

# Rights issue offer booklet

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**CML Group Limited**  
ACN 098 952 277

A three (3) for twenty (20) non-renounceable pro rata entitlement offer of shares in CML Group Limited at A\$0.48 per Offer Share to raise up to A\$14,525,300.64 (subject to rounding).

## **You should read this Booklet in full**

This Booklet contains important information. You should read this Booklet in full and seek advice from your stockbroker, accountant or other professional adviser if you have any questions about your investment in the Company or about the impact of the transactions described in this Booklet. If you have any questions in relation to how to participate in the Entitlement Offer after reading this Booklet, please contact the Company's registry, Computershare Investor Services Pty Limited on 1300 855 080 (callers within Australia) or +61 3 9415 4000 (callers outside Australia).

This Booklet does not provide financial advice and has been prepared without taking into account your particular objectives, financial situation or needs.

## **NOT FOR DISTRIBUTION IN THE UNITED STATES OR TO U.S. PERSONS**

These materials do not constitute an offer of securities for sale in the United States or to, or for the account or benefit of, "U.S. Persons" (as defined in Regulation S under the United States *Securities Act of 1933*, as amended (**Securities Act**)) and may not be sent or disseminated, directly or indirectly, in the United States or to any U.S. Person in any place. The Offer Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered, sold or otherwise transferred in the United States or to, or for the benefit of, any U.S. Person except in compliance with the registration requirements of the Securities Act and any other applicable state securities laws or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

**Legal Adviser**  
Automic Legal Pty Ltd



## Important information

This Booklet has been prepared by CML Group Limited ACN 098 952 277 (**CML** or **Company**).

This Booklet is not a prospectus under the *Corporations Act 2001* (Cth) (**Corporations Act**) and has not been lodged with ASIC. This Booklet is dated 20 November 2019 and a copy was lodged with ASX on that date.

This Booklet and the accompanying Entitlement and Acceptance Form relate to a 3 for 20 (3 new Offer Shares for every 20 existing Shares) non-renounceable pro rata entitlement offer to subscribe for Offer Shares at the Issue Price as announced by the Company to ASX on 13 November 2019 (**Entitlement Offer**).

The Entitlement Offer is being made pursuant to section 708AA of the Corporations Act (as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*) which allows rights issues to be offered without a prospectus, provided certain conditions are satisfied.

## No cooling off rights

Cooling off rights do not apply to an investment in Offer Shares. You cannot, in most circumstances, withdraw your Application once it has been accepted. Further, Entitlements cannot be traded on the ASX or any other exchange, nor can they be privately transferred.

## Not financial product advice

The information contained in this Booklet is not financial product advice, does not purport to contain all the information that you may require in evaluating a possible acquisition of Offer Shares in the Company and has been prepared without taking into account the investment objectives, financial situation or needs of you or any particular investor.

You should conduct your own independent review, investigation and analysis of the Company and the Offer Shares which are the subject of the Entitlement Offer. You should obtain any professional advice you require to evaluate the merits and risks of an investment in the Company before making any investment decision based on your investment objectives.

## Risks

Please refer to Section D of this Booklet, which includes a non-exhaustive summary of the risk factors associated with an investment in the Company.

## Foreign jurisdictions

This Booklet is being sent to all Shareholders on the share register as at 7.00pm (AEDT) on 18 November 2019 (**Record Date**) with a registered address in Australia or New Zealand (**Eligible Shareholders**).

The Entitlement Offer does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer and no action has been taken to register the Offer Shares or otherwise permit a public offering of the Offer Shares in any jurisdiction other than Australia and New Zealand. Return of the Entitlement and Acceptance Form shall be taken by the Company to constitute a representation by you that there has been no breach of any such laws. Eligible Shareholders who are nominees, trustees or custodians are therefore advised to seek independent advice as to how to proceed. The distribution of this document outside Australia may be restricted by law.

## United States

This Booklet must not be taken into, distributed or released in the United States or distributed to any U.S. Person or to any person acting for the account or benefit of a U.S. Person. Persons who come into possession of this Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

The information in this Booklet does not constitute an offer to sell, or the solicitation of an offer to buy, any Offer Shares in the United States or to any U.S. Person. Offer Shares may not be offered or

sold in the United States absent registration or an exemption from registration under the Securities Act. The Offer Shares to be offered and sold in the Entitlement Offer have not been and will not be registered under the Securities Act or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the Offer Shares in this Entitlement Offer may only be offered and sold outside the United States, to persons that are not U.S. Persons or acting for the account or benefit of U.S. Persons.

### **New Zealand**

This Booklet has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013* (New Zealand). This Booklet is not an investment statement, prospectus or product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that an investment statement, prospectus or product disclosure statement under New Zealand law is required to contain.

The Offer Shares are not being offered or sold to the public in New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand, to whom the offer of Offer Shares is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016* (New Zealand).

### **Other jurisdictions**

The Offer Shares may not be offered or sold in any jurisdiction except to persons to whom such offer or sale is permitted under applicable law.

### **Nominees**

Nominees and custodians may not distribute this Booklet or any other materials related to the Entitlement Offer, and may not permit any beneficial shareholder to participate in the Entitlement Offer, in any country outside Australia or New Zealand except, with the consent of the Company, to beneficial shareholders resident in certain other countries where the Company may determine it is lawful and practical to make the Entitlement Offer.

### **Governing law**

This Booklet, the Entitlement Offer and the contracts formed on receipt of your Application are governed by the law applicable in New South Wales. Each Shareholder who applies for Offer Shares submits to the non-exclusive jurisdiction of the courts of New South Wales.

### **Future performance**

This Booklet may contain certain forward-looking statements. The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "objective", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Due care and attention has been used in the preparation of forecast information. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors (many of which are beyond the control of the Company) that may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. You should also have regard to the "Risk Factors" in Section D of this Booklet.

### **Past performance**

Past performance information given in this Booklet is provided for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

### **Financial data**

All dollar values are in Australian dollars (A\$) except where otherwise indicated.

## **Disclaimer of representatives**

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Booklet.

Any information or representation that is not in this Booklet may not be relied on as having been authorised by the Company or its related bodies corporate in connection with the Entitlement Offer. Except as required by law, and only to the extent so required, none of the Company, or any other person, warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Booklet.

## **Taxation**

There will be tax implications associated with participating in the Entitlement Offer and receiving Offer Shares. This Booklet does not contain or constitute tax advice and does not take account of the individual circumstances of particular Eligible Shareholders. The Company recommends that you consult your professional tax adviser in connection with the Entitlement Offer.

## **Privacy**

The Company collects information about each applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the applicant's shareholding in the Company.

By submitting an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly or through the Registry). The Company collects, holds and will use that information to assess your Application. The Company collects your personal information to process and administer your shareholding in the Company and to provide related services to you. The Company may disclose your personal information for purposes related to your shareholding in the Company, including to the Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory bodies. You can obtain access to personal information that the Company holds about you. To make a request for access to your personal information held by (or on behalf of) the Company, please contact the Company through the Registry.

## **Trading Offer Shares**

The Company will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade Offer Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by the Company or the Registry or otherwise, or who otherwise trade or purport to trade Offer Shares in error or which they do not hold or are not entitled to.

## **Defined terms**

Capitalised terms used in this Booklet have the meaning given to those terms in the glossary in Section F of this Booklet.

## Letter from the Chairperson

20 November 2019

Dear Shareholder

On behalf of the Directors, I am pleased to offer you the opportunity to participate in a 3 for 20 (3 new Offer Shares for every 20 existing Shares) non-renounceable pro rata entitlement offer to subscribe for Offer Shares at the Issue Price as announced by the Company to ASX on 13 November 2019 to raise up to A\$14,525,300.64 (before costs and subject to rounding) (**Entitlement Offer**). The Entitlement Offer will not be underwritten.

### Proposed Scheme of Arrangement

On 13 November 2019, the Company announced it had executed a scheme implementation agreement with Consolidated Operations Group Limited (**COG**) (**Scheme Implementation Agreement**). The Scheme Implementation Agreement contemplates the acquisition by COG of all of the issued capital in the Company via a scheme of arrangement pursuant to Part 5.1 of the Corporations Act (**Scheme**). Under the Scheme, COG will offer Shareholders in the Company the option of:

- (a) \$0.24 per CML Share plus 2.7 COG shares per Share they own in CML; or
- (b) 5.4 COG shares per Share they own in CML.

All Shares issued pursuant to the Entitlement Offer and Shortfall Facility will have the same voting rights at the Scheme meeting as fully paid ordinary Shares in the Company on issue prior to the Entitlement Offer commencing.

The Board believes that the Scheme represents a significant opportunity for CML shareholders to benefit from the expanded size and scale offered by a merger of the two entities. The Company is committed to maximising value for CML Shareholders, however, we note that there is no certainty of obtaining the required court and/or shareholder approvals. Therefore, there is a material risk that the scheme may not proceed. For more information in relation to the Scheme, please refer to Section C of this Booklet which contains the ASX announcement dated 13 November 2019, as well as an investor presentation, which details the Scheme and the Scheme Implementation Agreement lodged with ASX.

**Please note that this Entitlement Offer is not interconditional with the Scheme proceeding and if you should choose to invest under the Entitlement Offer the Offer Shares issued to you will be added to your existing shareholding irrespective of whether or not the Scheme proceeds.**

Irrespective of the outcome of the Scheme, the Directors believe that undertaking the Entitlement Offer is in the best interests of the Company. I recommend shareholders pay careful attention to Section D of this Booklet which outlines the risks involved in participating in the Entitlement Offer.

### Use of Funds

If the Scheme is implemented, the proceeds from the Entitlement Offer will be used by the merged entity for some or all of the following:

- working capital;
- pay the costs associated with the Scheme and Entitlement Offer;
- reduce debt.

If, however, the Scheme is not implemented, the proceeds from the Entitlement Offer will be used by the Company as follows:

- working capital;

- pay the costs associated with the Entitlement Offer and costs of the failed Scheme (including the Break Fee if payable); and
- reduce debt.

## Offer details

The Entitlement Offer will include a shortfall facility under which Eligible Shareholders who take up their full Entitlement will be invited to apply for additional Offer Shares in the Entitlement Offer from a pool of those Entitlements not taken up by other Shareholders of the Company (**Shortfall Facility**). There is no guarantee that applicants under this Shortfall Facility will receive all or any of the additional Offer Shares that they applied for under the Shortfall Facility. The Directors reserve their right to alter the allocation policy at their discretion, subject to the provisions of the Listing Rules and Corporations Act.

Participation in the Entitlement Offer is optional and open to Eligible Shareholders, being holders of fully paid ordinary shares in the Company at 7.00 pm (AEDT) on 18 November 2019 (**Record Date**) whose address on the share register is in Australia or New Zealand. As the Entitlement Offer is non-renounceable, your right to participate in the Entitlement Offer is not transferable. You may not trade your Entitlement on ASX or transfer it to another person.

Eligible Shareholders who do not take up their Entitlement will not receive any value for their Entitlement and their proportionate economic interest in the Company will be diluted. All Offer Shares will rank equally with existing Shares in the Company.

The terms and conditions of the Entitlement Offer and your personalised Entitlement and Acceptance Form are provided in this Booklet. I urge you to read these materials in their entirety and seek your own financial, taxation and other professional advice in relation to the Entitlement Offer, before you decide whether to participate.

The Entitlement Offer opens on 20 November 2019 and is expected to close at 5.00 pm (AEDT) on 29 November 2019. If you have any questions in relation to how to participate in the Entitlement Offer, please contact the Registry on 1300 855 080 (callers within Australia) or +61 3 9415 4000 (callers outside Australia) or consult your financial or other professional adviser.

On behalf of the Directors, I invite you to consider participating in the Entitlement Offer during this exciting period for the Company.

Yours sincerely,



Mr Greg Riley  
Non-Executive Chairperson  
CML Group Limited

## A. Key dates for the Entitlement Offer and Scheme\*

### Indicative Timetable – Entitlement Offer

Event	Date*
Announcement of Entitlement Offer	Wednesday, 13 November 2019
Ex-date for Entitlement Offer	Friday, 15 November 2019
Record Date	7.00pm (AEDT), Monday, 18 November 2019
Entitlement Offer opens Dispatch of Booklet and Entitlement and Acceptance Form	Wednesday, 20 November 2019
Entitlement Offer closes (Closing Date)	5.00pm (AEDT), Friday, 29 November 2019
Shares quoted on a deferred settlement basis	Monday, 2 December 2019
Announcement of shortfall (if any) under the Entitlement Offer Notification of undersubscriptions	Tuesday, 3 December 2019
Issue and allotment of shares under the Entitlement Offer	Thursday, 5 December 2019
Dispatch of holding statements	Thursday, 5 December 2019
Commencement of trading of new shares	Friday, 6 December 2019

*\*The above timetable is indicative only and subject to change. The quotation of Shares is subject to ASX approval. Subject to the ASX Listing Rules and the Corporations Act and other applicable laws, the Company reserves the right to vary these dates, including the Closing Date, without notice, including extending the period of the Entitlement Offer or accepting late applications, either generally or in particular cases or bringing forward the Closing Date at its discretion. Any extension of the Entitlement Offer will have a consequential effect on the issue date of the Shares. All dates and times in the timetable above are in Sydney, Australia time.*

### Indicative Timetable – Scheme of Arrangement

Event	Date*
Announcement of Scheme Implementation Agreement	Wednesday, 13 November 2019
Draft Scheme Booklet provided to ASIC for review	Thursday, 5 December 2019
First Court hearing	Friday, 20 December 2019
Dispatch of Scheme Booklet to Shareholders	Friday, 20 December 2019
Scheme Meeting of Shareholders	Wednesday, 29 January 2020
Second Court hearing	Monday, 3 February 2020
Scheme Effective Date	Tuesday, 4 February 2020
Expected last day of trading in CML Shares on ASX.	Tuesday, 4 February 2020
Scheme Record Date	Tuesday, 11 February 2020
Scheme Implementation Date	Tuesday, 18 February 2020

*\*The above timetable is indicative only and subject to change.*



## **B. How to apply**

### **1 Please read the whole of this Booklet**

The Entitlement Offer is being made pursuant to section 708AA of the Corporations Act (as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*) which allows rights issues to be offered without a disclosure document or prospectus, provided certain conditions are satisfied.

As a result, it is important for Shareholders to read and understand the publicly available information on the Company and the Entitlement Offer prior to accepting their Entitlement. In particular, in considering whether or not to accept their Entitlements, Shareholders should refer to the attached materials, plus the Company's other periodic and continuous disclosure announcements available at [www.asx.com.au](http://www.asx.com.au).

### **2 Consider the Entitlement Offer in light of your particular investment objectives and circumstances**

Please consult with your stockbroker, accountant or other independent financial adviser if you have any queries or are uncertain about any aspect of the Entitlement Offer. In particular, please refer to the risk factors in Section D of this Booklet which describe some of the key risks in relation to an investment in the Company.

### **3 Who is eligible to participate?**

The Entitlement Offer is being extended to Eligible Shareholders who are Shareholders that meet all of the following criteria:

- (a) they were registered as a holder of Shares on the Record Date;
- (b) they have a registered address in Australia or New Zealand;
- (c) they are not in the United States or a U.S. Person or acting for the account or benefit of such persons; and
- (d) they are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

The Entitlement Offer is not being extended to any Shareholder with a registered address outside Australia or New Zealand. By returning a completed Entitlement and Acceptance Form, making a payment in accordance with the instructions in the Entitlement and Acceptance Form, you will be taken to have represented and warranted that you satisfy each of the above criteria.

Eligible Shareholders who hold Shares in the capacity of trustee, nominee or custodian (or in any other capacity) for a person that would not satisfy the criteria of an Eligible Shareholder cannot take up Entitlements on behalf of that person.

Shareholders should note that the Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares. Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlement Offer is compatible with applicable foreign laws. Nominees may not distribute this Booklet, the Entitlement and Acceptance Form, or any other material relating to the Entitlement Offer to anyone in the United States, anyone acting for the account or benefit of a person in the United States, or in any other jurisdiction in which it would be unlawful. Any failure to adhere to these restrictions may result in violation of applicable securities laws.

The Company reserves the right to reject any Application that it believes comes from a person who is not an Eligible Shareholder.



#### **4 Ineligible Shareholders**

Having regard to the number of such Shareholders, their holdings and the compliance costs required to extend the Entitlement Offer to those Shareholders, the Company has determined that it is unreasonable to extend the Entitlement Offer to Shareholders of the Company who as of the Record Date are not an Eligible Shareholder (**Ineligible Shareholder**).

The shareholdings of Ineligible Shareholders will be diluted as a result of the Entitlement Offer.

#### **5 Your options**

Eligible Shareholders may take the following actions:

- (a) take up all of their Entitlement;
- (b) take up a proportion of their Entitlement;
- (c) allow all or part of their Entitlement to lapse; or
- (d) take up all of their Entitlement and apply for Additional Shares under the Shortfall Facility.

As your Entitlement is non-renounceable, you will not be able to trade your Entitlement on ASX or otherwise dispose of your Entitlement to any other party.

Shareholders who do not take up their Entitlements in full will not receive any payment or value from the Company for those Entitlements they do not take up. Shareholders who do not take up their Entitlements in full will have their percentage interest in the Company reduced.

Fractions arising in the calculation of Entitlements have been rounded down to the next whole number of Offer Shares.

#### **6 Complete the accompanying Entitlement and Acceptance Form or pay by BPAY®**

If you decide to participate in the Entitlement Offer, you may do so by completing and returning the Entitlement and Acceptance Form and attaching or making payment by following the instructions set out on the Entitlement and Acceptance Form (which includes by BPAY®).

If you take no action you will not be allocated any Offer Shares.

#### **7 Acceptance of the Entitlement Offer and payment**

You may take up all or part of your Entitlement by completing the Entitlement and Acceptance Form and attaching or making payment by following the instructions set out on the Entitlement and Acceptance Form.

Your completed Entitlement and Acceptance Form must be accompanied by a cheque in Australian currency for the amount of your Application monies, payable to “CML Group Limited” and crossed “Not Negotiable”.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application monies. If the amount of your cheque for Application monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of Offer Shares you have applied for in your Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole Offer Shares as your cleared Application monies will pay for (and to have specified that number of Offer Shares on your Entitlement and Acceptance Form).

If your payment is being made by BPAY® or via electronic funds transfer:

- (a) you do not need to submit the personalised Entitlement and Acceptance Form but are taken to make each of the statements and representations in that form;

- (b) if you subscribe for less than your Entitlement or do not pay for your full Entitlement, you are taken to have accepted your Entitlement in respect of such whole number of Offer Shares which is covered in full by your Application monies; and
- (c) it is your responsibility to ensure that your payment is received by the Registry by no later than the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment, and you should therefore take this into consideration when making payment.

Any payment received for more than your final allocation of Offer Shares will be refunded after the Offer Shares are issued. No interest will be paid to applicants on any payment received or refunded.

## **8 Shortfall Facility**

Eligible Shareholders (other than directors and related parties of the Company) may, in addition to taking up their Entitlements in full, apply for Additional Shares in excess of their Entitlements, subject to the Corporations Act and ASX Listing Rules. Additional Shares will only be available where there is a shortfall between Applications received from Eligible Shareholders and the number of Offer Shares proposed to be issued under the Entitlement Offer. Additional Shares will be issued at the same Issue Price as the Offer Shares (A\$0.48). However, there is no guarantee that Eligible Shareholders who apply for Additional Shares under this Shortfall Facility will receive all or any of the Additional Shares.

The Directors reserve their right to alter the allocation policy and to allocate and issue Additional Shares under the Shortfall Facility at their discretion. Subject to any changes at the Directors' discretion, the allocation policy for Additional Shares subscribed for pursuant to the Shortfall Facility will be as follows:

- (a) Eligible Shareholders who have applied for Additional Shares through the Shortfall Facility will receive the Additional Shares they have applied for unless there is an over subscription for Additional Shares through the Shortfall Facility, in which case Eligible Shareholders will receive Additional Shares on a pro rata basis having regard to their holdings as at the Record Date.

Eligible Shareholders who apply for Additional Shares may be allocated a lesser number of Additional Shares than applied for, or may be allocated no Additional Shares at all, in which case excess Application monies will be refunded without interest.

Refund amounts, if any, will be paid in Australian dollars. You will be paid by cheque sent by ordinary post to your address as recorded on the share register (the registered address of the first-named in the case of joint holders). Alternatively, you will be paid by direct deposit where the Registry holds bank account details in respect of your shareholding.

If you wish to subscribe for Additional Shares in addition to your Entitlement then you should nominate the maximum number of Additional Shares you wish to subscribe for on the Entitlement and Acceptance Form and make payment for your full Entitlement plus the Additional Shares (at A\$0.48 per Offer Share).

If your payment is being made by BPAY® or via electronic funds transfer:

- (a) you do not need to submit the personalised Entitlement and Acceptance Form but are taken to make each of the statements and representations in that form; and
- (b) if your payment exceeds the amount payable for your full Entitlement, you are taken to have accepted your Entitlement in full and to have applied for such number of Additional Shares which is covered in full by your Application monies.

If you apply for Additional Shares under the Shortfall Facility and your Application is successful (in whole or in part) your Additional Shares will be issued at the same time as other Offer Shares are issued under the Entitlement Offer.

In addition, no Shares under the Entitlement Offer or Shortfall Facility will be issued to any Eligible Shareholder if, in the view of the Directors, to do so would result in a breach of the ASX Listing Rules, the Corporations Act or any other applicable law.

## **9 Mail or deliver**

It is important to note that the Entitlement Offer is scheduled to close at 5.00 pm (AEDT) on 29 November 2019. To participate in the Entitlement Offer, your payment must be received no later than this date. Your completed Entitlement and Acceptance Form, together with Application monies, should be delivered as follows:

Mailing address:  
CML Group Limited  
c/- Computershare Investor Services Pty Limited  
GPO Box 505  
Melbourne VIC 3001

If your payment is being made by BPAY® or electronic funds transfer, you do not need to mail or deliver the personalised Entitlement and Acceptance Form.

## **10 If you wish to do nothing and allow your Entitlements to lapse**

If you do not wish to take up your Entitlement, you can simply do nothing. As this Entitlement Offer is non-renounceable, you cannot trade your Entitlement on the ASX or any other exchange, nor can they be privately transferred.

If you have not completed your personalised Entitlement and Acceptance Form and it has not been received by the Registry at the address above by the Closing Date (or alternatively have not made a payment through BPAY® or by electronic funds transfer before that time), then your Entitlement will lapse.

## **11 Entitlement and Acceptance Form**

A payment made through BPAY® or electronic funds transfer or a completed and lodged Entitlement and Acceptance Form together with the payment of requisite Application monies constitutes a binding offer to acquire Offer Shares on the terms and conditions set out in this Booklet and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid Application for Offer Shares. The Company's decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final and binding.

By making a payment by BPAY® or electronic funds transfer, or by completing and returning your personalised Entitlement and Acceptance Form with the requisite Application monies, you will also be deemed to have given the following acknowledgements, representations and warranties on behalf of each person on whose account you are acting:

- (a) you acknowledge that you have read and understood this Booklet and your personalised Entitlement and Acceptance Form in their entirety;
- (b) you agree to be bound by the terms of the Entitlement Offer, the provisions of this Booklet and the Company's constitution;
- (c) you authorise the Company to register you as the holder(s) of Offer Shares allotted to you;
- (d) you declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
- (e) you declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;

- (f) you acknowledge that once the Company receives your personalised Entitlement and Acceptance Form or any payment of Application monies via BPAY® or electronic funds transfer, you may not withdraw your Application or funds provided except as allowed by law;
- (g) you agree to apply for and be issued up to the number of Offer Shares specified in the personalised Entitlement and Acceptance Form (including any Additional Shares where applicable), or for which you have submitted payment of any Application monies via BPAY® or electronic funds transfer, at the Issue Price per Offer Share;
- (h) you authorise the Company, the Registry and their respective officers or agents to do anything on your behalf necessary for Offer Shares to be issued to you, including to act on instructions of the Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- (i) you declare that you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- (j) you acknowledge that the information contained in this Booklet and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that Offer Shares are suitable for you given your investment objectives, financial situation or particular needs;
- (k) you acknowledge that this Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;
- (l) you acknowledge the statement of risks in the "Risk Factors" in Section D of this Booklet and that investments in the Company (which includes the acquisition of Offer Shares) are subject to risk;
- (m) you acknowledge that none of the Company, its related bodies corporate, affiliates and directors, or their respective officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of the Company, nor do they guarantee the repayment of capital;
- (n) you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of Shares on the Record Date;
- (o) you authorise the Company to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- (p) you represent and warrant that the law of any place does not prohibit you from being given this Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an Application for Offer Shares (or where applicable, Additional Shares) and that you are otherwise eligible to participate in the Entitlement Offer;
- (q) you are an Eligible Shareholder and are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue Offer Shares under the Entitlement Offer;
- (r) you acknowledge that the Offer Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable US state securities laws;

- (s) you have not and will not send any materials relating to the Entitlement Offer to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States; and
- (t) you agree that if in the future you decide to sell or otherwise transfer the Offer Shares, you will only do so in transactions where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States or who is acting for the account or benefit of a person in the United States.

## **12 Brokerage and stamp duty**

No brokerage fee is payable by Eligible Shareholders who accept their Entitlement. No stamp duty is payable for subscribing for Offer Shares under the Entitlement Offer or for additional Offer Shares under the Shortfall Facility.

The Company reserves the right to pay up to 6% in commission to any broker who assists the Company in placing the shortfall of the Entitlement Offer.

## **13 When will I receive my Offer Shares?**

It is currently expected that the Offer Shares will be issued, and that confirmation of the issue of the Offer Shares will be dispatched, on or around 5 December 2019.

It is the responsibility of each Eligible Shareholder applying for Offer Shares to confirm their holding before trading in those Offer Shares on a deferred settlement basis. Any person who sells Offer Shares before receiving confirmation of their holding in the form of their confirmation statement will do so at their own risk. The Company and the Registry disclaim all liability, whether in negligence or otherwise, to any person who trades in Offer Shares before receiving their confirmation statement, whether on the basis of a confirmation of allocation provided by the Company, the Registry, a broker or otherwise.

## **14 Enquiries**

If you have any questions about whether to accept the Entitlement Offer, please consult your financial adviser, accountant or other professional adviser.

If you have any questions in relation to how to participate in the Entitlement Offer, please contact the Registry on 1300 855 080 (callers within Australia) or +61 3 9415 4000 (callers outside Australia) or consult your financial or other professional adviser.

### **C. Announcement**

The Company's announcement dated 13 November 2019 attached the executed Scheme Implementation Agreement, a copy of which can be accessed at:  
<https://www.asx.com.au/asxpdf/20191113/pdf/44bjcw53kh2qtr.pdf>.

13<sup>th</sup> November 2019

## **Merger to create a leading financial services group focusing on servicing SME businesses**

- Consolidated Operations Group Limited (ASX:COG) (**COG**) and CML Group Limited (ASX:CGR) (**CML**) are pleased to announce that the companies have entered into a Scheme Implementation Agreement (**SIA**) under which the companies have agreed to a proposed merger to establish a leading financial services group focusing on servicing SME businesses in Australia (**Merger**).
- The Merger will be implemented via a scheme of arrangement with CML shareholders (**Scheme**), with the new merged group listed on the Australian Securities Exchange (**ASX**), initially under COG, with a new name for the merged group to be agreed between the parties.
- The SIA contains customary reciprocal “no shop” and “no talk” provisions and a “notification” and “matching right” provision in favour of COG, with a reciprocal break fee payable by either party in certain circumstances
- Significant revenue synergies are anticipated to be achieved through cross-selling CML’s established SME finance products through COG’s extensive finance broking network
- Material cost synergies are anticipated to be realised post integration
- Both groups announce the launch of simultaneous equity raisings via pro rata non-renounceable entitlement offers of approximately A\$20.2m for COG and A\$14.5m for CML

## **Transaction summary**

The Merger will be implemented via a court-approved scheme of arrangement with CML shareholders pursuant to which COG will acquire all of the issued share capital of CML.

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.

The Scheme will be subject to the conditions set out in the SIA, which include:

- approval being received from CML shareholders;
- court approval;
- an 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 that are relatively customary for a transaction of this nature.

The SIA (a full copy of which is attached to this announcement) contains further details on the conditions and the consideration to be provided under the Scheme. Interested parties should read it carefully as it contains full details of the Scheme.



## **CML board recommendation and shareholder support**

The CML board has unanimously recommended that, in the absence of a superior proposal and subject to the independent expert to be appointed by CML opining that the Scheme is fair and reasonable and in the best interests of CML shareholders (**Standard Qualifications**), CML shareholders vote **in favour** of the Scheme.<sup>1</sup>

Major shareholders of CML, NAOS Asset Management, First Samuel and the CML board that together account for approximately 51% of CML's share register have advised CML that their current intention is to vote in favour of the Scheme, in the absence of a superior proposal.

## **Transaction rationale**

### **Strategic Objectives**

The proposed combination satisfies both groups' respective strategic objectives. Namely for COG, it expands its existing in-house product capability and broadens its funding sources. For CML, the combination delivers cross-selling opportunities with which to accelerate volume growth and achieve improved scale for all its finance products

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

COG is Australia's largest equipment finance broking company with ~17% market share of the broker originated asset finance market. CML provides secured lending to a broad segment of SME's with facility sizes ranging from A\$100k to A\$14m in its Invoice Finance product, up to A\$2m for its Equipment Finance product and facilities up to A\$1.5m in its Trade Finance product. Combining these two companies provides a material cross-selling opportunity, in particular an ability to offer COG's SME's with an invoice financing product and the ability to better leverage debt inside its equipment financing business.

### **Delivers low cost of funding with significant headroom**

CML's recent acquisition of Classic Funding Group saw CML's total available funding increase to A\$397m with ~A\$100m in headroom, including 3 wholesale funding facilities.<sup>2</sup> With increased lending volumes the combined group will benefit from a lower cost of funding. Existing COG loans may also be able to be transitioned to cheaper wholesale funding structures.

### **Provides opportunity for operational cost synergies to be achieved**

Operational synergies are expected to be achieved through lower corporate overheads and lower ASX and compliance costs.

### **Combines highly experienced Board and Management teams**

Delivers a refreshed Board with complimentary skillsets and shared strategic vision.

Commenting on the Merger, Andrew Bennett, CEO of COG, said:

*"The merger with CML accelerates the execution of COG's strategic plan of delivering product to COG's distribution network. The combined entities increased market capitalization and liquidity should provide additional value to shareholders."*

*We see this transaction as a partnership, with compelling benefits for both sets of shareholders."*

---

<sup>1</sup> Daniel Riley, an executive director of CML, provides his recommendation in the context of potentially having a personal interest in the outcome of the Scheme as a consequence of the agreement under the SIA that Mr Riley's options may be bought back in conjunction with the implementation of the Scheme.

<sup>2</sup> Subject to obtaining financier consents and waivers in connection with the Scheme.

Commenting on the Merger, Daniel Riley, Managing Director of CML said:

*“The CML Board considers the implementation of a Scheme with COG to reflect a compelling value proposition for CML shareholders, who will benefit from growth in lending volumes through leverage of COG’s substantial existing distribution network of asset lending brokers.”*

*We see this partnership as providing the opportunity to gain market share in secured business lending at a faster rate than could be achieved independently, driving earnings growth in the merged entity to maximise shareholder value.*

*The transaction will provide CML shareholders with a material interest in a substantially larger and diversified business.”*

### **Simultaneous Entitlement Offers**

Under the SIA, both companies agree to each undertake a pro rata non-renounceable entitlement offer at an issue price of A\$0.09 for COG and A\$0.48 for CML. COG will raise up to A\$20.2m and CML will raise up to A\$14.5m (**Entitlement Offers**). The Entitlement Offers will be undertaken contemporaneously following approximately the same timetable as set out below in this announcement and both completed before the first court date for the Scheme. ASX has granted a waiver to CML from Listing Rule 7.9 to permit the issue of any shortfall under the Entitlement Offer, without the need for prior shareholder approval.

Details on the COG Entitlement Offer are set out in the announcement made by COG today.

### **CML Entitlement Offer**

CML is undertaking a 3 for 20 (3 new Offer Shares for every 20 existing Shares) non-renounceable pro rata entitlement offer (**CML Entitlement Offer**) to raise up to A\$14,525,300.64 (before costs) via the issue of up to approximately 30,261,043 shares (subject to rounding) to existing eligible shareholders of CML (**CML Eligible Shareholders**) at an issue price of A\$0.48 per share.

CML Eligible Shareholders will only be those who are shareholders on the share register of CML as of the Rights Issue Record Date with a registered address in Australia and New Zealand.

If the CML Entitlement Offer is fully subscribed, CML will raise A\$14,525,300.64 (before expenses).

If the Scheme is implemented, the proceeds from the CML Entitlement Offer will be used by the Merged Group for some or all of the following:

- working capital;
- payment the costs associated with the Scheme and CML Entitlement Offer;
- reduction of debt.

If, however, the Scheme is not implemented, the proceeds from the CML Entitlement Offer will be used by CML as follows:

- working capital;
- payment the costs associated with the CML Entitlement Offer and costs of the failed Scheme (including the Break Fee if payable); and
- reduction of debt.

All shares issued under the CML Entitlement Offer will rank equally with existing fully paid ordinary shares in CML as of the date of this announcement.

The CML Entitlement Offer is non-renounceable and the rights will not be traded on the ASX or otherwise be transferable. CML Eligible Shareholders who do not take up their entitlement under the CML Entitlement Offer in full or in part will not receive any value in respect of those entitlements not taken up.

CML Eligible Shareholders wishing to participate in the CML Entitlement Offer should carefully read the CML Entitlement Offer Booklet and accompanying personalised CML Entitlement and Acceptance Form which are expected to be dispatched on or around 15 November 2019. Copies of the CML Offer Booklet will be available on CML's ASX website.

**Please note that this Entitlement Offer is not interconditional with the Scheme proceeding and if you should choose to invest under the Entitlement Offer your additional shares will be added to your existing shareholding irrespective of whether or not the Scheme proceeds**

### Timetable

A Scheme Booklet is expected to be finalised for dispatch to CML shareholders in late December 2019. The Scheme Booklet will include full details of the Scheme, including the recommendation of the CML Board and the rationale for it, information about CML, COG and the Merged Group, the Independent Expert's report, and other matters relevant to SRG shareholders' vote on the Scheme.

An indicative timetable of the Merger and Rights Issues is set out below.

Event	Date
<b>Rights Issues</b>	
Ex-date for the Rights Issue	Friday, 15 November 2019
Rights Issue Record Date	7.00pm (AEDT), Monday, 18 November 2019
Entitlement Offers open Right Issue Booklets dispatched to COG and CML Shareholders	Wednesday, 20 November 2019
Entitlement Offers close (Closing Date)	5.00pm (AEDT), Friday, 29 November 2019
CML Shares under the Rights Issues quoted on a deferred settlement basis	Monday, 2 December 2019
Announcement of shortfall (if any) under the CML Entitlement Offer Notification of undersubscriptions	Tuesday, 3 December 2019
Issue and allotment of COG and CML shares under the Rights Issues	Thursday, 5 December 2019
Dispatch of holding statements	Thursday, 5 December 2019
Commencement of trading of new shares	Friday, 6 December 2019
<b>Scheme</b>	
First Court Hearing and Scheme Booklet dispatched to CML Shareholders	Friday, 20 December 2019
CML Scheme Meeting	Wednesday, 29 January 2020
Second Court Hearing	Monday, 3 February 2020
Scheme Effective Date	Tuesday, 4 February 2020
Scheme Record Date	Tuesday, 11 February 2020
Implementation Date	Tuesday, 18 February 2020
All dates in the above table are indicative only and are subject to change.	

### About COG

More information can be found at <http://www.coglimited.com.au/>

### About CML

More information can be found at <http://www.cml-group.com.au/>

### Key contacts

For further information on the Merger and the Entitlement Offers, please contact:

**COG**

Andrew Bennett – COG Chief Executive Officer  
Office: +61 405380241

**CML**

Daniel Riley – CML Managing Director  
Office: +61 2 8116 4710



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

Merger of Equals  
13 November 2019





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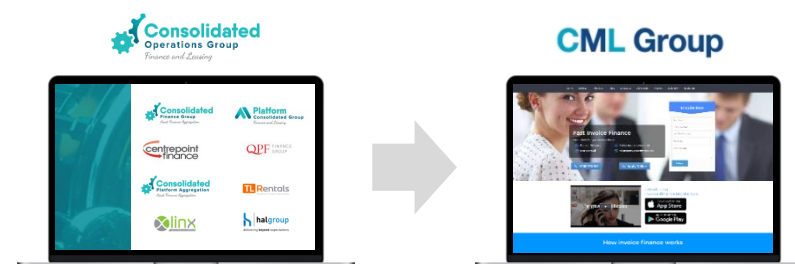
<b>Executive Summary</b>	Page – 3	<b>Overview of Merged Group</b>	Page – 7	<b>Appendix B - CML</b>	Page – 14
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# Executive Summary

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



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

Combined Revenue <sup>1</sup>	\$264.9m
Combined EBITDA <sup>1</sup>	\$50.3m
Combined NPATA <sup>1</sup>	\$17.4m

<sup>1</sup>Based 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"> <li>• Merged Group to be led by highly experienced Board &amp; senior management teams, drawing on the strengths of both groups                             <ul style="list-style-type: none"> <li>– Current COG CEO Andrew Bennett to assume role of CEO of Merged Group</li> <li>– Current CML CEO Daniel Riley to assume a new role as Executive-director</li> </ul> </li> <li>• Merged Group’s Board of Directors will consist of multiple existing directors from both COG and CML</li> </ul>	<ul style="list-style-type: none"> <li>• 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</li> <li>• Directors of both groups intend to vote consistently with their recommendation</li> <li>• 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</li> </ul>	<ul style="list-style-type: none"> <li>• The Scheme will be subject to the conditions set out in the SIA, which include:                             <ul style="list-style-type: none"> <li>– Approval being received from CML shareholders;</li> <li>– Court approval;</li> <li>– 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</li> <li>– Other conditions customary for a transaction of this nature.</li> </ul> </li> </ul>

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

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

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

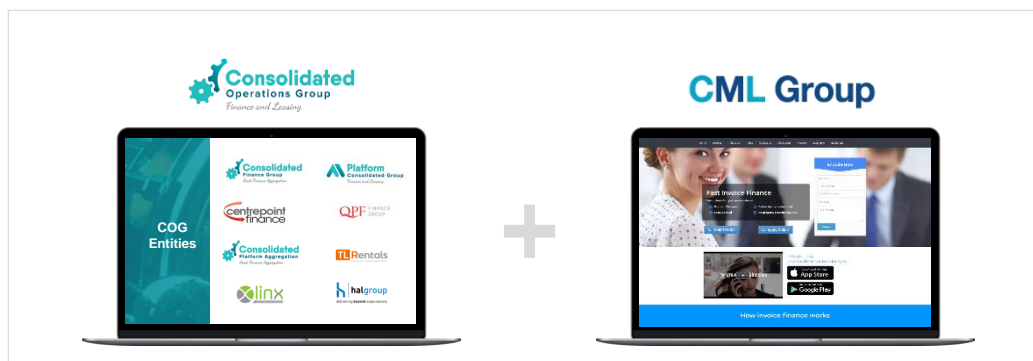
<sup>3</sup>Assumes all rights are taken up via both respective rights issues

# Strategic Rationale

1	<b>Leverages key strengths of both groups (broking distribution &amp; finance products) driving revenue synergies</b>
<ul style="list-style-type: none"> <li>• COG is Australia's largest asset finance broker and an aggregator with ~17% market share of the intermediated asset finance market</li> <li>• 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</li> <li>• Combining these two companies provides:               <ul style="list-style-type: none"> <li>a) A material cross-selling opportunity, in particular an ability to offer COG's SME's with an invoice financing product</li> <li>b) Ability to better leverage debt inside respective equipment financing businesses</li> </ul> </li> </ul>	
2	<b>Combines highly experienced Board &amp; Management teams</b>
<ul style="list-style-type: none"> <li>• Complimentary skillsets of both leadership teams</li> </ul>	
3	<b>Delivers low cost of funding with significant headroom</b>
<ul style="list-style-type: none"> <li>• CML's total available funding increased to \$397m with ~\$100m in headroom, including 3 wholesale funding facilities</li> <li>• With increased volumes the Merged Group will benefit from a lower cost of funding</li> <li>• Existing COG loans able to be transitioned to cheaper wholesale funding structures</li> </ul>	
4	<b>Provides opportunity for operational cost synergies to be achieved</b>
<ul style="list-style-type: none"> <li>• Expected operational synergies to be achieved through corporate overheads, ASX &amp; compliance costs</li> </ul>	
5	<b>Strategic Objectives</b>
<ul style="list-style-type: none"> <li>• The Merger satisfies both groups respective strategic objectives               <ul style="list-style-type: none"> <li>– <b>COG</b> – accelerates the strategic plan to deliver product, including invoice financing to its distribution network</li> <li>– <b>CML</b> – cross-selling will accelerate volume growth and achieve improved scale for all finance products and promote product diversification</li> <li>– Expected increase in liquidity in the stock</li> </ul> </li> </ul>	

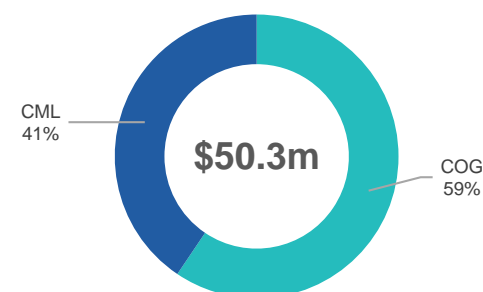
# Overview of Merged Group

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

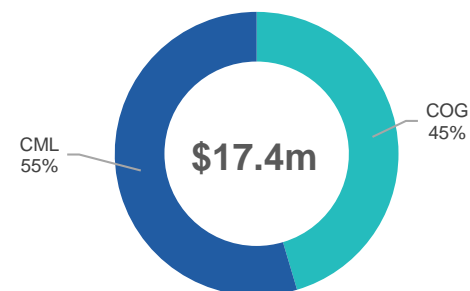


Distribution	Lending
<ul style="list-style-type: none"> <li>Australia's largest broking and aggregation group with ~17% market share of broker originated asset finance</li> <li>Provider of non-prime commercial equipment leasing, with 94% of loan book funded through external finance providers</li> </ul>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

FY'19 Combined Statutory EBITDA (Underlying)<sup>1</sup>



FY'19 Combined Statutory NPATA (Underlying)<sup>1</sup>

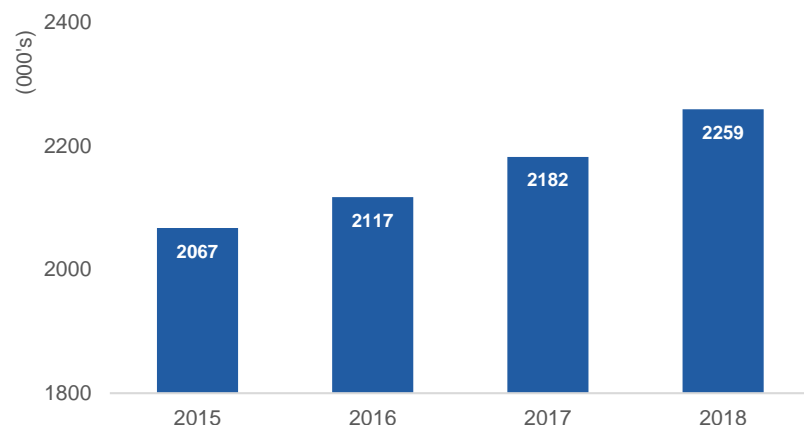


<sup>1</sup>Based only on combined historical FY'19 audited financials, excluding any synergies post-acquisition and does not represent a forecast

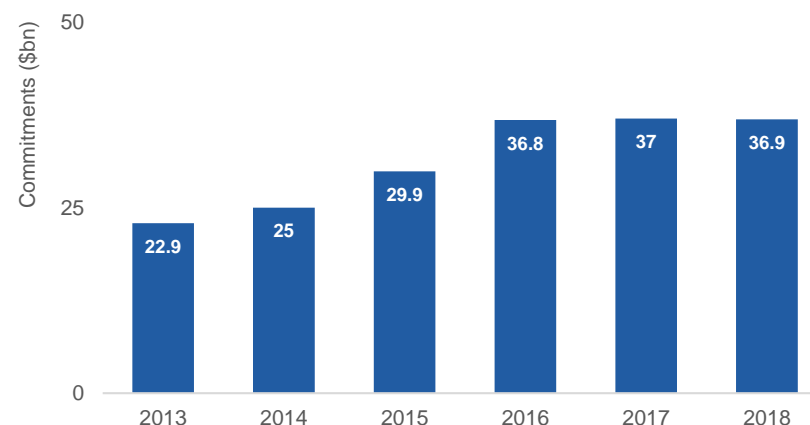
# Landscape & Strategy

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

Number of Australian Small Businesses<sup>1</sup>



Equipment Finance Commitments<sup>2</sup>



## Growing SME lending market

- 2.3m SMEs in Australia employing 4.7m people, representing a significant part of the Australian economy<sup>1</sup>
- 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

## Increasing Demand for Equipment Finance

- 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

<sup>1</sup>SME'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)

<sup>2</sup>Includes 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"><li>• Offer price of \$0.09 per share</li><li>• 2.2% discount to the last close of \$0.092</li></ul>	<ul style="list-style-type: none"><li>• Offer price of \$0.48 per share + \$0.03 special dividend</li><li>• 4.3% premium to the last close of \$0.46</li></ul>
Funding	<ul style="list-style-type: none"><li>• Equity raising of \$20.2 million at \$0.09 per share via a 1 for 6 pro rata non-renounceable entitlement offer</li></ul>	<ul style="list-style-type: none"><li>• Equity raising of \$14.5 million at \$0.48 per share via a 3 for 20 pro rata non-renounceable entitlement offer</li></ul>

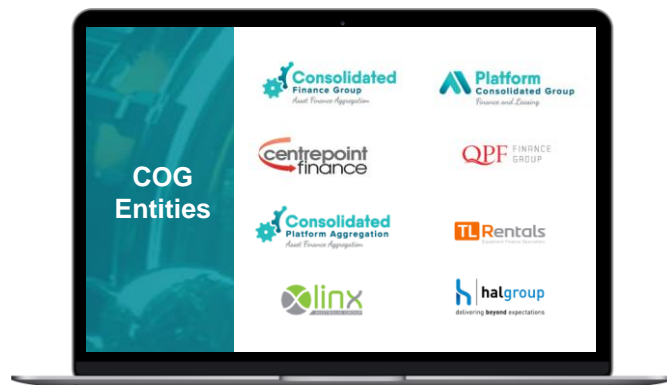




## Appendix A - COG

# 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

117

Owned  
Brokers<sup>1</sup>

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

4,988

Aggregation  
Brokers<sup>1</sup>

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

\$97m  
Receivables

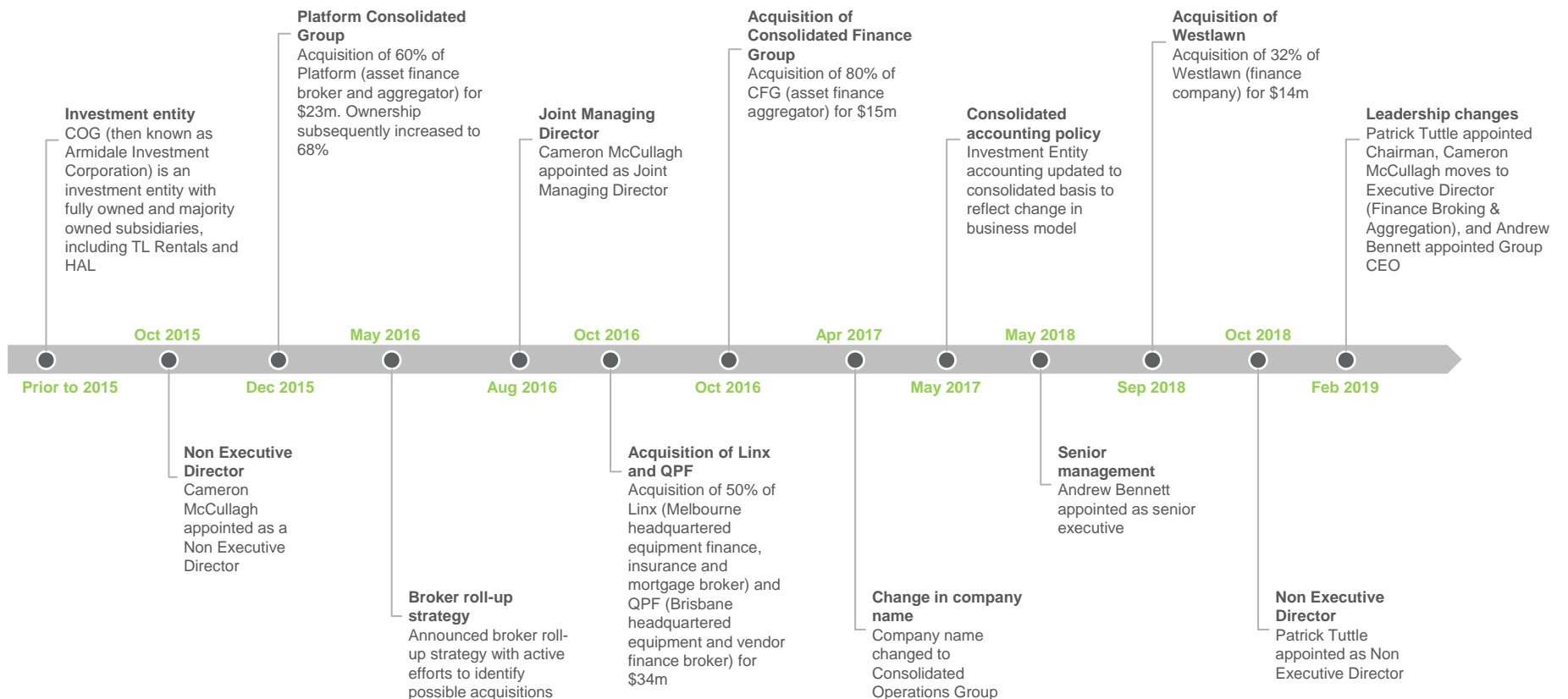
Commercial  
Equipment Leasing<sup>1</sup>

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

<sup>1</sup>As 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



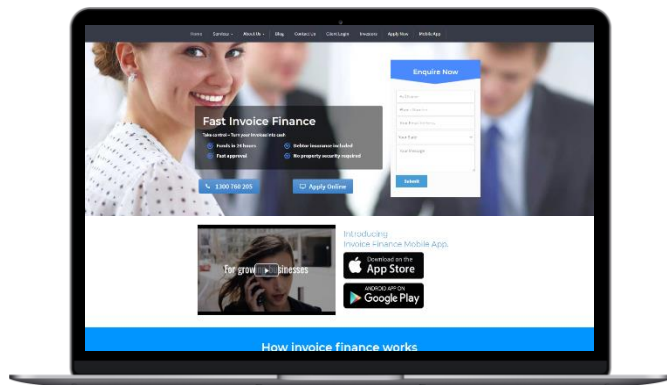


An overhead photograph of four people (three men and one woman) sitting around a large conference table in an office. They are looking at and pointing to various documents and blueprints spread across the table. On the table, there is a laptop, a calculator, a smartphone, a hard hat, and a mug. The office floor has a patterned carpet. A semi-transparent teal rectangle is overlaid on the center of the image, containing the text 'Appendix B - CML'.

## 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  
Finance<sup>1</sup>

- 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  
Discounting<sup>1</sup>

- 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

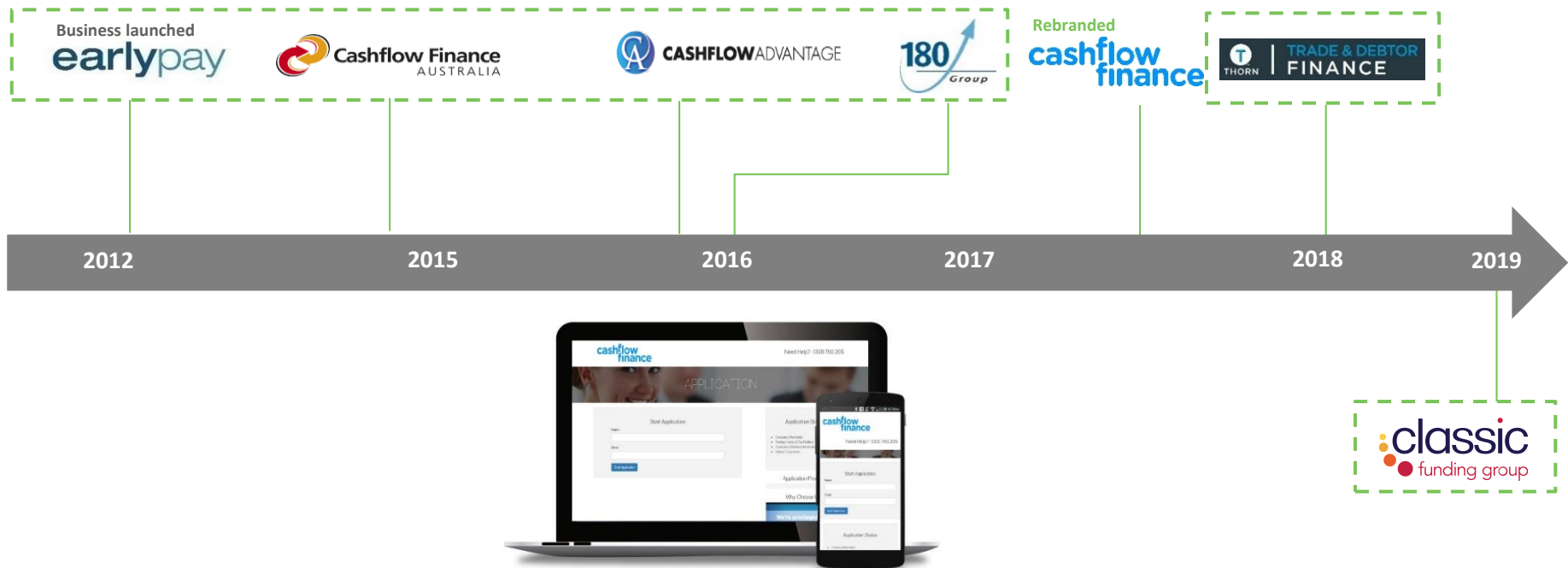
Invoice  
Factoring<sup>1</sup>

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

<sup>1</sup>As at September 10<sup>th</sup> 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



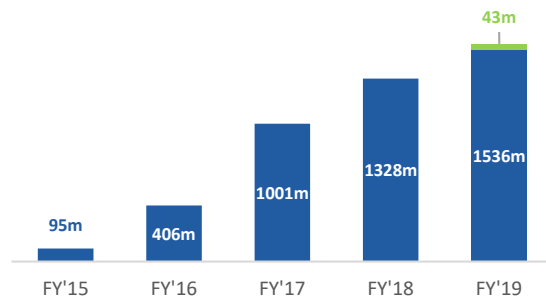


# Historical Growth

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

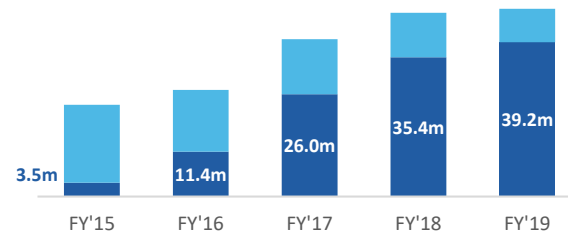
Invoices Funded

■ Invoice Factoring ■ Invoice Discounting



Revenue

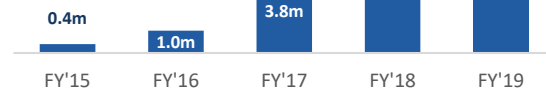
■ Finance Revenue ■ Other Divisions



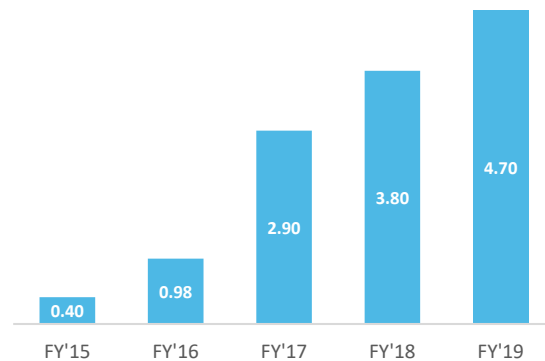
Underlying EBITDA



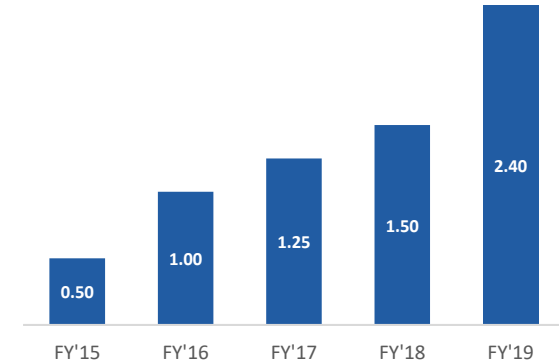
Underlying NPATA



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.

## Summary information

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.

## Not financial product advice

This Presentation has been prepared without taking into account the objectives, financial situation or needs of any particular investor.

Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek appropriate advice, including financial, legal and taxation advice appropriate to their jurisdiction.

## Future performance

This Presentation may contain forward looking statements, opinions or estimates. Any forward looking statements, opinions or estimates contained in this Presentation are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of CML or COG, and may involve significant elements of subjective judgement and assumptions and contingencies as to future events which may or may not be correct which are subject to change without notice, as are statement about market and industry trends, which are based on interpretations of current market conditions. Those statements reflect views only as at the date of this Presentation. The actual results may differ materially from anticipated results, performance of achievement expressed, projected or implied by these forward looking statements.

While CML and COG believe that the statements contained in this Presentation are reasonable, neither CML nor COG nor any other person gives any assurance or guarantee that the occurrence of the events expressed or implied in the Presentation will actually occur and investors are cautioned not to place undue reliance on those statements.

## Disclaimer

CML is responsible for the information in this presentation relating to CML and COG is responsible for the information in this presentation relating to COG.

To the maximum extent permitted by law, no representation or warranty, express or implied, is made as to the currency, accuracy, reliability or completeness of information statements, opinions, conclusions or representations contained in this Presentation and CML and COG and its respective advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents exclude and disclaim all liability (however caused), including without limitation for negligence or for any expenses, losses, damages or costs incurred by you.

CML and COG, severally, make no recommendation as to whether any person should acquire securities of either COG or CML. Opinions expressed herein are current opinions only as of the date indicated and are subject to change.

## Not for release or distribution in the United States of America

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## D. Risk Factors

This section identifies the areas the Directors regard as risks associated with an investment in the Company.

Eligible Shareholders should be aware that an investment in the Company involves many risks, which may be higher than the risks associated with an investment in other companies. Eligible Shareholders should read the whole of this Booklet and consult with their professional advisers for legal, business, financial or tax advice in order to fully appreciate such matters and the manner in which the Company intends to operate before any decision is made to apply for Offer Shares.

The following is a non-exhaustive summary of the key risks associated with an investment in the Company:

- (a) ***Proposed Scheme of Arrangement:*** On 13 November 2019, the Company announced it had entered into a scheme implementation agreement with Consolidated Operations Group Limited (**Scheme Implementation Agreement**) whereby COG agreed to acquire all of the issued capital in CML via a scheme of arrangement pursuant to Part 5.1 of the Corporations Act (**Scheme**). Subject to the necessary court and shareholder approvals, in consideration for the transfer of all CML shares to COG, COG will offer Shareholders in the Company the option of:

- (i) \$0.24 per CML Share plus 2.7 COG shares per Share they own in CML; or
- (ii) 5.4 COG shares per Share they own in CML.

There is a risk that the Company will not receive court and/or shareholder approval and the Scheme will not be implemented. Alternatively, court and/or shareholder may not be received in accordance with the indicative timetable, in which case implementation of the Scheme will be delayed. If the Scheme fails, or implementation is delayed, there is a risk that the Company's share price could fluctuate.

Please note that the Entitlement Offer is not interconditional with the Scheme proceeding and if you should choose to invest under the Entitlement Offer the Offer Shares issued to you will be added to your existing shareholding irrespective of whether or not the Scheme proceeds.

- (b) ***Costs and Break Fee associated with the Scheme:*** As the Entitlement Offer is not conditional on the Scheme proceeding, should the Scheme not be approved by Shareholders or not proceed for any reason there may be costs payable by the Company including:

- (i) legal, accounting and professional fees associated with the Scheme; and
- (ii) a break fee in the following circumstances:
  - (A) the Company proceeds with a proposal which in the view of the Directors is superior to the offer from COG; or
  - (B) a Director of the Company withdraws support for the Scheme, except where the Scheme has been implemented or the independent expert provides an independent expert report which does not contain an opinion from the independent expert that the Scheme is fair and reasonable and in the best interests of Shareholders; or



- (C) COG validly terminates the Scheme Implementation Agreement as a result of a breach or non-fulfilment of a representations or warranty given by the Company under the Scheme Implementation Agreement,

(Break Fee).

- (c) ***Dilution of existing Shareholdings in the Company:*** Shareholders who do not take up their Entitlements in full will have their percentage interest in the Company reduced. Given the structure of the Entitlement Offer (3 new Offer Shares for every 20 existing Shares), dilution to existing Shareholders who do not take up their Entitlements in full may be material. At completion of the Entitlement Offer, if the full Entitlement is taken up, it is anticipated that the Company's share capital will increase from 201,740,293 Shares to approximately 232,001,336 Shares. For Shareholders who do not take up their Entitlements and in circumstances where any shortfall is fully subscribed, the Shareholder will have their percentage interest in the Company reduced by approximately 13%.
- (d) ***Control risk of NAOS Asset Management Limited:*** NAOS Asset Management Limited (and its Related Entities) (NAOS) is an existing substantial shareholder of the Company which currently holds approximately 20.54% of the total issued share capital of the Company (according to its most recent Form 604 lodged with ASX on 17 September 2019). As set out in Section E of this Booklet, NAOS' maximum voting power at completion of the Entitlement Offer is 22.87% (based on it taking up its full Entitlement and no other Eligible Shareholder participates in the Entitlement Offer), which will decrease if other Eligible Shareholders participate in the Entitlement Offer. If NAOS' voting power does increase, this may allow it to exert further significant influence or control over the Company.
- (e) ***Control risk of First Samuel Limited:*** First Samuel Limited (First Samuel) is an existing substantial shareholder of the Company which currently holds approximately 19.20% of the total issued share capital of the Company (according to its most recent Form 604 lodged with ASX on 23 May 2019). As set out in Section E of this Booklet, First Samuel's maximum voting power at completion of the Entitlement Offer is 21.42% (based on it taking up its full Entitlement and no other Eligible Shareholder participates in the Entitlement Offer), which will decrease if other Eligible Shareholders participate in the Entitlement Offer. If First Samuel's voting power does increase, this may allow it to exert further significant influence or control over the Company.
- (f) ***Cash flow financing:*** The Company operates in the cash flow financing industry, which inherently exposes the Company to finance risk, including the risk of fraud from its clients. The Company mitigates these risks through on-boarding processes for new clients, monitoring cash flow of its clients and the capacity of end-user debtors to repay, as well as holding appropriate insurance policies.
- (g) ***Availability of funding:*** The Company's ability to effectively implement its business strategy is dependent on its ability to secure sufficient funding. There can be no assurance that any such equity or debt funding will be available to the Company on favourable terms.
- (h) ***Contractual risk:*** The Company's ability to efficiently conduct its operations relies on the terms of its existing contractual arrangements. Certain material contracts of the Company (including contracts with major customers) contain provisions allowing for early termination or termination for convenience. If a party exercises its rights in relation to early termination, there is no guarantee a suitable replacement arrangement will be entered into by the Company.

- (i) **Insurance arrangements:** The Company maintains insurance within ranges of coverage that the Company believes to be consistent with industry best practice and having regard to the nature of activities being conducted. However, no assurance can be given that the Company will be able to continue to obtain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any such claims.
- (j) **Ability to attract and retain skilled personnel:** The responsibility of overseeing the day to day operations and the strategic management of the Company is substantially dependent upon its management and its key personnel. Whilst key personnel generally enter into service agreements with the Company, there may be a detrimental impact on the Company if they cease their employment or involvement with the Company. The future success of the Company also depends upon its continuing ability to attract and retain highly qualified personnel. Generally, the failure to attract and retain the necessary personnel could have a material effect upon the Company's business, results of operations and financial condition.
- (k) **Regulatory risk and government policy:** Changes in relevant taxation, interest rates and other legal, legislative and administrative regimes and government policies in Australia, may have an adverse effect on the assets, operations and ultimately the financial performance of the Company and the market price of its securities.
- (l) **Share market conditions:** The price of the Company's Shares will be influenced by international and domestic factors which may cause the market price of the securities to fall and may be subject to varied and unpredictable influences on the market for equities. Shareholders should be aware that there are risks associated with any securities investment. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

## **E. Additional information**

### **1 Quotation and trading**

The Company has applied to ASX for the official quotation of the Offer Shares in accordance with the ASX Listing Rules. Subject to approval being granted by ASX, it is expected that normal trading of Offer Shares will commence on or about 6 December 2019.

### **2 Proposed Scheme of Arrangement**

As announced on 13 November 2019, the Company has executed a scheme implementation agreement with COG for a merger via scheme of arrangement pursuant to Part 5.1 of the Corporations Act.

Under the Scheme, COG will offer Shareholders in the Company the option of:

- (a) \$0.24 per CML Share plus 2.7 COG shares per CML Share; or
- (b) 5.4 COG shares per Share they own in CML.

Implementation of the Scheme is subject to shareholder and court approvals and, if successful, CML would become a wholly-owned subsidiary of COG.

The Offer Shares issued under the Entitlement Offer and Shortfall Facility will have the same voting rights at the Scheme meeting as existing fully paid ordinary shares of the Company. The offer made under the Scheme to Shareholders will also apply to all Offer Shares issued pursuant to the Entitlement Offer and Shortfall Facility.

### **3 Ranking of Offer Shares**

Offer Shares (including any Additional Shares) issued under the Entitlement Offer will rank equally with existing Shares on issue.

### **4 Withdrawal**

The Company reserves the right to withdraw all or part of the Entitlement Offer at any time, subject to applicable laws. If the Company exercises this right, it will refund Application monies in relation to Offer Shares not already issued in accordance with the Corporations Act without the payment of interest.

### **5 Use of funds**

If the Entitlement Offer is fully subscribed, the Company will raise \$14,525,300.64 (before expenses).

If the Scheme is implemented, the proceeds from the Entitlement Offer will be used by the merged entity for some or all of the following:

- working capital;
- pay the costs associated with the Scheme and Entitlement Offer;
- reduce debt.

If, however, the Scheme is not implemented, the proceeds from the Entitlement Offer will be used by the Company as follows:

- working capital;
- pay the costs associated with the Entitlement Offer and costs of the failed Scheme (including the Break Fee if payable); and
- reduce debt.

## 6 Effect on capital structure

Assuming that the Entitlement Offer is fully subscribed and all Offer Shares (including any Additional Shares) are issued and allotted, the Company's issued share capital will increase from 201,740,293 Shares to approximately 232,001,336 Shares (subject to rounding).

## 7 Potential effect on control

The potential effect the Entitlement Offer will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including Shareholder and investor demand. However, given the structure of the Entitlement Offer, the Entitlement Offer may have a material effect on the control of the Company.

The potential effect on control is summarised below:

- (a) if all Eligible Shareholders take up their Entitlements under the Entitlement Offer, then the Entitlement Offer will have no significant effect on the control of the Company;
- (b) if some Eligible Shareholders do not take up all of their Entitlements under the Entitlement Offer, then the interests of those Eligible Shareholders in the Company will be diluted;
- (c) the proportional interests of Shareholders who are not Eligible Shareholders will be diluted because such Shareholders are not entitled to participate in the Entitlement Offer;
- (d) Eligible Shareholders that apply for Additional Shares under the Shortfall Facility (under which any shortfall between applications received and the number of Offer Shares proposed to be issued under the Entitlement Offer may be applied for by those who have accepted their Entitlements in full) may increase their interests beyond their Entitlement. This would result in the dilution of holdings of those who failed to accept their Entitlements in full and those who failed to apply for Additional Shares;
- (e) currently there are two shareholders with voting power above 19%, being NAOS Asset Management Limited (and Related Entities) (**NAOS**) and First Samuel Limited (**First Samuel**). If either NAOS or First Samuel are the only Eligible Shareholder to take up their Entitlement, and that entity takes up its full Entitlement while all other Eligible Shareholders do not participate in the Entitlement Offer, the interest of either NAOS or First Samuel is projected to be as follows:

Shareholder	Current shareholding	Current voting power	Entitlement	Max. shareholding at completion of Entitlement Offer	Max. voting power at completion of Entitlement Offer***
NAOS Asset Management Limited and Related Entities ( <b>NAOS</b> )	41,360,835 Shares*	20.54 %*	6,204,125 Shares	47,564,960 Shares	22.87 %
First Samuel Limited ( <b>First Samuel</b> )	38,655,653 Shares**	19.20 %**	5,798,347 Shares	44,454,000 Shares	21.42 %



Notes:

\* Based on the most recent Form 604 lodged with ASX on 17 September 2019.

\*\* Based on the most recent Form 604 lodged with ASX on 23 May 2019.

\*\*\* Maximum voting power is calculated on the basis that the relevant Shareholder takes up its full Entitlement and that it is the only Eligible Shareholder to participate in the Entitlement Offer.

- (f) as set out in the table above, the respective voting power of NAOS and First Samuel is projected to increase if, in the relevant scenario, NAOS or First Samuel is the only participant in the Entitlement Offer and they subscribe for their full Entitlement. Under the scenarios in the above table, NAOS' and First Samuel's maximum voting power at completion of the Entitlement Offer is projected to be 22.87 % and 21.42 % respectively, however this will decrease if other Eligible Shareholders participate in the Entitlement Offer.

## **8 No cooling off rights**

Cooling off rights do not apply to an investment in Offer Shares. You cannot, in most circumstances, withdraw your Application once it has been accepted. Further, Entitlements cannot be traded on the ASX or any other exchange, nor can they be privately transferred.

## **9 Taxation**

The Directors do not consider it appropriate to give Eligible Shareholders advice regarding the taxation consequences of applying for Offer Shares (including any Additional Shares) under this Booklet.

Taxation implications will vary depending upon the individual circumstances of individual Eligible Shareholders. Eligible Shareholders are strongly recommended to obtain their own professional advice (including taxation advice) before deciding whether to accept the Entitlement Offer or apply for Additional Shares under the Shortfall Facility.

Neither the Company, nor any of its officers or employees or advisers, accepts any liability or responsibility in respect of any statement concerning taxation consequences, or in respect of the taxation consequences, of the Entitlement Offer or the acquisition or disposal of securities in connection with the Entitlement Offer.

## F. Glossary

In this Booklet, the following capitalised terms have the following meanings (unless the context requires otherwise).

<b>Additional Shares</b>	Offer Shares which comprises the shortfall, which may be applied for by Eligible Shareholders in excess of their Entitlement.
<b>AEDT</b>	Australian Eastern Daylight Time as observed in Sydney, New South Wales.
<b>Announcement</b>	the ASX announcement relating to the Entitlement Offer, as announced by the Company to ASX on 13 November 2019 and included in Section C of this Booklet.
<b>Application</b>	an application for Offer Shares lodged in accordance with the instructions in this Booklet and the Entitlement and Acceptance Form.
<b>ASIC</b>	Australian Securities & Investments Commission.
<b>ASX</b>	ASX Limited ACN 008 624 691 or the market operated by it as the context requires.
<b>Booklet</b>	this entitlement offer booklet.
<b>Break Fee</b>	as described in Section D.
<b>Closing Date</b>	5.00 pm (AEDT) on Friday, 29 November 2019, or such other date as the Company determines.
<b>COG</b>	Consolidated Operations Group Limited ACN 100 854 788.
<b>Company or CML</b>	CML Group Limited ACN 098 952 277.
<b>Corporations Act</b>	the <i>Corporations Act 2001</i> (Cth).
<b>Director</b>	a director of the Company.
<b>Eligible Shareholder</b>	a Shareholder who is a registered holder of Shares on the Record Date with a registered address in Australia or New Zealand.
<b>Entitlement and Acceptance Form</b>	your personalised application form enclosed with this Booklet.
<b>Entitlement</b>	the number of Offer Shares for which an Eligible Shareholder is entitled to subscribe under the Entitlement Offer (ignoring the Shortfall Facility).
<b>Entitlement Offer</b>	a 3 for 20 (3 new Shares for 20 existing Shares) non-renounceable pro rata entitlement offer to subscribe for Offer Shares at the Issue Price set out in this Booklet and the Entitlement and Acceptance Form as announced by the Company to ASX on 13 November 2019.
<b>Ineligible Shareholder</b>	a Shareholder who is not an Eligible Shareholder.

<b>Issue Date</b>	Thursday, 5 December 2019, or such other date as the Company determines.
<b>Issue Price</b>	A\$0.48, being the price per Offer Share.
<b>Offer Period</b>	the period commencing on the Opening Date and ending on the Closing Date.
<b>Offer Shares</b>	the new Shares offered under the Entitlement Offer.
<b>Opening Date</b>	Wednesday, 20 November 2019.
<b>Record Date</b>	7.00 pm (AEDT) on Monday, 18 November 2019.
<b>Register</b>	the register of Shareholders.
<b>Registry</b>	Computershare Investor Services Pty Limited ACN 078 279 277.
<b>Related Entity</b>	has the meaning given in the Corporations Act.
<b>Section</b>	a section in this Booklet.
<b>Securities Act</b>	the United States <i>Securities Act of 1933</i> , as amended.
<b>Scheme</b>	the proposed Scheme of Arrangement between COG and CML as announced by the Company on 13 November 2019.
<b>Share</b>	a fully paid ordinary share in the Company.
<b>Shareholder</b>	a registered holder of a Share.
<b>Shortfall Facility</b>	the mechanism by which the Company may place the shares that comprise the shortfall as described in paragraph 8 of Section B.
<b>U.S. Person</b>	a “U.S. Person” as defined in Regulation S under the Securities Act.