



FY 2021 Results

26 August 2021

To be read in conjunction with the FY21 COG Appendix 4E and COG's 30 June 2021 Unaudited Financial Statements

Authorised by Andrew Bennett
Group Chief Executive Officer

About COG

COG is an ASX listed provider of **asset finance broking and aggregation services & non-prime commercial & consumer lending**

Finance Broking & Aggregation

- Australia's largest equipment finance broking and aggregation group, with an estimated 18% market share of broker originated asset finance
- Driven by an acquisition-led finance broker and aggregation platform strategy, with founder-vendors retaining an equity exposure to their businesses
- Aggregation services provided to COG equity owned brokers and independent network member brokers

Lending

- Provider of non-prime commercial & consumer lending to SMEs through its subsidiary Westlawn Finance Limited
- Distributed through Westlawn's branch network and brokers, including COG's own broker network
- Funded through the issue of unsecured notes and a Managed Investment Scheme (MIS), a scalable / capital light funding structure as compared to other non-banks

About COG

Australia's biggest asset finance broker and aggregator & trusted leader in SME and auto finance



18%

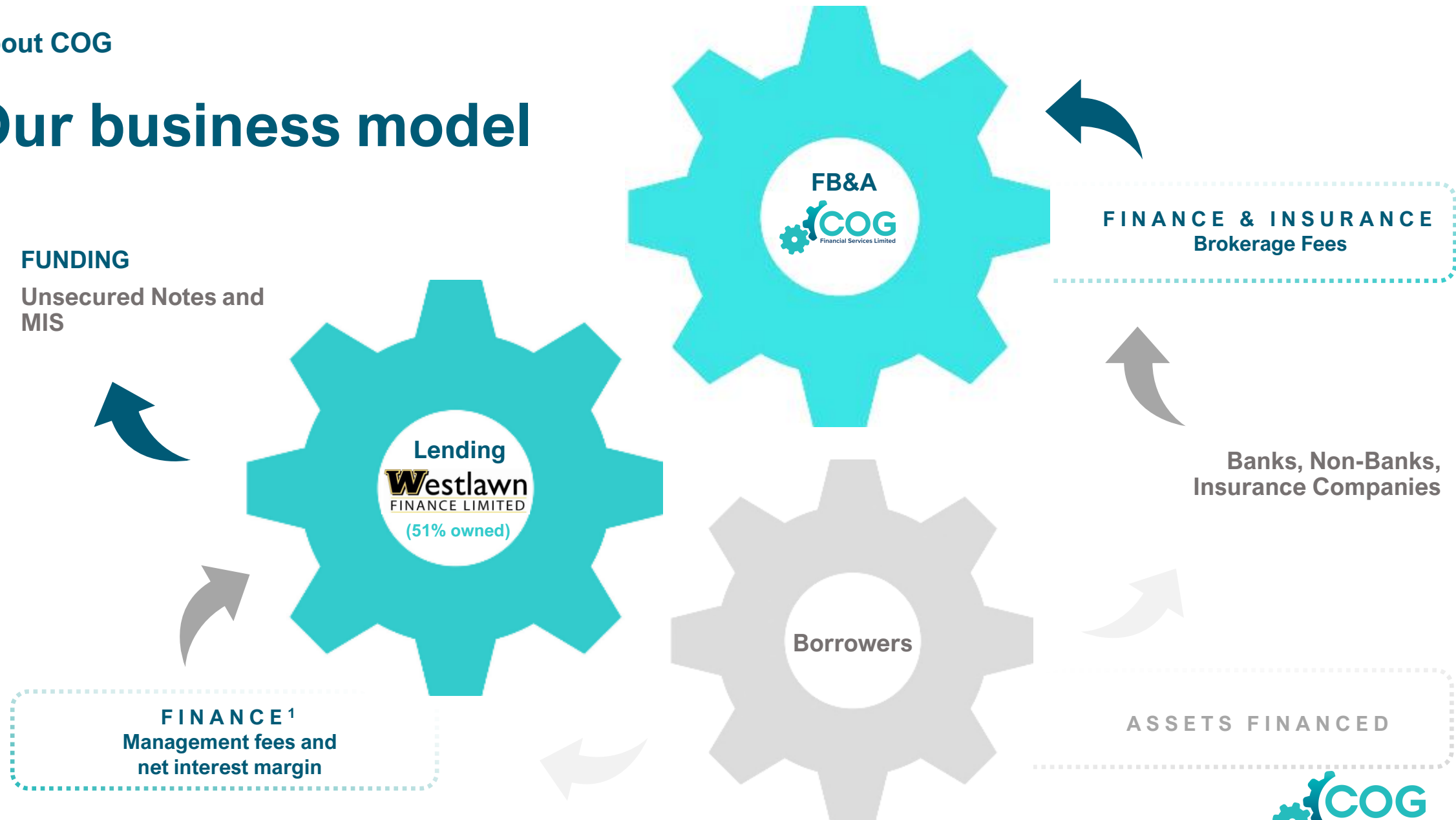
Estimated market share



Our business model

FUNDING

Unsecured Notes and MIS



FINANCE¹
Management fees and
net interest margin

FINANCE & INSURANCE
Brokerage Fees

Banks, Non-Banks,
Insurance Companies

ASSETS FINANCED



¹ Finance and operating leases, chattel mortgages, invoice financing and unsecured personal loans and business loans

FY 2021 Highlights

Strong performance across all business units

Final dividend declared of **6.0**^{3, 4} (FY20: 1.5^{3,4}) cents per share, an increase of **295%** from FY20, reflecting a payout ratio of **62%**⁵ (FY20: 28%⁵)

- Continued to invest surplus funds into consolidating COG as Australia's largest asset finance broker distribution network
- Acquisitions completed for controlling interests in Westlawn Finance Limited and Access Capital Pty Limited
- Progressing implementation of strategic plan focusing on systems, customer service and expansion of COG's in-house lending product
- MIS established by Westlawn Finance Limited
- Strong acquisition pipeline

Revenue¹

\$269.8m

▲ **+21%** on pcp

EBITDA to shareholders²

\$33.5m

▲ **+57%** on pcp

NPATA to shareholders²

\$19.5m

▲ **+132%** on pcp

EPSA^{2, 3}

12.0cps

▲ **+110%** on pcp

¹ Excludes interest income of \$1.1m and dividend received from associates of \$0.7m

² Underlying basis attributable to shareholders. Excludes impairment charge (FY21 \$37.8m, FY20 \$12.0m), loss on deemed sale and reacquisition of investment at fair value (FY21 \$5.0m, FY20 \$nil), gain from a bargain purchase (FY21 \$0.4m, FY20 \$nil), fraud provision (FY21 \$0.3m, FY20 \$nil), non-cash change in accounting estimate adjustment (FY21 \$nil, FY20 \$3.9m), redundancy and restructuring costs (FY21 \$0.3m, FY20 \$0.9m) and transaction costs (FY21 \$0.2m, FY20 \$0.7m).

³ On a post share consolidation basis

⁴ Dividends fully franked

⁵ Total dividends divided by NPATA

Priorities

1 ■ Continue targeted broker acquisitions - COVID-19 demonstrates they are resilient and robust businesses with largely variable costs thus able to withstand economic stress

2 ■ Increase Westlawn's funds under management via the Managed Investment Scheme and deploy proceeds through COG's broker distribution network

3 ■ Build out complimentary insurance broking capability to customers

4 ■ Continue to monitor Earlypay's performance in FY 2022 in light of COVID-19 disruptions

Summary of Group financial results

Our results

For the year ended 30 June	2021 ¹ \$m	2020 ¹ \$m	Pcp Change
Revenue ²	269.8	222.2	21%
EBITDA	50.9	31.2	63%
Dividend income	0.7	-	-%
Net interest expense	(6.9)	(8.4)	-18%
Depreciation	(2.5)	(2.4)	4%
Amortisation	(8.8)	(6.9)	28%
Share of associates results	1.2	0.6	100%
NPBT	34.6	14.1	145%
Tax	(9.6)	(3.9)	146%
NPAT	25.0	10.2	145%
Minority interests	(9.2)	(5.0)	84%
NPAT to shareholders	15.8	5.2	204%
EBITDA to shareholders	33.5	21.3	57%
NPATA to shareholders³	19.5	8.4	132%
EPSA to shareholders (cps) ⁵	12.01	5.72	110%

1. Underlying basis – excluding impairment charge (FY21 \$37.8m, FY20 \$12.0m), loss on deemed sale and reacquisition of investment at fair value (FY21 \$5.0m, FY20 \$nil), gain from a bargain purchase (FY21 \$0.4m, FY20 \$nil), fraud provision (FY \$0.3m, FY20 \$nil), non-cash change in accounting estimate adjustment (FY21: \$nil, FY20: \$3.9m), redundancy and restructuring costs (FY21: \$0.3m, FY20 \$0.9m) and transaction costs (FY21: \$0.2m, FY20 \$0.7m).

2. Revenue excludes interest income (FY21 \$1.1m, FY20 \$0.2m) and dividend received from associates (FY21 \$0.7m, FY20 \$nil)

3. NPATA is NPAT adjusted for amortisation of identified intangibles on acquisition of controlled entities (after tax)

4. Government subsidies after tax, attributable to members are \$1.8m (FY20: \$1.3m)

5. On a post share consolidation basis

Revenue growth of \$47.6m includes organic growth (+\$22.6m), consolidation of Westlawn and Access Capital (+\$23.7m) and government subsidies received⁴

FY21 EBITDA margin rises to 18.9% (FY20: 14.0%) largely due to the consolidation of Westlawn and Access Capital (with a larger margin) and cost savings in response to COVID-19

Dividend income received from the associate Earlypay Limited (equity accounted from Nov 20)

Depreciation and amortisation includes \$8.1m amortisation of identified intangibles on acquisition of controlled entities (FY20: \$6.1m) and \$2.0m impact of AASB 16 Leases adoption (FY20: \$1.7m)

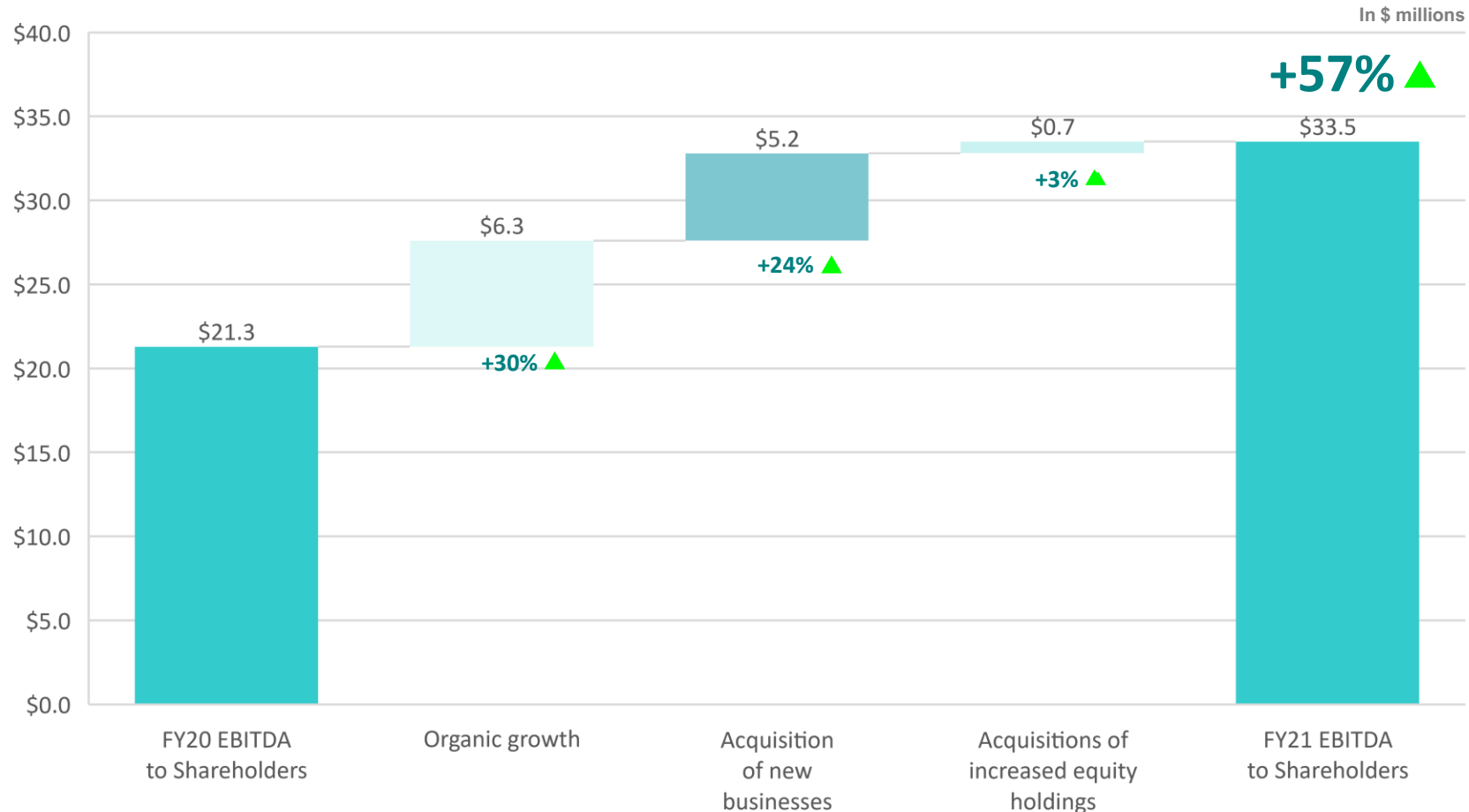
Share of associates results in FY21 relates to investment of 17% in Earlypay Limited (FY20: investment of 32% in Westlawn)

EBITDA to shareholders comprises increases of \$7.6m from Finance Broking & Aggregation and \$5.2m from Lending and decrease of \$0.6m from Head Office & Other

Average effective tax rate is 28% (FY20: 28%) based on normalised NPBT

Summary of Group financial results

Drivers of 57% growth in EBITDA to Shareholders



Segment performance

The Finance Broking & Aggregation and Lending segments both reported strong underlying profit gains in FY21



Strong bottom line despite challenging trading conditions (Covid & supply constraints)

For the year ended 30 June	2021 ^{1, 2} \$m	2020 ¹ \$m	Pcp Change
Revenue	229.6	194.0	18%
EBITDA	31.6	21.1	50%
Net interest	(0.4)	(0.3)	33%
Depreciation	(1.9)	(2.1)	-10%
Amortisation (exc acquired intangibles)	(0.6)	(0.8)	-25%
Share of results from associates	0.1	-	-%
NPBT (before amortisation of acquired intangibles)	28.8	17.9	61%
Amortisation of acquired intangibles	(6.3)	(6.1)	3%
NPBT	22.5	11.8	91%
EBITDA to shareholders	18.7	11.1	68%

1. Underlying basis before tax- excluding redundancy and restructuring costs (FY21 \$0.1m, FY20 \$0.2m), transaction costs (FY21 \$0.2m, FY20 \$0.1m) and impairment charge (FY21 \$nil, FY20 \$1.1m)

2. On 2 November 2020 COG acquired 80% of Access Capital Limited (Access Capital) through its subsidiary QPF Finance Group. FY21 includes the contribution from Access Capital for the period from 2 November 2020 through 30 June 2021

3. Government subsidies after tax, attributable to members are \$1.1m (FY20: \$1.3m)

4. Recognised as 'depreciation' and 'interest expense' under AASB 16 Leases, both below the EBITDA line

Revenue growth of \$35.6m includes organic growth of 15% (+30.0m), consolidation of Access Capital (+\$2.8m) and government subsidies received ³

EBITDA margin rises to 13.8% (FY20: 10.9%), largely due to the consolidation of Access Capital (with a larger margin) and cost savings in response to COVID-19

Depreciation and amortisation includes \$6.3m amortisation of identified intangibles on acquisition of controlled entities (FY20: \$6.1m) and \$1.6m impact of AASB 16 Leases adoption (FY20: \$1.5m)

EBITDA to shareholders includes \$0.8m contribution from acquisitions made during FY21 (FY20: \$2.3m)

Cash generation to shareholders

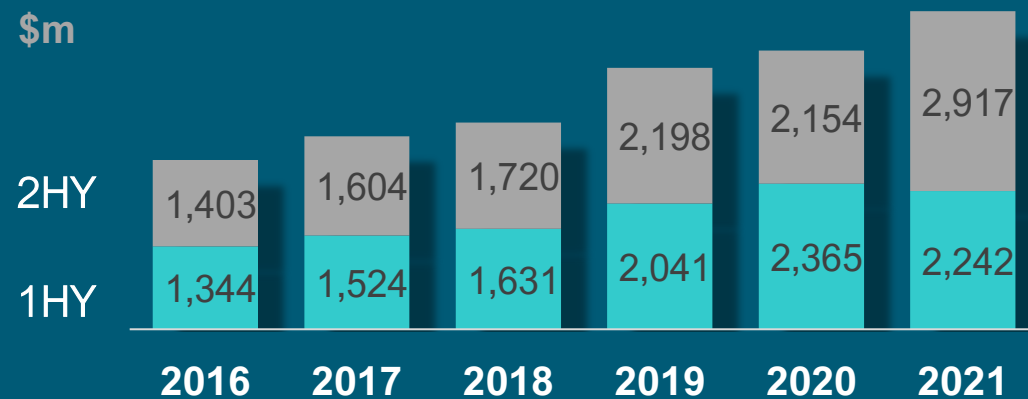
For the year ended 30 June	2021 \$m	2020 \$m	Pcp Change
Revenue to shareholders	147.7	122.0	21%
EBITDA to shareholders	18.7	11.1	68%
(-) Rent expense to shareholders ⁴	(1.1)	(1.1)	0%
(-) Capital expenditure to shareholders	(1.1)	(0.6)	83%
Cash EBITDA to shareholders	16.5	9.4	76%
(-) Tax expense to shareholders	(4.0)	(1.5)	167%
Cash generation to shareholders	12.5	7.9	58%

Finance Broking & Aggregation

Net assets financed (NAF)

\$5.16bn

net assets financed in FY 2021



▲ 14% vs PCP

Our Aggregation & Broker Brands

COG provides aggregation services to

- Independent network member finance brokers
- COG equity owned finance brokers

COG offers finance brokers

- Access to wider panel of financiers and volume-based incentives
- Improved service offering and profitability
- Compliance and processing services
- Credit workflow and CRM software
- Annual asset finance broker conference
- Succession planning



100% OWNED



100% OWNED



70% OWNED



55% OWNED

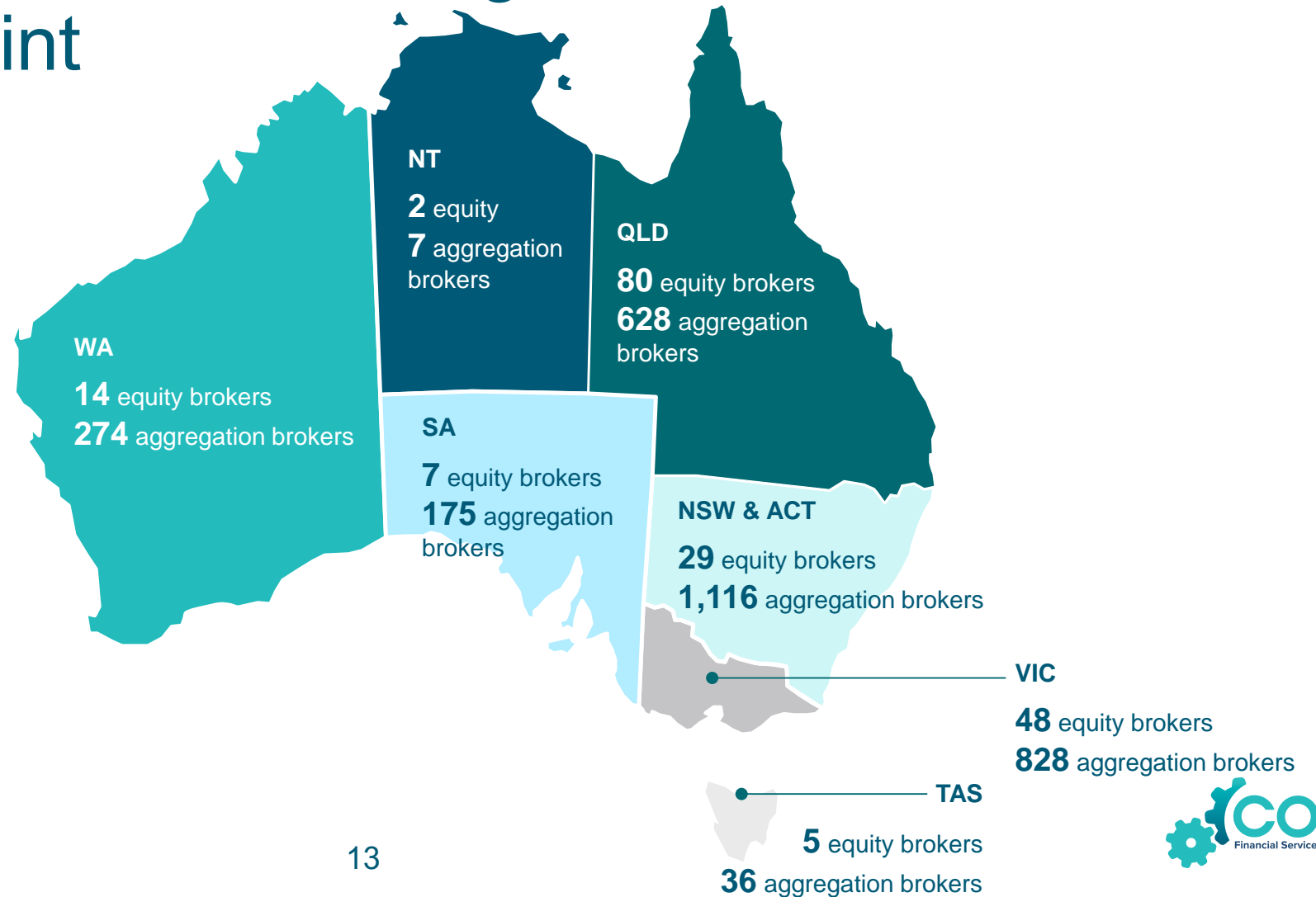
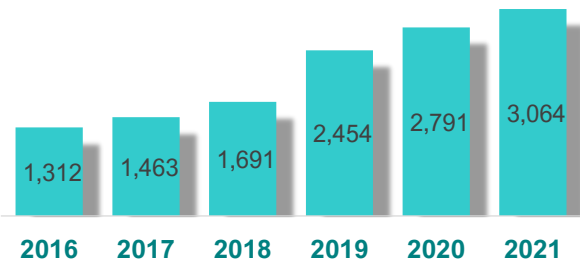


57% OWNED



National asset finance Broking Network footprint

Aggregation brokers growth



1. Equity brokers are owned by COG
2. Aggregation brokers are members of COG's aggregation buying group



Insurance – a growth area for COG

COG's SME clients also need insurance

COG's SME clients also need insurance products which provides an opportunity for COG's asset finance brokers to cross sell insurance to their clients. Generally, the relationship that an asset finance broker has with a client is a 'closer' one compared to an insurance broking relationship because the asset finance broker has to understand the financial position of the underlying business in order to arrange the finance. This close relationship makes it relatively easier to capture the client's insurance business and therefore provides an opportunity to leverage the value of its core broking relationships.

COG now has 3 Insurance broking businesses

COG now has three insurance businesses that are all demonstrating solid organic growth operating alongside existing businesses. Insurance broking will be a more significant part of COG's operations and earnings in future. COG's five-year ambition is that at least 50% of the FB&A segment's earnings will be derived from insurance broking services.

Appointment of a new senior executive to focus on this area

Recently Cameron Bott joined the business to refine and expand insurance and risk operations. Cameron's previous experience had been as a Steadfast director leading up to the Steadfast IPO and a key Steadfast broker. Cameron has been appointed as Executive Director of COG Insurance and one of its subsidiaries, Westlawn Insurance Brokers, with responsibility for growth of insurance operations. The growth focus is on refining and expanding current operations and acquisitions via Westlawn Insurance Brokers.

Lending

Westlawn is paving the way for growth in Lending¹

For the year ended 30 June	2021 ^{2, 3} \$m	2020 ² \$m	Pcp Change
Revenue ⁴	34.2	21.1	62%
EBITDA	21.8	12.1	80%
Dividend income	0.1	-	-%
Net interest	(6.0)	(7.9)	-24%
Depreciation	(0.4)	(0.1)	300%
Amortisation (exc acquired intangibles)	(0.2)	(0.1)	100%
Share of results from associates	-	0.6	-100%
NPBT (before amortisation of acquired intangibles)	15.3	4.6	233%
Amortisation of acquired intangibles	(1.7)	-	-%
NPBT	13.6	4.6	196%
EBITDA to shareholders	17.3	12.1	43%

- Lending includes 51% of Westlawn and 100% of TL Commercial.
- Underlying basis before tax - excluding redundancy and restructuring costs (FY21 \$0.1m, FY20 \$0.7m), impairment loss (FY21 \$1.1m, FY20 \$nil), fraud provision (FY21 \$0.3m, FY20 \$nil) and non-cash cash in accounting estimate adjustment (FY21 \$nil, FY20 \$3.9m)
- Effective 1 July 2020 COG acquired an additional 19.02% of Westlawn Finance Limited (Westlawn), resulting in a total controlling interest of 51%. FY21 includes the contribution from Westlawn for the full period
- Revenue excludes interest income (FY21 \$1.0m, FY20 \$nil) and dividend income (FY21 \$0.1m, FY20 \$nil).

Revenue growth of \$13.1m primarily comprised of Westlawn contribution (net of intercompany eliminations) of \$16.9m, government subsidies of \$0.6m, partially offset by \$4.4m in lower originations due to the impact of COVID-19 pandemic on trading

EBITDA margin rose to 63.7% (FY20: 57.3%) largely due to the consolidation of Westlawn (with a larger margin), lower funding cost and cost savings in response to COVID-19. Also reflects a partial release of the Expected Credit Loss provision due to reduced delinquency and enhanced economic outlook

Depreciation and amortisation includes \$1.7m amortisation of identified intangibles on acquisition of Westlawn (FY20 \$nil)

Share of Associates in FY20 relates to Westlawn (which has been consolidated from FY21 onwards)

NPBT includes contribution from Westlawn (net of intercompany eliminations) of \$2.6m in FY21 (FY20: \$0.6m), government subsidies of \$0.6m, lower funding costs and costs savings in response to the COVID-19 pandemic

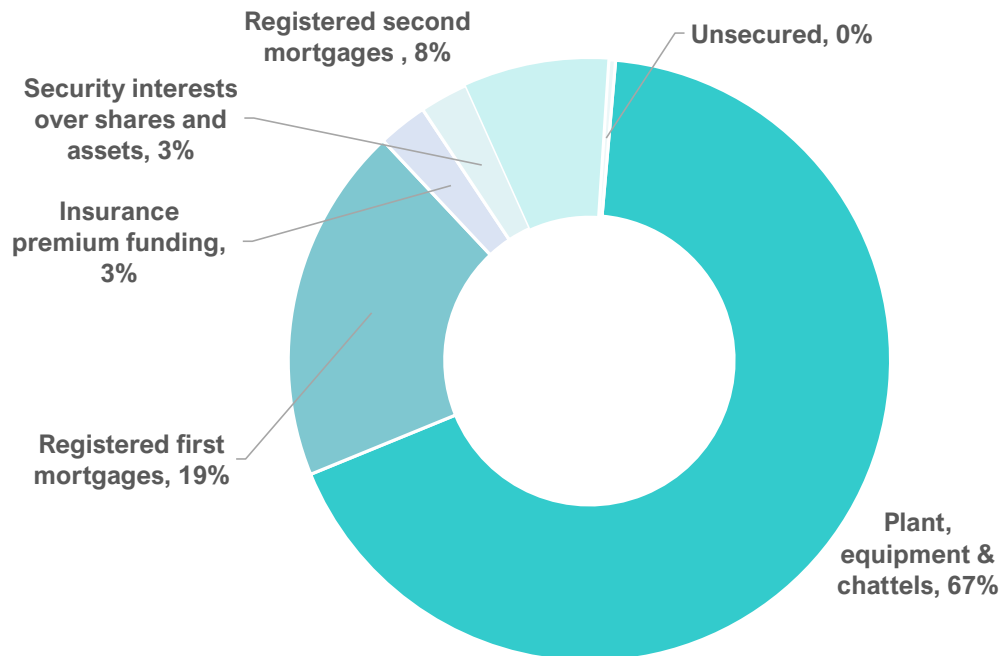
Cash generation to shareholders

For the year ended 30 June	2021 \$m	2020 \$m	Pcp Change
Revenue to shareholders	25.7	21.1	22%
EBITDA to shareholders	17.3	12.1	43%
(-) Funding costs to shareholders	(4.6)	(7.9)	-42%
(-) Rent expense to shareholders	(0.1)	-	-%
(-) Capital expenditure to shareholders	(0.6)	(0.7)	-14%
Cash EBITDA to shareholders	12.0	3.5	243%
(-) Tax expense to shareholders	(3.4)	0.3	-1233%
Cash generation to shareholders	8.6	3.8	126%

Lending

The book is largely concentrated on asset backed contracts

Portfolio by product type (PV)



1. Before deducting for the expected credit loss provision

Book features

- The present value of the total lending book (\$200.6m¹) includes COG's 100% owned subsidiary TL Commercial's legacy portfolio of \$61.2m (\$52.7m of lease receivables, including unguaranteed residuals and \$8.5m of chattel mortgages) and \$139.4m of the acquired portfolio from Westlawn
- The SME Chattel Mortgage product is now originated by Westlawn (rather than TL Commercial), eliminating the duplication of credit and servicing functions
- Westlawn has substantial cash balances available to satisfy increasing demand for loan originations
- TL Commercial book is in run-off over the next 4 years and the internally funded lease contracts and unguaranteed residual rights will convert to approximately \$22.0m in pre-tax free cash flow

Funding

- Established unsecured notes program operated by Westlawn Finance Limited continues to provide a reliable source of funding
- Westlawn Managed Investment Scheme is operating and commenced receiving investment funds in December 2020 (current balance of approximately \$10.3m)

Other

Earlypay delivers significant contribution to the Other segment

For the year ended 30 June	2021 ¹ \$m	2020 ¹ \$m	Pcp Change
Revenue ²	6.0	7.1	-15%
EBITDA	(2.5)	(1.9)	-32%
Dividend income	0.6	-	-%
Net interest	(0.5)	(0.2)	-150%
Depreciation	(0.2)	(0.2)	0%
Share of associates results	1.1	-	-%
NPBT	(1.5)	(2.3)	35%
EBITDA to shareholders	(2.5)	(1.9)	-32%

1. Underlying basis - excluding gain from a bargain purchase (FY21 \$0.4m, FY20 \$nil), loss on deemed sale & reacquisition of investment at fair value (FY21 \$5.0m, FY20 \$nil), impairment loss (FY21 \$36.6m, FY20 \$10.9m) transaction costs (FY21 \$nil, FY20 \$0.6m) and redundancy and restructuring costs (FY21 \$0.1m, FY20 \$0.1m) before tax

2. Revenue excludes dividend received from associates of \$0.6m and interest income of \$0.1m

Segment includes COG head office expenses and Hal Group IT business

Revenue contraction of \$1.1m reflects lower Hal Group sales, although profitability of the IT business improved

COG corporate costs are tightly managed and includes employment and other head office costs, partially offset by intercompany group recharges

Hal Group EBITDA for FY21 increased by \$0.3m to \$1.0m as a result of cost reduction and government subsidies

Dividend income received from associate, Earlypay Limited

Share of associates results relates to the investment in Earlypay Limited

Consolidated statement of financial position

As at \$m	30 Jun 2021	30 Jun 2020
Cash and cash equivalents	94.5	34.7
Trade and other receivables	18.2	18.0
Contract assets	2.8	2.6
Financial assets - lease receivables	42.5	34.1
Financial assets - loans	46.4	0.5
Other assets	1.3	1.2
Total current assets ¹	205.7	91.1
Contract assets	7.1	6.6
Financial assets - lease receivables	50.6	55.3
Financial assets - loans	52.5	1.8
Other financial assets	10.8	3.2
Financial assets at fair value through OCI ²	0.9	8.9
Equity accounted associates	18.4	16.2
Property, plant and equipment	6.8	1.1
Intangible assets	117.7	141.7
Right-of-use lease assets	6.2	5.5
Total non-current assets	271.0	240.3
Total assets	476.7	331.4
Trade and other payables	27.4	19.8
Customer salary packaging liability	6.8	5.9
Interest bearing liabilities	183.5	45.3
Other liabilities	14.4	7.7
Lease liabilities	1.5	1.6
Total current liabilities ¹	233.6	80.3
Trade and other payables	2.9	1.0
Interest bearing liabilities	35.7	45.8
Deferred tax liabilities	8.4	6.9
Other liabilities	1.1	0.6
Lease liabilities	5.3	4.4
Total non-current liabilities	53.4	58.7
Total liabilities	287.0	139.0
Net assets	189.7	192.4

Cash and cash equivalents increased by \$59.8m largely due to the consolidation of Westlawn

Financial assets – lease and loan receivables relates to lease, chattel mortgage and other lending products receivables in the Lending segment. The overall increase of \$100.3m is largely due to the consolidation of Westlawn

Financial assets at fair value through OCI as at 30 June 2020 largely related to the investment in Earlypay. The decrease as at 30 June 2021 is due to the adoption of equity accounting for Earlypay

Equity accounted associates as at 30 June 2020 largely related to the investment in Westlawn (which is now consolidated). As at 30 June 2021 the balance is largely related to the investment in Earlypay

Intangible assets largely relates to identified intangibles and goodwill on acquisition of controlled entities. The movement in the period includes intangibles recognised on the acquisition of Westlawn and Access Capital (+\$21.4m) and impairment of TL Commercial (-\$37.3m)

Interest bearing liabilities represents the external corporate debt facility and borrowings funding the lease / loan book. The increase of \$128.1m is largely attributable to the consolidation of Westlawn

¹ As at 30 June 2021, the Group's current assets of \$205.7m are \$27.9m lower than current liabilities of \$233.6m due to Westlawn, which funds its operations through the issue of short-term unsecured notes. Whilst the carrying value of those notes has been presented in the balance sheet in accordance with their maturity profile, historically there has been a consistently high reinvestment rate by investors, who choose not to withdraw their funds at the maturity of the note term, and roll their funds into a new unsecured note. On this basis, the mismatch between current assets and current liabilities is not indicative of any going concern issue

² Other comprehensive income

Consolidated statement of cash flows

For the year ended 30 June	2021 \$m	2020 \$m
Receipts from customers	352.3	284.6
Payments to suppliers and employees	(250.4)	(209.9)
Dividends received	0.7	-
Finance cost paid	(8.2)	(8.7)
Income tax paid	(7.3)	(3.2)
Net cash inflow from operating activities	87.1	62.8
Net cash inflow/(outflow) on acquisitions ¹	33.0	(23.5)
Payments for deferred consideration	(3.4)	(0.2)
Payments for equipment - finance leases	(0.8)	(29.1)
Loans advanced	(7.7)	(2.3)
Payments for property, plant and equipment	(1.8)	(0.7)
Payment for intangible assets	(1.1)	(1.0)
Proceeds from sale of treasury shares	5.0	-
Proceeds from sale of PP&E ² and investments	3.9	-
Loan repayments received	0.3	0.1
Net cash inflow/(outflow) from investing activities	27.4	(56.7)
Non-controlling interest acquisition contribution	1.2	0.3
Proceeds from issue of shares	6.3	20.2
Costs of raising capital	(0.2)	(0.5)
Proceeds from interest bearing liabilities	5.0	42.5
Repayments of interest bearing liabilities	(50.4)	(52.3)
Repayments of lease liabilities - right-of-use lease assets	(2.2)	(2.0)
Dividends paid	(4.4)	-
Dividends paid by subsidiaries to non-controlling interests	(10.0)	(5.6)
Net cash (outflow)/inflow from financing activities	(54.7)	2.6
Net increase in cash	59.8	8.7
Cash at the beginning of the year	34.7	26.0
Cash at the end of the year	94.5	34.7

Net cash inflow from operating activities includes \$89.7m (FY20: \$49.1m) relating to the lease and loan products offered through the Lending segment (including recovery of terminated leases) under 'Receipt from customers'

Net cash inflow/(outflow) from investing activities includes the acquisition of 19% of Westlawn for a total consideration of \$7.5m and the acquisition of 80% of Access Capital (through COG's subsidiary QPF) for a total consideration of \$9.3m (FY20 includes the acquisition of \$17% interest in Earlypay Ltd for a consideration of \$22.0m)

Net cash (outflow)/inflow from financing activities includes proceeds of \$6.3m from issue of shares, fully utilised in new acquisitions (FY20: \$20.2m)

Cash at the end of the period includes restricted cash of \$10.5m (FY20: \$5.3m) and represent funds held by the Group on behalf of novated lease customers as well as insurance broking trust accounts (representing the unpaid insurance premiums due to insurers and refunds due to customers) and are not available for general use

¹ Net of cash acquired

² Property, Plant and Equipment

Outlook

National small business asset finance market estimated to be \$29.9b¹ in FY20



72.9%¹ of new commercial asset finance transactions are settled through commercial brokers



Extended government subsidies and lower interest rates are resulting in financiers rapidly growing their SME equipment finance portfolios (expected to benefit both the FB&A and Lending segments)



COG acquisition-led growth strategy has been over time consolidating an efficient/strong 'economies of scale' position in the FB&A business, which will also translate into organic growth for the Lending business as we deliver more own product



COG currently holds a strong cash position which will help navigate through the uncertainties of the ongoing COVID-19 pandemic and also continue to execute its long-term strategy

Low interest rates coupled with a strong infrastructure pipeline is expected to benefit the equipment finance sector

¹ Derived from information contained in the Commercial & Asset Finance Brokers Association of Australia (CAFBA) Aggregator Benchmark Report 2020 and the Australian Finance Industry Association (AFIA) Annual Review FY20

Capital management

Efficient capital management resulted in a strong cash position at the end of the financial year



Cash and cash equivalents

The Group has generated significant cash over the financial year and the proportionate share of unrestricted cash and term deposits attributable to members at 30 June 2021 was \$50.4m (see Appendices).

Dividend

On 15 October 2019, the Company adopted a dividend policy, targeting a dividend payout ratio of up to 50% of statutory net profit after tax, after non-controlling interests, per annum. The policy has since been revised to accommodate a payout ratio of up to 70% of NPATA to members.

The Company also implemented a Dividend Reinvestment Plan ('DRP'). The DRP rules are disclosed on the company's website www.cogfs.com.au.

For the period ended 31 December 2020, the Board declared a fully franked interim dividend of 1.22 (0.122 on a pre share consolidation basis) cents per fully paid ordinary share (2019: nil cents). The aggregate amount of the proposed dividend of \$2.0m was paid on 26 April 2021 out of the Company's profits reserve at 31 December 2020. The Company's DRP applied to the interim dividend.

Since the end of the financial year the Board declared a final dividend of \$9,981k (6.0 cents per fully paid ordinary share, on a post share consolidation basis). This dividend will be paid on 22 October 2021 out of the Company's profit reserve as at 30 June 2021 to all shareholders registered on the record date of 23 September 2021 and will be 100% franked. The ex-dividend date for entitlement will be 22 September 2021.

The dividend will be paid out of prior years' profits appropriated to the Company's profit reserve (and not offset against accumulated losses).

Capex

Capex for FY21 was \$2.9m (FY20: \$1.7m) and mainly relates to development and implementation of new IT systems.

Capital management

Corporate debt facility

The Group has a corporate debt facility with Bendigo Bank Limited. During the 12 months ended 30 June 2021, the Group met its contractual repayments totalling \$3.1m, reducing the corporate debt to \$1.5m.

On 19 July 2021 the Group repaid the outstanding amount of \$1.5m.

Unsecured debt

On 2 September 2020 the Group raised \$5.0m of unsecured debt from existing shareholders with quarterly interest instalments and principal repayable in September 2022. The funds were fully utilised in the acquisition of Westlawn.

The Group repaid the total outstanding amount of \$5.0m, being \$4.5m paid on 27 May 2021 and \$0.5m paid on 1 June 2021. Interest totalling \$0.3m was paid quarterly throughout the life of the contract.

Capital raising

On 16 November 2020 the Company issued 33,898,305 fully paid ordinary shares totalling \$2.0m as part consideration for the acquisition of 80% of Access Capital.

On 31 July 2020 the Company issued 492,730 fully paid ordinary shares totalling \$27,100 as part consideration for the acquisition of 0.16% of Platform Consolidated Group Pty Ltd from minority shareholders.

On 23 October 2020 the Company issued 25,324,500 fully paid ordinary shares totalling \$1,567,587 as part of COG's Dividend Reinvestment Plan (DRP). On 2 November 2020 the Company issued 13,282,654 fully paid ordinary shares totalling \$822,197 to the underwriters of the DRP shortfall.

Investments

COG made the following investments during the financial year, in line with its acquisition growth strategy:

- On 1 July 2020, COG acquired an additional 19.2% interest in Westlawn for total consideration of \$7.5m, taking the Group's total interest in Westlawn to 51%. The total consideration above included the payment for an option (but not a contractual obligation) to acquire an additional 24% interest in Westlawn for a total consideration of \$9.3m by no later than 30 June 2023
- On 2 November 2020, the Group acquired an 80% equity interest in Access Capital via its subsidiary QPF Finance Group (QPF) for a total consideration of \$9.3m
- On 31 July 2020 the Group issued 492,730 fully paid ordinary shares totalling \$0.03m as part of the consideration for the acquisition of 0.16% of Platform Consolidated Group Pty Ltd from minority shareholders
- On 9 October 2020, the Group acquired 4,122,195 new issued shares for a consideration of \$2.4m as part of the QPF's capital raising for the acquisition of Access Capital. In addition to the above, another 2,062,339 new shares were issued to minority shareholders for a total consideration of \$1.2m. As a consequence of this transaction, COG ownership of QPF increased from 55.6% to 57.1%
- On 12 August 2020, Linx Group Holdings Pty Limited (LGH) (50% owned by COG) acquired an additional 13.33% equity interest in Heritage Group for a total cash consideration of \$0.6m, resulting in LGH's ownership increasing to 63.33%, and COG's indirect ownership increasing to 31.7%, effective 1 July 2020
- On 24 December 2020, Linx Group Holdings Pty Limited (LGH) (50% owned by COG) acquired an additional 4.17% equity interest in Sovereign for total cash consideration of \$0.1m, resulting in LGH's ownership increasing to 54.17%, and COG's indirect ownership increasing to 27.1%, effective 1 January 2021
- On 2 June, 2021, the Group issued 4,698,274 fully paid ordinary shares totalling \$0.5m as part of the acquisition of 4.9% of Linx from minority shareholders.



Disclaimer

COG Financial services Limited ('**COG**') has not considered the financial position or needs of the recipient in providing this presentation ('**Presentation**'). Persons needing advice should consult their stockbroker, bank manager, solicitor, attorney, accountant or other independent financial or legal adviser.

This Presentation includes certain 'forward-looking statements' which are not historical facts but rather are based on COG's current expectations, estimates and projections about the industry in which COG operates, and beliefs and assumptions regarding COG's future performance.

Words such as 'anticipates', 'expects', 'intends', 'plans', 'believes', 'seeks', 'estimates' and similar expressions are intended to identify forward-looking statements.

These statements are not guarantees, representations or warranties of future performance and are subject to known and unknown risks, uncertainties and other factors (some of which are beyond the control of COG), are difficult to predict, and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements.

COG cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of COG only at the date of this Presentation. The forward-looking statements made in this Presentation relate only to events and circumstances as of the date on which the statements are made.

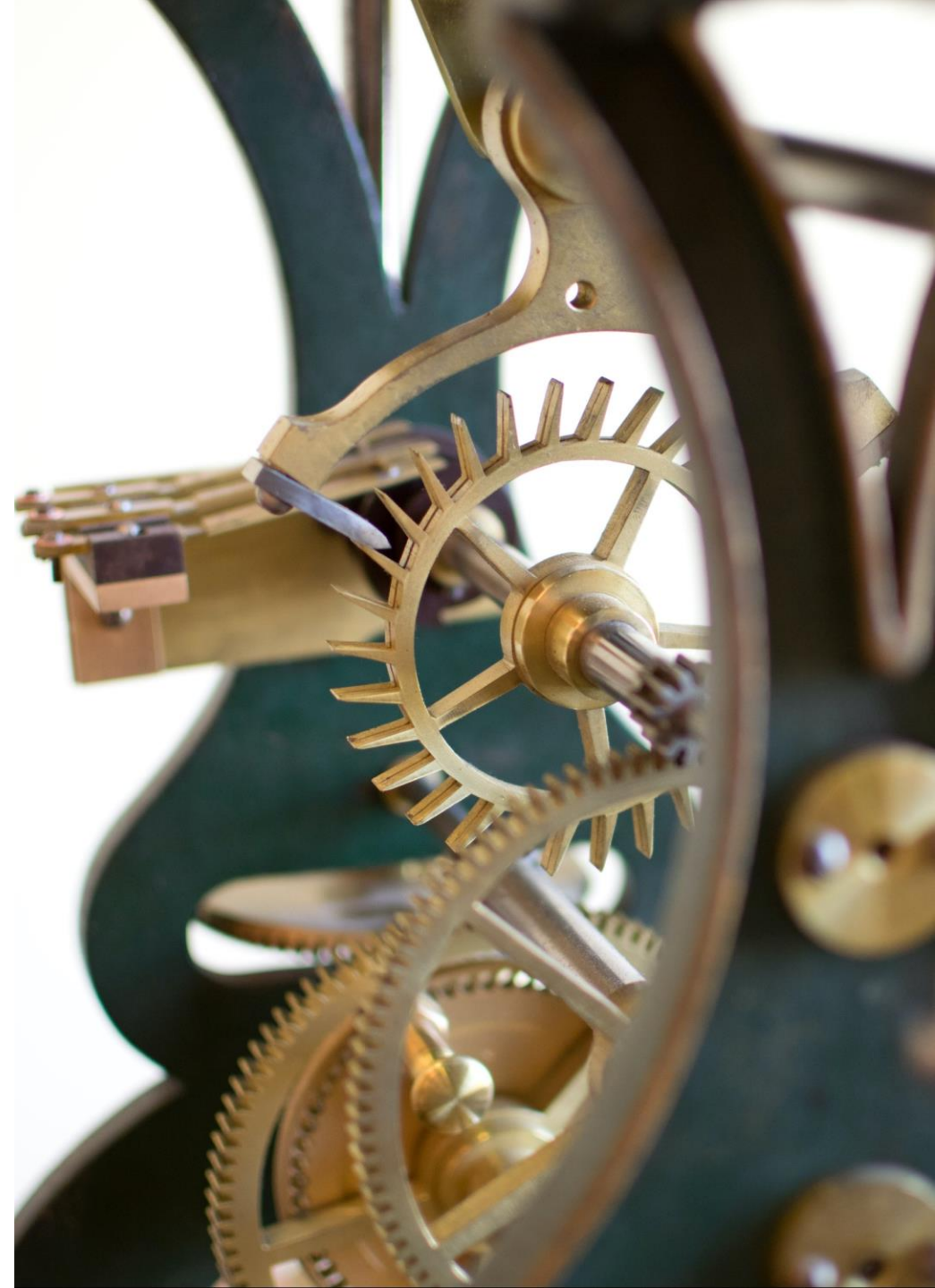
COG will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this Presentation except as required by law or by any appropriate regulatory authority.

Investors should also note that COG's past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guidance as to) COG's future performance including COG's future financial position or share price performance.

No party other than COG has authorised or caused the issue of this Presentation, or takes any responsibility for, or makes, any statements, representations or undertakings in this Presentation.

This Presentation should be read in conjunction with COG Appendix 4E and COG's 30 June 2021 Unaudited Financial Statements, and all other ASX announcements by COG.

Appendices



Appendices

Statutory income statement

For the year ended 30 June	2021 \$m	2020 \$m	Pcp Change
Revenue	269.8	222.2	21%
Underlying EBITDA from core operation	50.9	31.2	63%
Impairment	(37.8)	(12.0)	215%
Change in accounting estimate	-	(3.9)	-100%
Loss on deemed sale and reacquisition of investment at fair value	(5.0)	-	-%
Forum fraud provision	(0.3)	-	-%
Gain from a bargain purchase	0.4	-	-%
Redundancy and restructuring costs	(0.2)	(0.9)	-78%
EBITDA from core operations	8.0	14.4	-44%
Dividend income	0.7	-	-%
Net interest expense	(6.9)	(8.4)	-18%
Depreciation & amortisation	(11.3)	(9.3)	22%
Acquisition related expenses	(0.2)	(0.7)	-71%
Share of associates results	1.2	0.6	100%
NPBT	(8.5)	(3.4)	150%
Tax	(8.9)	(2.0)	345%
NPAT	(17.4)	(5.4)	222%
Profit after tax attributable to:			
Non-controlling interests	9.0	4.7	94%
Members of COG	(26.4)	(10.0)	164%

Impairment relates to the write off of goodwill and other intangibles in the Lending business, in connection with the restructuring of the business, following taking a 51% controlling interest in Westlawn. The goodwill was originally recognised on 1 November 2016 as a result of a change in accounting policy when COG ceased being an Investment Entity and adopted consolidation accounting. As the goodwill originated from a change in accounting policy rather than a cash outflow from a purchase transaction, the impairment does not reflect a loss from a direct cash investment

Loss on deemed sale and reacquisition of investment at fair value relates to the acquisition of a controlling interest in Westlawn. At the date of acquisition, the equity interest in Westlawn previously held (which was accounted for under the equity method) was treated as if it were disposed of and reacquired at fair value, resulting in a loss of \$5m

Gain from a bargain purchase represents the excess of the fair value of all acquired assets and assumed liabilities at the acquisition date over the total consideration paid for Westlawn

Appendices

Reconciliation between statutory NPAT and underlying NPATA

For the year ended 30 June	Members and NCI ¹			Members		
	2021 \$m	2020 \$m	Variance \$m	2021 \$m	2020 \$m	Variance \$m
Statutory NPAT	(17.4)	(5.4)	(12.0)	(26.4)	(10.0)	(16.4)
Adjustments (after tax):						
Impairment	37.3	11.7	25.6	37.2	11.5	25.7
Change in accounting estimate	-	2.7	(2.7)	-	2.7	(2.7)
Gain from a bargain purchase	(0.4)	-	(0.4)	(0.4)	-	(0.4)
Loss on deemed sale and reacquisition of investment at fair value	5.0	-	5.0	5.0	-	5.0
Redundancy and restructuring costs	0.2	0.7	(0.5)	0.2	0.6	(0.4)
Transaction costs	0.1	0.5	(0.4)	0.1	0.4	(0.3)
Forum fraud provision	0.2	-	0.2	0.1	-	0.1
Underlying NPAT	25.0	10.2	14.8	15.8	5.2	10.6
Amortisation of intangibles from acquisitions after tax	5.6	4.3	1.3	3.7	3.2	0.5
NPATA	30.6	14.5	16.1	19.5	8.4	11.1

1. Non-controlling interest

Appendices

Acquisition history

Date	Company	Activity	Acquirer	Interest acquired	Price	Consideration
Dec-15	Platform Consolidated Group (PCG)	Aggregation platform + ownership of finance brokers	COG	60%	\$22.9m	76% cash/ 24% equity
Oct-16	Consolidated Finance Group	Largest independent specialist equipment finance aggregator in Aust	COG	80%	\$14.7m	60% cash/40% equity
Oct-16	Linx Group Holdings	Finance broker (VIC, NSW)	COG	50%	\$13.1m	60% cash/40% equity
Oct-16	QPF Holdings	Finance Broker (QLD, WA)	COG	50%	\$21.3m	60% cash/40% equity
Nov-16	Fleet Avenue	Motor vehicle finance broker	PCG	50%	\$0.2m	100% cash
Mar-17	Fleet Network	Finance broker (WA)	PCG	80%	\$6.1m	74% cash/26% equity
Jul-17	DLV (Qld)	Finance Broker (QLD)	QPF	50%	\$1.6m	50% cash/50% shares
Jan-18	BusinessWorks	IT support services	COG	100%	\$1.3m	100% cash
Feb-18	Vehicle and Equipment Finance	Finance Broker (VIC, NSW)	PCG	50%	\$3.0m	100% cash
May-18	Simply Finance	Finance Broker	PCG	25%	\$0.8m	100% cash
Jul-18	Consolidated Finance Group	Acq of outstanding minority interests	COG	Outst. 20%	\$4.2m	99.9% cash
Aug-18	Geelong Financial Group	Finance broker (Vic)	PCG	50%	\$0.3m	100% cash
Sep-18	Centrepont Finance	Finance broker (Vic)	COG	100%	\$8.3m	90% cash/10% shares
Oct-18	Westlawn Finance	Finance and insurance broker (NSW)	COG	32%	\$14.3m	70% cash/30% shares
Nov-18	Heritage Group	Finance broker (Vic)	Linx	50%	\$5.0m	100% cash
Feb-19	Sovereign Tasmania	Finance broker (Tas)	Linx	50%	\$2.2m	75% cash/25% shares

Appendices

Acquisition history (continued)

Date	Company	Activity	Acquirer	Interest acquired	Price	Consideration
Jul-19	QPF Holdings	Acq of outstanding minority interests	COG	Outst. 5.6%	\$1.7m	100% cash ¹
Oct-19	Platform Consolidated Group	Acq of outstanding minority interests	COG	Outst. 3.6%	\$1.1m	50% cash/50% equity
Nov-19	Fleet Network	Acq of outstanding minority interests	PCG	Outst. 15.8% ²	\$1.0m	100% cash
Jan-20	Earlypay Limited	Debtor Finance	COG	17%	\$22.03m	100% cash
Jul-20	Westlawn Finance Limited	SME Finance	COG	19.02% ³	\$7.5m	100% cash
Jul-20	Platform Consolidated Group	Acq of outstanding minority interests	COG	0.16% ⁴	\$0.03m	100% cash
Aug-20	Heritage Group	Finance broker (Vic)	Linx	13.33% ⁵	\$0.64m	100% cash
Oct-20	QPF Holdings	Acq of outstanding minority interests	COG	1.5% ⁶	\$2.4m	17% cash/83% equity
Nov-20	Access Capital Pty Limited	Finance broker (largest asset finance broker in SA, NT)	QPF	80%	\$9.2m	11% cash/39% equity/50% debt
Dec-20	Sovereign Tasmania	Acq of outstanding minority interests	Linx	4%	\$0.1m	100% cash
Jun-21	Linx Group Holdings	Acq of outstanding minority interests	COG	4.9% ⁷	\$2.1m	75% cash/25% equity

1. Deferred payment of \$0.7m payable August 2021
2. Fleet Network equity. PCG now owns 95.8% of Fleet Network
3. COG now owns 51.0% of Westlawn
4. COG now owns 69.9% of Platform
5. Linx now owns 63.33% of Heritage Group
6. COG now owns 57.1% of QPF Holdings
7. COG now owns 54.9% of Linx Group Holdings

Appendices

Proportionate share of unrestricted cash attributable to members

	Total Cash	Restricted cash ¹	Unrestricted cash	COG direct Ownership in the Holding Company	Proportionate share attributable to Members
PCG Group	13.0	(6.8)	6.1	70%	3.7
QPF Group	3.7	-	3.7	57%	1.9
Linx Group	3.3		3.3	55%	1.5
Westlawn Group	59.9	(3.7)	56.2	51%	28.7
CFG	2.2	-	2.2	100%	2.2
Centrepont	2.3	-	2.3	100%	2.3
COG Parent	7.7	-	7.7	100%	7.7
HAL Group	2.4	-	2.4	100%	2.4
Total Cash	94.5	(10.5)	84.0		50.4

1. Cash and cash equivalents include restricted cash of \$10.5m (30 June 2020: \$5.3m) which are funds held by the Group on behalf of its novated leasing business customers, and insurance broking trust accounts (representing the unpaid insurance premiums due to insurers and refunds due to customers) and are not available for general use