

23 September 2022

Acquisition of Mojo Group

- **Binding agreement to acquire Mojo Group, one of Australia's largest importers and wholesalers of motorcycles, genuine spare parts, and accessories.**
- **Based on a pro forma FY22 consolidated basis, the transaction is expected to be 18% earnings per share accretive before synergies, integration costs, and purchase price allocation (PPA) related amortisation¹.**

MotorCycle Holdings Limited (ASX:MTO), Australia's largest motorcycle dealership operator, is to acquire 100% of the shares in Mojo Motorcycles Pty Ltd and Mojo Electric Vehicles Pty Ltd (together **Mojo Group**).

Mojo Group is a motorcycle, scooter, ATV, electric motorcycle, and genuine spare parts and accessories importer and distributor operating in Australia and New Zealand, with a 150-strong dealer network. It is headquartered in Altona North (Vic) in a purpose-built 5,000-square-metre distribution centre, backed up by a 2,000-square-metre facility in Yatala (Qld) to increase total warehousing capacity to 2,500 vehicles.

MTO will acquire Mojo Group from companies owned by Michael Poynton and Joshua Carter for consideration of up to \$60 million on a cash free, debt free basis, comprised of:

- 11.539 million MTO shares² (escrowed for two years) (**Consideration Shares**); plus
- \$20 million in cash; plus
- deferred consideration of up to \$10 million³.

MTO will fund the cash component of the consideration through an increase to its debt facility.

The acquisition price represents an earnings multiple of 4.1 times Mojo Group's FY22 net profit before tax, and on a proforma FY22 consolidated basis the transaction is expected to be 18% earnings per share accretive before synergies, integration costs and PPA related amortisation¹.

The principals of Mojo Group (Michael Poynton and Joshua Carter) will take up senior executive positions with MTO and Michael Poynton will also join the MTO board.

Conditions to completion of the acquisition include MTO obtaining shareholder approval for the issue of the Consideration Shares at the AGM and obtaining key contract and third-party consents.

¹ Based on FY22 MTO audited financial statements and FY22 Mojo Group unaudited financial accounts

² Assumes shares are valued at agreed issue price of \$2.60.

³ Where the net profits before tax of the Mojo Group in the 12-month period following Completion are:

- greater than \$14.5 million, the deferred consideration will be \$10 million;
- equal to or greater than \$10 million but less than \$14.5 million, the deferred consideration will be \$5 million; and
- less than \$10 million, the deferred consideration will be \$0.

ASX Announcement (ASX: MTO)



Completion of the acquisition is targeted for 31 October 2022.

MTO Managing Director and founder, David Ahmet, said the acquisition of the Mojo Group made strategic sense.

"We believe the acquisition of the Mojo Group will present significant growth opportunities by introducing the importation and distribution of motorcycles, ATVs, and scooters (including electric models) into our existing product offering, increasing our warehouse capacity and expanding our distribution network" he said.

"In addition, MTO continues to explore other motorcycle franchise acquisition opportunities to increase its market share and geographic coverage in Australia."

MTO invites investors to participate, via teleconference, in a presentation by Managing Director David Ahmet and Chief Financial Officer Bob Donovan at 11am AEST on Friday 23 September 2022, after which they will take questions on the acquisition. Full details of the teleconference are below:

Date	Friday 23 September 2022
Time	11am AEST
How to Access	Investors can join or register for the call by clicking this link .

Alternatively, copy and paste this URL in your browser:
<https://kapara.rdbk.com.au/landers/c48cc5.html>

This announcement was authorised for release by MotorCycle Holdings' Board of Directors.

For further information please contact:

MotorCycle Holdings

Mr David Ahmet
Managing Director
Phone: 0403 333 048
Email: dave.ahmet@mcholdings.com.au

Mr Bob Donovan
Chief Financial Officer
Phone: 0414 801 533
Email: cfo@mcholdings.com.au

Important Information

This announcement contains certain 'forward-looking statements' within the meaning of the securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as 'may,' 'should,' 'expect,' 'anticipate,' 'estimate,' 'scheduled' or 'continue' or the negative version of them or comparable terminology. Any forecasts or other forward looking statements contained in this announcement are subject to known and unknown risks and uncertainties and may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material. MTO does not give any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur and you are cautioned not to place undue reliance on forward-looking statements.

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