



4 July 2022

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

Acquisition of Chevron Equipment Finance by QPF Finance Group

COG Financial Services Limited (COG) is pleased to announce the acquisition of a 70% interest in Club Transport Finance Pty Ltd (trading as Chevron Equipment Finance) (Chevron) via its subsidiary QPF Holdings Pty Limited (QPF). The transaction was completed on Friday 1 July 2022.

Chevron specialises in arranging asset finance for commercial clients. Its client base consists of SMEs predominantly operating in the transport and earthmoving sectors Australia wide. Chevron is a growing business driven by a strong sales culture and disciplines. It is highly process-driven, with industry leading inbound and outbound lead generation programs, complemented by proprietary software programs that allow the business to be highly scalable. These attributes will complement and add-value to both QPF and COG businesses.

Key terms of the acquisition are as follows:

- All cash consideration of \$7.0m paid by QPF for a 70% ownership interest in Chevron
- Cash consideration funded by QPF through:
 - \$4.2m (60%) external borrowings; and
 - \$2.8m (40%) capital raising (at QPF subsidiary level)
- The 30% balance of Chevron shares will remain with the company's founder who has entered into restraints and will continue to operate the business on a day to day basis for a minimum period of 3 years
- Options exist over the 30% balance of Chevron shares to allow a further restructure across 5 years that will see QPF increase its holding to 90% with the balance of 10% to be held by management. Over this period there will be an orderly transition of management duties and client and broker relationships

In relation to the QPF \$2.8m capital raising, COG and other QPF minority shareholders have contributed capital pro rata to their existing shareholding and consequently the ownership interest of each QPF shareholder, post capital raise, remains unchanged. COG has funded its subscription for shares in QPF of \$1.6m through a drawdown on its CBA debt facility.

Announcement authorised by: Andrew Bennett, Chief Executive Officer

For further information please contact:

Andrew Bennett
Chief Executive Officer
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Who we are:

COG Financial Services Limited (COG) has two complementary businesses:

1. Finance Broking & Aggregation (FB&A). Through its membership group of independent and equity owned brokers (brokers in which COG has invested), COG is Australia's largest asset finance group, representing over \$6 billion per annum of Net Asset Finance (NAF). Further growth is being achieved through organic growth in equipment finance and insurance broking and through equity investment in brokers.
2. Lending & Funds Management. Through broker distribution, COG provides equipment finance to SMEs, and real property loans via its subsidiary Westlawn Finance Limited.

In both businesses COG's market share is small relative to the size of the markets in which it operates, and there are significant growth opportunities through consolidation and organic growth.