

30 April 2020

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

COVID-19 LEASING PORTFOLIO UPDATE

Consolidated Operations Group Limited (**COG**) wishes to provide an update on the performance of its leasing portfolio given the challenging trading conditions presented by the ongoing COVID-19 crisis.

COG's Commercial Equipment Leasing Segment leasing business (**CEL**) has approximately 2,770 active leases with an outstanding balance of \$87 million (unaudited) as at today's date. In accordance with the Federal Government's stance that COVID -19 impacted small businesses are supported in this time of crisis, CEL has granted hardship payment deferrals to 439 lessees up until today. The hardship deferrals vary from a 50% reduction in the scheduled payments for four months, with an additional two payments added to the end of the contract, to a full payment deferral for three months, with the contract term being extended by three payments. These arrangements are aimed at CEL receiving the full amount of contracted rentals across an extended period.

As COG has previously advised, it match funds its lease portfolio with its financiers and COG is pleased to report that it has been able to reschedule the payment liabilities to its financiers to align with these revised hardship payment arrangements. COG is supporting these arrangements by providing supporting guarantees for shortfalls however the current expectation is that the lease portfolio within CEL will be sufficient to cover the liabilities to its financiers. COG will advise the market if this expectation changes.

Announcement authorised by: Andrew Bennett, Chief Executive Officer

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Who We Are

Consolidated Operations Group (COG) has two complementary businesses:

1. **Asset Finance Broking.** 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 billion per annum of Net Asset Finance (NAF). We will grow NAF through organic growth and further equity investment in brokers.
2. **Product.** Through broker distribution, TL Rentals provide equipment finance to SMEs. We have grown annual lease origination organically by 27% and 38% in the last two financial years.

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