

30 July 2020

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

FY20 Unaudited financial results release

Consolidated Operations Group Limited (**COG**) is pleased to announce that its full year unaudited Net Profit After Tax and before Amortisation (**NPATA**) (normalised for non-recurring items) is \$8.4m which is 6% up on the FY19 result of \$7.9m.

COG's Finance Broker & Aggregation Segment (**FB&A**) has exceeded expectations for the fourth quarter of the year as set out in our ASX Trading update released on 12 June 2020, generating EBITDA to shareholders for the last quarter of \$3.6m compared to the FY19 pcq of \$3.9m. EBITDA to shareholders for the full FY20 year of \$11.1m is up a further 6% on our prior estimate of \$10.5m.

COG's Commercial Equipment Leasing Segment (**CEL**) has delivered EBITDA (net of finance costs) of \$4.2 for the full FY20 year compared to \$4.6 in FY19, down 9% due to lower origination volumes and the direct impact of the COVID-19 pandemic on our lending business.

One-off, non-cash asset write-downs totalling \$15.8m have also been recognised in FY20. These one-off items primarily relate to the write-down of goodwill and asset impairment within CEL, mainly due to the expected future change in mix of new CEL business lending from its core operating lease products to lower margin, lower risk chattel mortgage products, coupled with projected lower volumes in new CEL lending as the Australian economy recovers from the impacts of the COVID-19 pandemic in FY21 and beyond.

We anticipate releasing our final audited financial results to the market on 27 August 2020.

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. 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 Commercial provides equipment finance to SMEs.

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