

12 October 2020

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

Acquisition of Access Capital Pty Ltd by QPF Finance Group

Consolidated Operations Group Limited (COG) is pleased to announce the acquisition of an 80% interest in Access Capital Pty Ltd (Access) via its subsidiary QPF Finance Group (QPF).

Access is the largest asset finance broker in South Australia and Northern Territory and will provide COG with a presence in this state and territory, thereby completing the Company's ambition of being a diverse, national asset finance broker and aggregator. Access' major clients are in the transport, bulk haulage and civil infrastructure sectors which have all been relatively unaffected by the impacts of COVID -19.

The acquisition terms are:

- Purchase consideration for the 80% interest in Access is \$9.2m as cash consideration;
- QPF will fund the cash consideration through:
 - \$4.6m (50%) external borrowings;
 - \$3.6m (39%) through capital raising at this subsidiary level; and
 - \$1.0m (11%) through current working capital / cash resources;
- In relation to the \$3.6m subsidiary capital raising, COG and other QPF minority shareholders will contribute additional capital in QPF and COG's ownership interest in QPF will increase to 57.1%;
- The 20% balance of the shares of Access will remain with the founders/vendors who have entered into restraints and will be available to assist with the transition of the management duties and client and broker relationships for a minimum of 18 months;
- QPF has a call option to increase its shareholding to 100%, in two equal 10% tranches, with the first option exercisable in 3 years and the second in 5 years. The founders/vendors have an equivalent put option which is subject to certain transition conditions; and
- The transaction is targeted to complete on 2 November 2020 subject to finalising the external borrowing arrangements which will include Access as the target entity providing security (which will be subject to COG shareholder approval for Access to provide financial assistance to QPF to acquire its shares).

Announcement authorised by: Andrew Bennett, Chief Executive Officer

For further information please contact:

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Who We Are

Consolidated Operations Group (COG) has two complementary businesses:

1. Finance Broking & Aggregation (FB&A). Through our membership group serving independent brokers and COG's equity owned brokers (brokers in which we have invested), we are Australia's largest asset finance group, representing over \$4.5 billion per annum of Net Asset Finance (NAF). We will grow NAF through organic growth and further equity investment in brokers.
2. Commercial Equipment Finance (CEF). Through our extensive broker distribution network, COG provides own-funded equipment finance to SMEs.

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