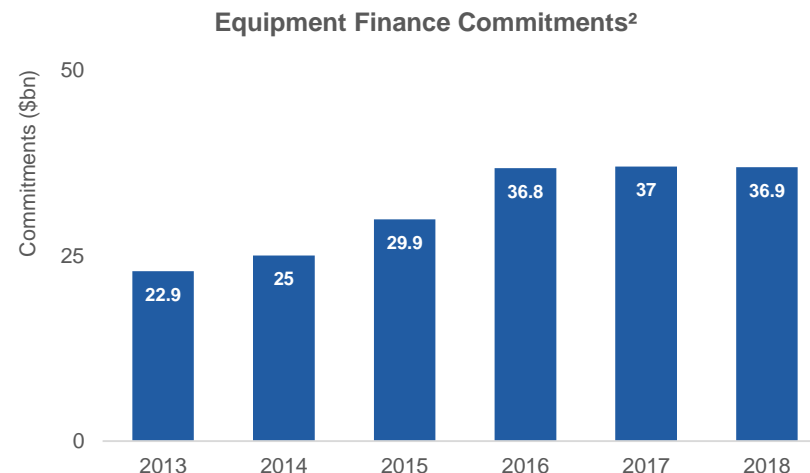
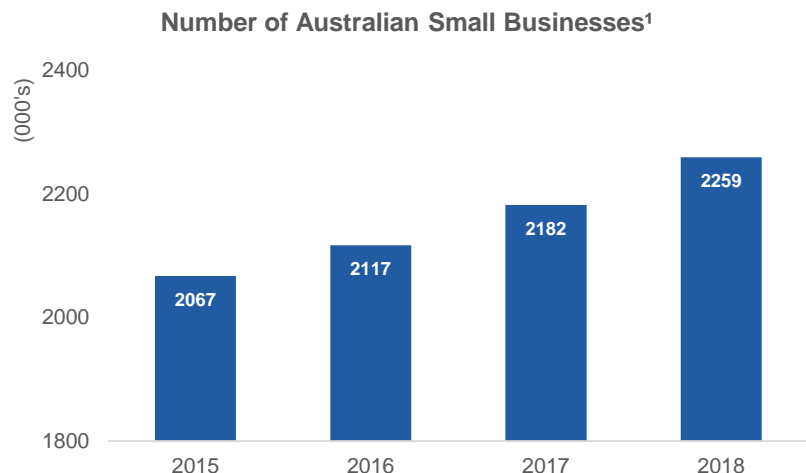
Distribution	Lending
<ul style="list-style-type: none"> Australia's largest broking and aggregation group with ~17% market share of broker originated asset finance Provider of non-prime commercial equipment leasing, with 94% of loan book funded through external finance providers 	<ul style="list-style-type: none"> Scale and history in Factoring and Discounting finance products Fully established lending platform Equipment Finance loan book holding critical mass following acquisition of Classic Funding Group Low cost of capital with headroom in multiple warehouse facilities



¹Based only on combined historical FY'19 audited financials, excluding any synergies post-acquisition and does not represent a forecast

Landscape & Strategy

The Merged Group will benefit from a growing Australian SME market, with increased investment in infrastructure Australia-wide driving equipment finance volumes in the medium term



Growing SME lending market	Increasing Demand for Equipment Finance
<ul style="list-style-type: none"> • 2.3m SMEs in Australia employing 4.7m people, representing a significant part of the Australian economy¹ • SMEs have reduced access and pay higher interest rates than larger businesses • Royal Commission recommended retention of current rules governing lending to SMEs • Banks have been pulling back from lending to SMEs 	<ul style="list-style-type: none"> • Total equipment finance commitments have increased by 10% CAGR pa over the last 5 years to \$37bn in 2018 • A significant pipeline of infrastructure projects along the Australian East Coast is driving demand for equipment and equipment financing by SMEs

¹SME's defined as businesses that have less than 20 employees, including non-employing businesses. Source: ABS 8165 (Counts of Australian Businesses, including Entries and Exits, June 2018), Financial Services Royal Commission, Background Paper 12. Financial Services and Small and Medium-Sized Enterprises (SME's)

²Includes both SME's and larger businesses. 12-months ending November 2018. Source: ABS 5671.0 – Lending Finance, Australia, November 2018.



Capital Raise

Capital Raise Terms & Overview

Both COG and CML to undertake simultaneous equity raisings via respective non-renounceable rights issue offers

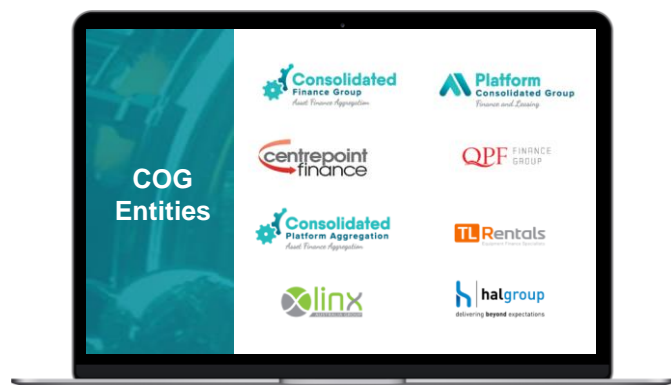
	COG	CML
Offer Pricing	<ul style="list-style-type: none">• Offer price of \$0.09 per share• 2.2% discount to the last close of \$0.092	<ul style="list-style-type: none">• Offer price of \$0.48 per share + \$0.03 special dividend• 4.3% premium to the last close of \$0.46
Funding	<ul style="list-style-type: none">• Equity raising of \$20.2 million at \$0.09 per share via a 1 for 6 pro rata non-renounceable entitlement offer	<ul style="list-style-type: none">• Equity raising of \$14.5 million at \$0.48 per share via a 3 for 20 pro rata non-renounceable entitlement offer



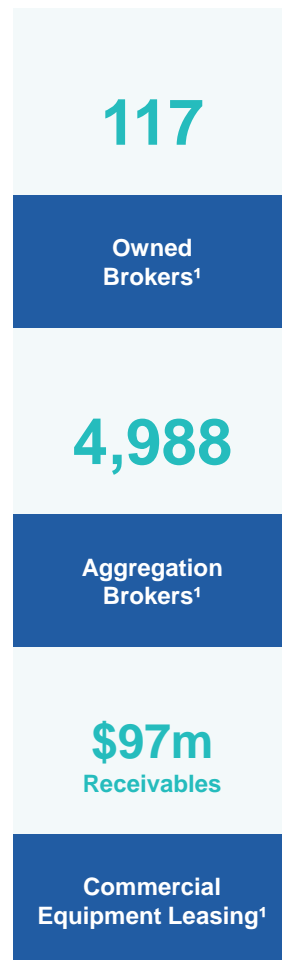
Appendix A - COG

COG Product Offering

COG holds an established network of SME finance customers



- COG is a specialist SME finance business with the largest equipment broking and aggregation network in the Australian market covering:
 - Equipment finance
 - Car finance
 - Operating leasing
 - Premium funding
 - Invoice discounting
 - Insurance broking



- Australia's largest equipment finance broking and aggregation group with ~17% market share of broker originated asset finance

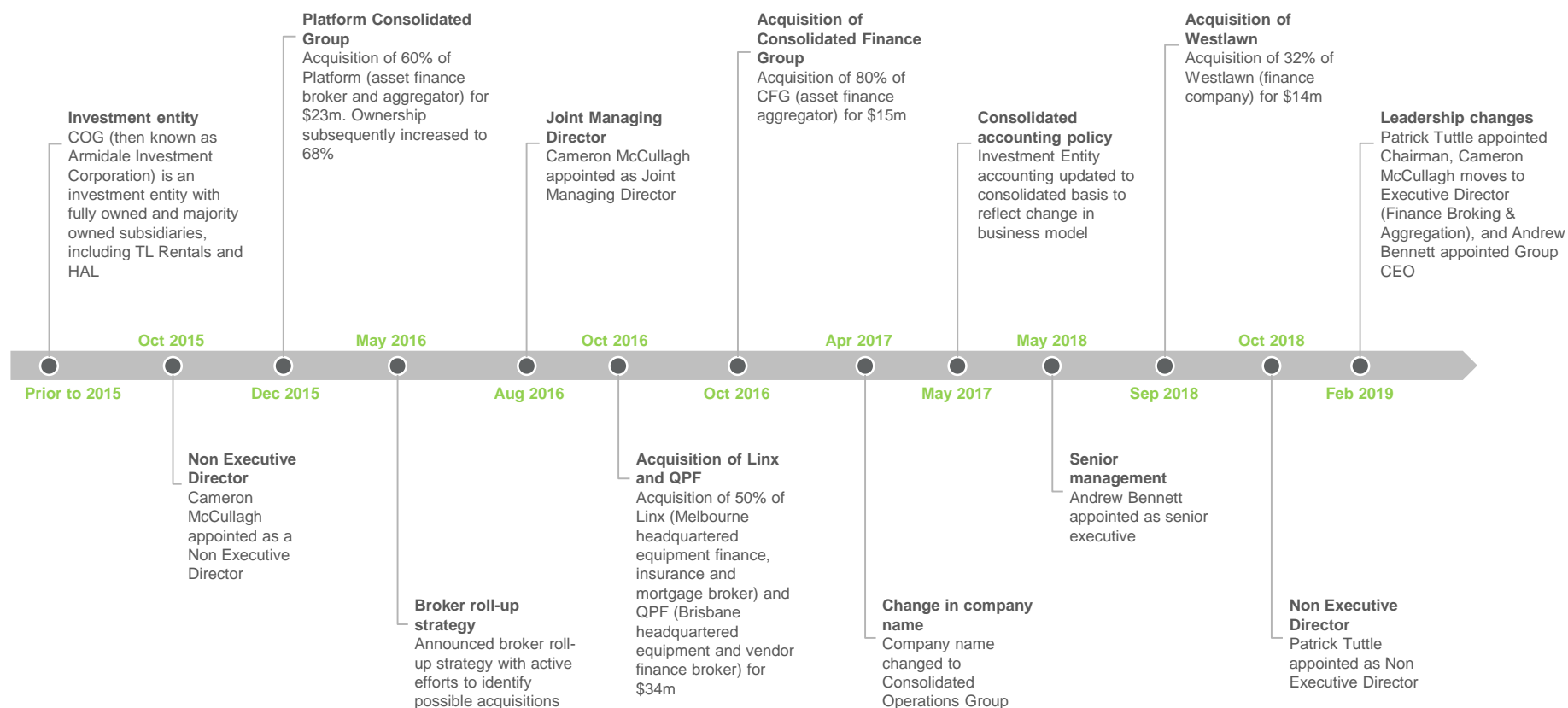
- Acquisition-led finance broker and aggregation platform strategy, with vendors maintaining equity in their business

- Provider of non-prime commercial equipment leasing, with 94% of loan book funded through external finance provider

¹As at June 2019

COG – Company History

COG is a young, entrepreneurial and agile company that has moved quickly over the last 3.5 years to develop into a specialist SME finance business with the largest equipment broking and aggregation network in the market

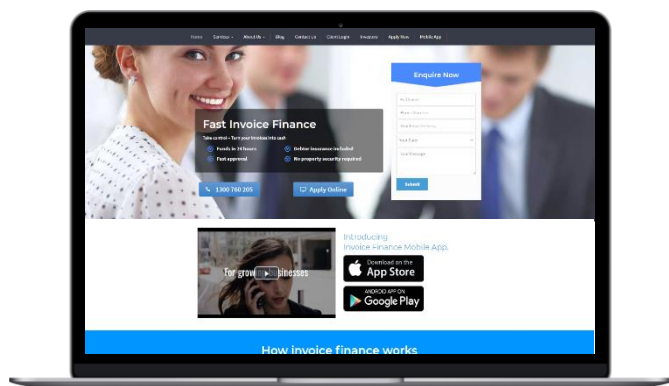


An overhead view of four people sitting around a conference table in an office. The table is covered with various items including a laptop, a printer, a calculator, a smartphone, a hard hat, a mug, and several sheets of paper, some of which appear to be blueprints. The people are engaged in a discussion, with one person pointing at a document. The image is overlaid with a teal vertical bar in the center and blue horizontal bars at the top and bottom. The text 'Appendix B - CML' is centered in the teal bar.

Appendix B - CML

CML – Company Snapshot

CML provides an SME finance platform ready to be scaled



- CML employs an experienced team of ~110 people following the acquisition of Classic Funding Group and services clients nationally from offices in Brisbane, Sydney, Melbourne and Perth.
- Operating under the name Cashflow Finance, CML provides Equipment and Invoice Finance products to the Australian SME market

\$125m
Funds Advanced

Equipment
Finance¹

- CML's loans currently range from \$20,000 to \$2.0m with material increase in scale delivered by the recent acquisition of Classic Funding Group

\$500m
Invoice Turnover

Invoice
Discounting¹

- An advance payment of up to 80% of a client's receivables ledger with receivables managed by Client and targeted at larger businesses

\$1.5bn
Invoice Turnover

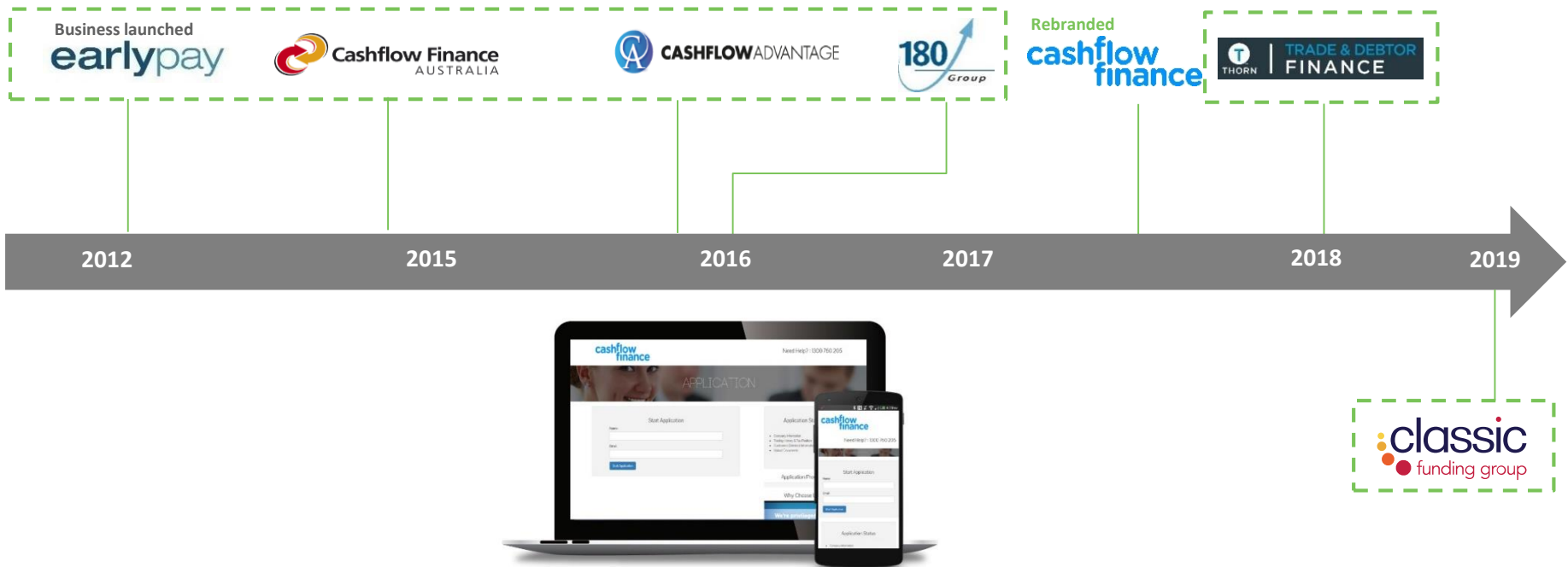
Invoice
Factoring¹

- An advance payment of up to 80% of a client's invoice as a flexible line with receivables managed by CML

¹As at September 10th 2019

CML – Company History

Following strong organic growth and the acquisition of key competitors, CML is the clear number two non-bank invoice factoring business in Australia

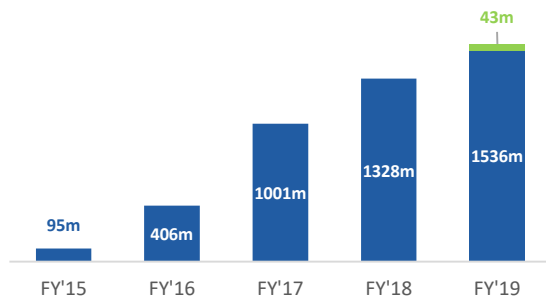


Historical Growth

CML has delivered consistent year-on-year growth, translating into consistent growth in shareholder returns

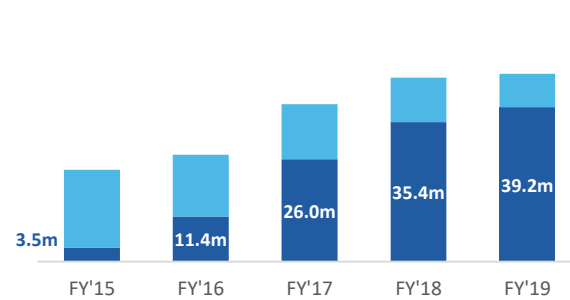
Invoices Funded

■ Invoice Factoring ■ Invoice Discounting

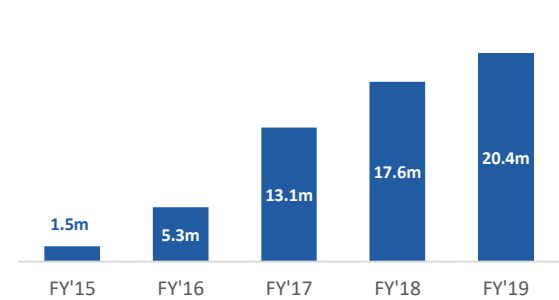


Revenue

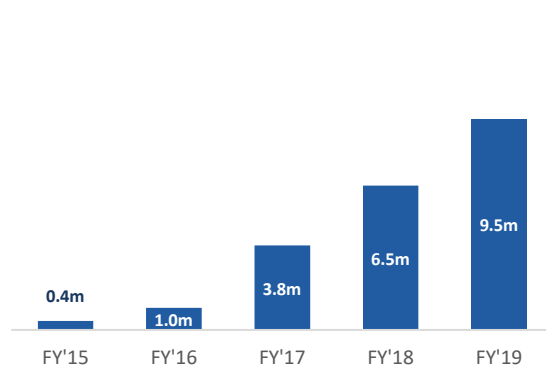
■ Finance Revenue ■ Other Divisions



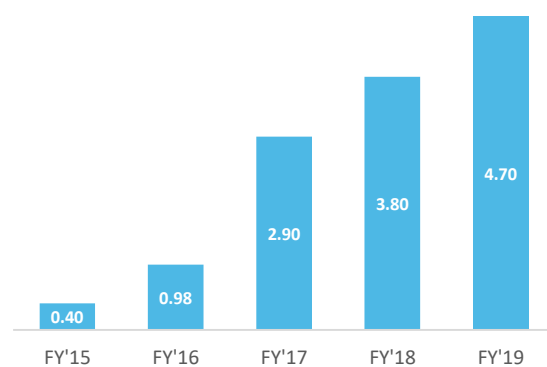
Underlying EBITDA



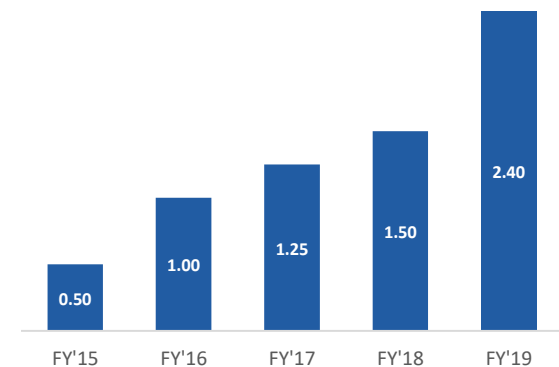
Underlying NPATA



Underlying EPS



DPS



Disclaimer

This presentation (“this Presentation”) has been prepared by CML Group Limited [ACN 098 952 277] (“CML”) and Consolidated Operations Group Limited [ACN 100 854 788] (“COG”) and is dated 13 November 2019.

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This Presentation contains summary information about the current activities of CML and COG and the proposed Scheme of Arrangement announced by both COG and CML today (“Scheme”). The information in this Presentation is of a general nature and does not purport to be complete. This Presentation does not purport to contain all the information that an investor should consider when making an investment decision nor does it contain all the information which would be required in a disclosure document or prospectus prepared in accordance with the requirements of the Corporations Act.

This Presentation does not include all the information pertaining to the proposed Scheme and shareholders of both CML and COG should carefully consider the Scheme Implementation Arrangement (SIA) as lodged with ASX today and all information which will be sent to them at the relevant time. Furthermore, the Scheme is subject to a number of conditions which may or may not be satisfied. Certain information in this Presentation has been sourced from COG or CML and its associates. While steps have been taken to review that information, no representation or warranty, expressed or implied, is made as to its fairness, accuracy, correctness, completeness or adequacy. Certain market and industry data used in connection with this Presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. Neither COG or CML nor its representatives have independently verified any such market or industry data provided by third parties or industry or general publications.

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