



3 December 2019

CML Group completes entitlement offer raising \$7.6 million

CML Group Limited (ASX: CGR, “CML” or the “Company”) is pleased to advise the completion of its 3 for 20 non-renounceable pro rata Entitlement Offer. The Entitlement Offer has raised gross proceeds of approximately \$7.6 million from the issue of approximately 15.8 million new shares at an issue price of \$0.48 per new share.

The Entitlement Offer closed on Friday 29 November 2019 with Eligible Shareholders applying for 12,266,444 shares raising approximately \$5.9 million, and a further 3,565,320 Additional Shares applied for under the Shortfall Facility raising approximately \$1.7 million. The maximum number of shares offered under the Entitlement Offer was 30,248,350 and, therefore, the undersubscription amounted to approximately \$6.9 million (which reflects 14,416,586 shortfall shares).

The settlement date for the new shares issued under the Entitlement Offer is Thursday, 5 December 2019. The issue and allotment of shares under the Entitlement Offer, including Additional Shares, will also take place on Thursday, 5 December 2019 and trading on the ASX is expected to commence on Friday 6 December 2019. All shares issued will rank equally with existing fully paid ordinary shares in CML as of the 13 November 2019.

As announced on 13 November 2019, the Company proposes to merge with Consolidated Operations Group Limited (“COG”) via a scheme of arrangement (“Scheme”) subject to shareholder and court approval, to create a leading financial services group focusing on servicing SME businesses in Australia. If the merger proposal 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 costs associated with the Scheme and Entitlement Offer;
- reduce debt.

The Entitlement Offer is not interconditional with the Scheme proceeding, however if the Scheme is not implemented, the proceeds from the Entitlement Offer will fund costs associated with the Entitlement Offer and failed scheme including a Break Fee, if payable, as well as working capital and debt reduction.

CML Group Managing Director, Daniel Riley said: “The Entitlement Offer has successfully completed and we would like to thank our shareholders for their continued support. We now look forward to moving ahead with the approvals for the merger proposal with Consolidated Operations Group. The merger represents a significant company transformational transaction, and one which we believe offers a compelling value proposition for CML shareholders who will have an interest in a substantially larger and diversified business.”



Yours faithfully

Steve Shin
Company Secretary

For investor and media enquiries:

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ABOUT CML GROUP

CML provides finance to SME businesses. CML's primary service is 'factoring' or 'receivables finance'. Through the factoring facility CML provides an advance payment of up to 80% of a client's invoice to help their business overcome the cash pressure of delivering goods or services in advance of payment from their customers (often 30 to 60 days). This is a flexible line of credit that is utilised in line with sales volume. CML will consider an additional advance to a client (above the usual 80%) on occasion, for an additional fee and when there is adequate security from the client to cover the position. Other services include trade finance to assist clients finance purchases, as well as equipment finance to assist SME's with capital expenditure on items required to operate their business.