

27 February 2018

ASX announcement

ASG exercises option to acquire Queensland property

Autosports Group Limited (ASX: ASG) announces its wholly owned subsidiary, Prestige Group Holdings Pty Ltd, has agreed to exercise an option to acquire the property that houses ASG's Mercedes-Benz Macgregor dealership in Queensland.

This acquisition is the first property acquisition for the Group which will strengthen the Company's balance sheet and is expected to improve cash flow in the short to medium term.

Under the terms of the option, the purchase price for the property will be decided by agreement or by the average of two independent valuations. The purchase price, once determined, will be 100% debt funded.

The option was initially granted to a company controlled by the Pagent family or its nominee on the acquisition of the Mercedes-Benz Macgregor dealership in 2014. The Group has agreed to exercise the option (as nominee) as ownership of the property is expected to deliver a better financial outcome for the group compared to continuing as a tenant.

ASG will continue to assess other opportunities to acquire the properties on which ASG dealerships sit if and when they arise.

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