

Companies Announcement Office
Australian Securities Exchange Limited
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Sydney NSW 2000

CELLNET GROUP EXPANDS PRODUCT OFFERING THROUGH ACQUISITION OF TURN LEFT DISTRIBUTION

Cellnet Group Limited (ASX:CLT) today announces that it has entered into a binding agreement to purchase the entire issued share capital of Turn Left Distribution Pty Ltd (Turn Left) from its shareholders, trusts associated with Chief Executive Officer, Paul Elliot and General Manager, Belinda Campos. The acquisition will broaden CLT's product offering.

At completion a total of \$6 million is payable to the sellers which will be satisfied by \$4 million in cash, 5,479,452 CLT shares worth a further \$2 million, representing 8.8% of CLT's enlarged share capital. The sellers are also entitled to receive earn-out payments of up to \$2 million cash and further incentive and overperformance payments based on Turn Left delivering specific financial hurdles for the 2019 and 2020 financial years.

The \$4 million cash consideration will be drawn from CLT's working capital facility. Shareholder approval will not be required to issue the CLT shares to the sellers as the issue will fall within CLT's 15% placement capacity under ASX Listing Rule 7.1.

Turn Left is an independent gaming software and accessories distributor providing quality, innovative interactive software titles and gaming accessories across Australia and New Zealand. Turn Left provides its clients and customers with category leading software and accessory brands that are renowned for their superior user experience.

Turn Left has been operational for the past six years and has steadily consolidated its position to become a leading distributor to retail channels serving the rapidly growing gaming market with hardware accessories and gaming software.

Completion is expected to occur Monday 10 September 2018.

"This is an exciting time for Cellnet as we are entering a category adjacent to our own and at the same time becoming more relevant to our trading partners" Cellnet CEO Alan Sparks said, "It also provides the opportunity to further leverage the distribution and category management capabilities that has made Cellnet the leader in mobility accessory distribution in the Australian and New Zealand market place."

Under the terms of the agreement, Mr. Elliot and Mrs. Campos will be retained by CLT as executives to continue to focus on the growth of the Turn Left business.

Chris Barnes
Company Secretary

