

# CML Group

28 January 2020

## Scheme of Arrangement - Indicative Election Outcome

CML Group Limited (ASX:CGR) (“**CML**” or the “**Company**”) provides the following indicative outcome of elections in relation to the consideration offered under the proposed Scheme of Arrangement between the Company and Consolidated Operations Group Limited (**COG**).

Following the receipt of Election Forms, the indicative outcome of Elections for Consideration Option 1 (being a combination of 2.7 New COG Shares and \$0.24 in cash (up to \$20 million (**Cash Cap**) and subject to the Scaleback Mechanism) for each Scheme Share held) is below:

Total number of CML Shares under the Scheme*	227,572,057 Shares
Number of CML Shares pursuant to which an Election for Consideration Option 1 has been made**	9,004,305 Shares
Number of CML Shares pursuant to which no Election has been made (and therefore deemed to have elected for Consideration Option 1)	144,906,530 Shares
Number of CML Shares pursuant to which an Election for Consideration Option 2 has been made	63,603,136 Shares
Number of CML Shares held by Ineligible Foreign Shareholders	58,086 Shares
Proportion of CML Shares electing Consideration Option 1**	67.63%
Cash Cap exceeded***	Yes

\* assumes that the 10 million options over CML Shares held by Daniel Riley will be exercised prior to the Implementation Date.

\*\* assumes that the 10 million options over CML Shares held by Daniel Riley will be exercised prior to the Implementation Date (and therefore deemed to have elected Consideration Option 1 in relation to that parcel of 10,000,000 Shares) and also includes CML Shareholders who failed to make an Election or submitted an invalid Election Form.

\*\*\* includes Ineligible Foreign Shareholders who will receive \$0.48 in cash per CML Share held under the Cash Cap.

In circumstances where the Cash Cap will be exceeded, all CML Shareholders who have made an Election, or have been deemed to have made an Election, to receive Consideration Option 1 will have their cash consideration scaled back on a pro rata basis so that the total amount of cash consideration payable to those CML Shareholders and Ineligible Foreign Shareholders equals the Cash Cap.

For more information in relation to the Scaleback Mechanism, please refer to section 5.5 of the Scheme Booklet. Section 5.5.2 of the Scheme Booklet provides a worked example of the different forms of consideration a CML Shareholder who makes, or is deemed to make, an Election for Consideration Option 1 will receive under different scenarios depending on the total number of CML Shareholders who make, or are deemed to make, an Election to receive Consideration Option 1.

Since the buying and selling of CML Shares will continue up to the Scheme Record Date, the outcome of Elections in this announcement is indicative only and the final outcome of the Elections (and any subsequent scaleback) will not be known until the Scheme Record Date, which is currently expected to be Tuesday, 18 February 2020.

This announcement has been authorised by the Chief Executive Officer of CML, Daniel Riley.

# CML Group

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## ABOUT CML GROUP

CML provides finance to SME businesses.

CML's primary service is receivables finance. Through the receivables finance 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.