COG Financial Services Limited
and its controlled entities

ABN 58 100 854 788

Appendix 4D & Half year Financial Report

Results for announcement to the market
Half year ended 31 December 2022

Comparisons are to the period ended 31 December 2021 (unless specified for 30 June 2022)

	31 December 2022 $'000	**31 December 2021 $'000**	**up/down**	**% movement**
Revenue from continuing operations	164,324	153,467	up	7%
Net profit from continuing operations	12,795	12,237	up	5%
Net profit from continuing operations after tax, attributable to members	8,285	7,996	up	4%

	31 December 2022 cents	**31 December 2021 cents**
Earnings per share, attributable to members	4.39	4.61
	31 December 2022 $'000	**30 June 2022 $'000**
Net assets	**206,655**	**207,615**
Less: Intangible assets	(154,820)	(148,151)
Non-controlling interests	(41,960)	(36,669)
Right-of-use lease assets	(5,905)	(5,775)
Net tangible assets	**3,970**	**17,020**
NTA per share (cents)	**2.10**	**9.06**

Commentary and explanations of the results

Please see the review of operations in the Directors' Report.

Notes

(1) This report is based on the financial report which has been reviewed by the auditors and their review report is attached as part of the financial report.

(2) All the documents comprise the information required by listing rule 4.2A. The information should be read in conjunction with the audited 30 June 2022 annual financial report and all ASX announcements made by the Company during the interim reporting period.

COG Financial Services Limited
and its controlled entities
ABN 58 100 854 788

Appendix 4D & Half year Financial Report

Dividends

	31 December 2022 $'000	31 December 2021 $'000
Dividends paid or provided during the period		
Interim 2023 fully franked ordinary dividend of 3.7 cents (2021: 3.5 cents) per fully paid ordinary share franked at the tax rate of 30% (2021: 30%)	6,912	6,527
Final 2022 fully franked ordinary dividend of 4.8 cents (2021: 6.0 cents) per fully paid ordinary share franked at the tax rate of 30% (2021: 30%)	9,028	9,981

Dividends (distributions)	Amount per security [1]	Franked amount per security	Record date	Payment date
Final dividend 30 June 2020 (FY20)	1.52 cents	100%	24 September 2020	23 October 2020
Interim dividend 31 December 2020 (FY21)	1.22 cents	100%	26 March 2021	26 April 2021
Final dividend 30 June 2021 (FY21)	6.0 cents	100%	23 September 2021	22 October 2021
Interim dividend 31 December 2021 (FY22)	3.5 cents	100%	25 March 2022	28 April 2022
Final dividend 30 June 2022 (FY22)	4.8 cents	100%	22 September 2022	21 October 2022
Interim dividend 31 December 2022 (FY23)	3.7 cents	100%	16 March 2023	18 April 2023

[1] Adjusted to reflect the consolidation of the Company's share capital effective 1 July 2021

Patrick Tuttle
Chairman
27 February 2023

COG Financial Services Limited and its controlled entities

ABN 58 100 854 788

Interim Financial Report

For the period ended 31 December 2022

Contents

Directors' Report

The Directors of COG Financial Services Limited (COG or the Company) and its controlled entities (the Group), present their report together with the financial statements of the Group, for the period ended 31 December 2022.

Directors' details
The following persons were Directors of the Company during or since the end of the period:

Patrick Tuttle - Chairman
Steve White - Non-executive Director
Peter Rollason - Non-executive Director
Cameron McCullagh - Executive Director
Mark Crain - Executive Director

Principal activities
The Company is an Australian Securities Exchange (ASX) listed company whose principal activities are in the asset finance sector. The investment objective of the Company is to increase earnings per share by investing in complementary entities and growing existing businesses that specialise in asset finance broking, finance aggregation, commercial leases, and the development of COG owned prime and mid prime products.

OPERATING AND FINANCIAL REVIEW
The Board's 31 December 2022 Interim Operating and Financial Review is presented below and complements the Financial Report.

Review of operations - Group performance
The following table provides shareholders with a summary of COG's underlying and statutory results for the period ended 31 December 2022 and 2021:

In $m

Period ended 31 December	Underlying [1] 2022	Underlying [1] 2021	Underlying [1] Change %	Statutory 2022	Statutory 2021 [4]	Statutory Change %
Revenue [2]	**162.6**	**153.5**	**6%**	**164.3**	**153.5**	**7%**
Finance Broking & Aggregation	135.1	131.5	3%	135.2	131.6	3%
Funds management and Lending	27.2	18.4	48%	27.4	19.4	41%
All Other / Intersegment	0.3	3.6	-92%	1.7	2.5	-32%
EBITDA	**24.5**	**23.4**	**5%**	**24.7**	**23.5**	**5%**
EBITDA after non-controlling interests (NCI)	**15.8**	**15.5**	**2%**	**16.0**	**15.2**	**5%**
Finance Broking & Aggregation	11.4	10.4	10%	11.4	9.9	15%
Funds management and Lending	8.9	5.7	56%	8.9	6.1	46%
All Other / Intersegment	(4.5)	(0.6)	650%	(4.3)	(0.8)	438%
Profit after tax attributable to NCI	**4.6**	**3.9**	**18%**	**4.5**	**4.2**	**7%**
Profit / (loss) after tax and NCI	**8.6**	**8.3**	**4%**	**8.3**	**8.0**	**4%**
NPATA [3] after NCI	**11.1**	**10.6**	**5%**	**10.8**	**10.2**	**6%**
(-) Less government subsidies	-	(0.1)	-100%	-	(0.1)	-100%
NPATA after NCI before government subsidies	**11.1**	**10.5**	**6%**	**10.8**	**10.1**	**7%**

(1) On an underlying basis excluding profit on sale of assets (1H23 $0.3m after tax, 1H22 $nil), impairment charge (1H23 $nil, 1H22 $0.6m after tax), redundancy and restructuring costs (1H23 $0.6m after tax, 1H22 $0.1m after tax), transaction costs (1H23 $0.1m after tax, 1H22 $nil), and one-off unguaranteed residual rights recognition (1H23 $nil, 1H22 $0.7m after tax).

(2) Underlying revenue includes share of results from associates (1H23 -$1.4m loss, 1H22 $1.1m) and excludes interest income (1H23 $0.4m, 1H22 $0.1m) and one-off unguaranteed residual rights recognised during the period (1H23 $nil, 1H22 $1.0m).

(3) Excludes amortisation of acquired intangibles of (1H23: $2.6m after tax attributable to members, 1H22: $2.2m after tax attributable to members) in relation to intangibles recognised as part of business combinations.

(4) Amounts have been reclassified to conform with current year presentations.

For the period ended 31 December 2022:

- Underlying revenue was $162,552k, an increase of 6% on the prior comparative period (pcp),
- Underlying earnings before interest, taxes, depreciation and amortisation (EBITDA) from core operations, and before minority interests, was $24,539k, an increase of 5% on the pcp,
- Underlying profit after tax, attributable to members of the Group, was $8,586k, an increase of 4% on the pcp,
- Underlying net profit after tax and amortisation of intangibles arising from business combinations (NPATA), attributable to members of the Group, was $11,150k, an increase of 5% on the pcp (increase of 6% on pcp, ignoring government subsidies).

On 11 August 2022 the Company issued 102,814 fully paid ordinary shares totalling to $187k as part of the Group's FY21 Long-term incentive (LTI) plan for the CEO. On 21 October 2022 the Company issued 1,340,099 fully paid ordinary shares totalling $2,068k as part of the COG's Dividend Reinvestment Plan (DRP).

The Group's net asset position as at the end of the period was $206.7m (30 June 2022: $207.6m).

Review of operations - segment performance
COG's business consists of three operating segments, with each segment's revenue and EBITDA from core operations, shown in the table above and note A1 to the financial statements respectively.

Finance Broker & Aggregation (FB&A)
The Finance Broking and Aggregation (FB&A) segment continued to grow with segment revenues for the period ended 31 December 2022 up 3% to $135,120k ($131,538k in the pcp). EBITDA before minority interests was up 3% to $17,191k ($16,725k in the pcp).

COG has established a nationwide distribution network, through its independent aggregation platform members and equity owned brokers and is a key and trusted advisor to the Australian small-to-medium enterprise (SME) sector. COG estimates it now accounts for approximately 21% of annual industry 'net assets financed' (NAF) settled by finance brokers for commercial equipment finance and holds a leading position as Australia's largest finance broker aggregation platform. In the first half of FY23, COG settled $3.4b of NAF through its finance broking aggregation platforms, a 4% increase on the pcp.

COG continues to pursue organic growth, as well as acquiring strategic stakes in complementary businesses that include finance broking and aggregation, insurance broking, and novated leasing.

Effective 1 July 2022, QPF (a 57% owned subsidiary of COG) acquired a 70% controlling interest in Chevron Equipment Finance (Chevron). Chevron specialises in arranging asset finance for commercial clients and its client base consists of SMEs predominantly operating in the transport and earthmoving sectors Australia wide.

On 1 September 2022, Fleet Network Pty Limited (Fleet Network) (a 97.2% owned subsidiary of Platform) acquired the novated lease business known as Australian Car Packaging.

On 30 September 2022, Platform Consolidated Group Pty Ltd (Platform) (a wholly owned subsidiary of COG) acquired an additional 50% interest in Fleet Avenue Pty Ltd (Fleet Avenue), taking COG's controlling interest in Fleet Avenue from 50% to 100%.

On 1 January 2023, Linx Group Holdings Pty Ltd (Linx) (a 59.8% owned subsidiary of COG) acquired an additional 4.2% interest in Sovereign Tasmania Pty Ltd (Sovereign), taking Linx's controlling interest in Sovereign from 54.1% to 58.3%.

On 23 January 2023, QPF Insurance Pty Ltd (a 80% owned subsidiary of QPF) and Chevron (a 70% owned subsidiary of QPF) acquired each a 50% interest in Chevron Insurance Consultants Pty Ltd (Chevron Insurance).

In addition to the above, effective 18 October 2022, an internal reorganisation occurred in relation to Beinformed Group Pty Ltd (Be Car Wise) (a wholly owned subsidiary of Platform) whereby Be Car Wise was transferred from Platform to Fleet Network as part of plans to consolidate the novated lease business across the COG Group. Platform now owns 97.2% of Fleet Network.

The Group continues to focus on improving systems and processes available to all businesses within this segment, leveraging the skills and expertise of management to enhance performance across the segment. The IT platforms known as '*BROOS'* and '*Platform Connect'* have been merged and upgraded and are now called '*COG Connect*'. *COG Connect* has been designed to interface directly with our finance partners and will continue to support management of the sales process. An ongoing project to continuously upgrade *COG Connect* is expected to deliver further efficiencies and keep enhancing the client experience.

Funds Management and Lending (FM&L)
The Funds Management and Lending segment delivered revenues for the period ended 31 December 2022 of $27,161k, up 48% on pcp ($18,362k in the pcp). Revenues for the period are inclusive of the contribution from the Equity-One Mortgage Fund Limited (Equity-One) acquisition of $7,168k as well as government subsidies of $nil ($110k in the pcp). This revenue growth was partially offset by a lower revenue contribution from TL Commercial Finance Pty Limited (TLC) due to the transfer of that business to Westlawn and TLC's legacy book being in run-off. EBITDA before minority interests was up 63% to $11,796k ($7,221k in the pcp).

On 1 March 2022, the Group acquired a 70% controlling interesting in Equity-One through its subsidiary Westlawn. Equity-One is a funds management business based in Melbourne and operates a peer to peer, contributory mortgage scheme, with funds under management of approximately $440 million. Westlawn has commenced utilising its branch network for product distribution to accelerate Equity-One growth.

In addition to the contributory mortgage scheme offered through Equity-One, the lending business continued to be funded via the Westlawn Finance Limited unsecured notes program as well as through the MIS (an unlisted Managed Investment Scheme, which is a scalable, capital light funding structure as compared to other non-banks). Total funds under management of $700,740k are up 9% during the period ($643,200k in June 2022).

The chattel mortgage lending product, now offered through Westlawn, has been well accepted by the market and will continue to be expanded, via the COG owned finance broker distribution network. New loans and leases written in the first half of FY23 of $59,118k are on par against pcp ($59,139k in the pcp), notwithstanding the impact supply chain constraints and interest rate rises have had on equipment finance during the period.

TLC is currently in run-off with the total lease and loan receivables of $19.8m as at 30 June 2022 representing the present value of lease and loan instalments and related unguaranteed residual values expected to be received over the next three to four years.

The Expected Credit Loss (ECL) provision decreased from 2.3% in 30 June 2022 to 1.9% in 31 December 2022, largely due to the volume increase of the loan portfolio, which has a lower delinquency profile than the lease product, thus diluting the Group's total loss rate.

COG is focussing on the next steps in its strategy, being the expansion of its funds management and lending activities into mid-prime products for distribution through its finance broking network. COG has set a medium term target of funding 20% of intermediated financing completed by its broking network from COG non-prime lending products. The implementation of this strategy is underway with significant progress made during the first half of FY23.

Other
Earlypay Limited
COG's Other segment includes the Group's share of Earlypay Limited (ASX: EPY) loss of $1,424k (before tax) for the period ended 31 December 2022.

During the period, COG received fully franked dividends from EPY of $1,016k, being $166k received in cash with the balance received through the granting of new EPY shares, in line with EPY's Dividend Reinvestment Plan.

COG owned 20.14% of the voting shares in EPY as at 31 December 2022.

IT managed services
On 31 August 2022, the Group sold the non-core managed IT business services provided by Hal Group Pty Limited which generated a profit on sale of $395k. Hal Group Pty Limited has been renamed to COG TLC Pty Limited following the business sale.

Dividends
Since the year ended 30 June 2022, the Board declared a final dividend of $9,028k (4.8 cps). This dividend was paid on 21 October 2022 out of the Company's profit reserve as at 30 June 2022 to all shareholders registered on the record date of 22 September 2022 and was fully franked. The ex-dividend date for entitlement was 21 September 2022. The dividend was paid out of profits appropriated to the Company's profit reserve (and not offset against accumulated losses).

For the period ended 31 December 2022, the Board declared a fully franked interim dividend of 3.7 cents per fully paid ordinary share (2021: 3.5 cps). The aggregate amount of the proposed dividend of $6,912k will be paid on 18 April 2023 out of the Company's profits reserve at 31 December 2022. The Company's DRP will apply to the interim dividend.

Events subsequent to the end of the financial period
As disclosed in the notes to the financial statements, apart from the interim dividend declared on 27 February 2023, no other matters or circumstances have occurred subsequent to period end that have significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

Environmental regulation
The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 9.

Rounding of amounts
In accordance with *ASIC Corporations (Rounding in Financial/Director Reports) Instrument 2016/191*, amounts in the Directors' Report have been rounded to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of Directors on 27 February 2023.

Patrick Tuttle
Chairman

Cameron McCullagh
Executive Director

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Sydney NSW 2000
Australia

DECLARATION OF INDEPENDENCE BY TIM AMAN TO THE DIRECTORS OF COG FINANCIAL SERVICES LIMITED

As lead auditor for the review of COG Financial Services Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of COG Financial Services Limited and the entities it controlled during the period.

Tim Aman

Director

BDO Audit Pty Ltd

Sydney, 27 February 2023

Consolidated Statement of Comprehensive Income

For the period ended 31 December 2022

	Notes	31 December 2022 $'000	31 December 2021 $'000
Revenue from continuing operations	A2	164,324	153,467
Cost of sales		(37,878)	(34,810)
Commissions paid		(58,011)	(62,493)
Employee benefits expense		(28,421)	(23,455)
Administration expenses		(9,726)	(6,516)
Occupancy expenses		(899)	(617)
Finance costs		(591)	(297)
Funding costs (Funds Management and Lending)		(2,737)	(2,222)
Depreciation and amortisation		(6,864)	(5,916)
Acquisition-related expenses		(151)	(13)
Profit on disposal of assets		395	-
Impairment		-	(685)
Other expenses		(464)	(165)
Share of results from associates		(1,369)	1,147
Profit before income tax		**17,608**	**17,425**
Income tax expense		(4,813)	(5,188)
Profit after tax for the period		**12,795**	**12,237**
Other comprehensive income:			
Items that may be reclassified subsequently to the statement of profit or loss:			
Changes in equity securities fair value		-	-
Total comprehensive income for the period		**12,795**	**12,237**
Profit after tax attributable to:			
Members of COG Financial Services Limited		8,285	7,996
Non-controlling interests		4,510	4,241
Total profit after tax for the period		**12,795**	**12,237**
Total comprehensive income attributable to:			
Members of COG Financial Services Limited		8,285	7,996
Non-controlling interests		4,510	4,241
Total comprehensive income for the period		**12,795**	**12,237**
Basic earnings per share from continuing operations, attributable to members (cents):		4.39	4.61
Diluted earnings per share from continuing operations, attributable to members (cents):		4.38	4.60

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 31 December 2022

ASSETS	Notes	31 December 2022 $'000	30 June 2022 $'000
Current			
Cash and cash equivalents	C4	60,666	76,107
Trade and other receivables		15,755	18,861
Contract assets		2,940	2,881
Financial assets - lease receivables		11,678	20,323
Financial assets - loans		58,286	52,968
Other financial assets		1,777	1,835
Inventories		274	288
Total current assets		**151,376**	**173,263**
Non-current			
Contract assets		8,194	7,897
Financial assets - lease receivables		21,862	27,175
Financial assets - loans		129,605	114,766
Other financial assets		8,573	7,230
Financial assets at fair value through other comprehensive income		171	171
Equity accounted associates	B2	23,910	25,588
Property, plant and equipment		8,442	8,208
Intangible assets		154,820	148,151
Right-of-use lease assets		5,905	5,775
Total non-current assets		**361,482**	**344,961**
Total assets		**512,858**	**518,224**
LIABILITIES			
Current			
Trade and other payables		23,278	32,195
Customer salary packaging liability		6,162	6,338
Interest bearing liabilities		204,006	195,717
Current tax liabilities		2,310	5,103
Provisions		6,860	7,857
Lease liabilities		1,431	1,787
Other liabilities		-	283
Total current liabilities		**244,047**	**249,280**
Non-current			
Trade and other payables		8,978	1,888
Interest bearing liabilities		35,962	41,179
Deferred tax liabilities		10,876	12,326
Lease liabilities		5,020	4,590
Provisions		1,320	1,346
Total non-current liabilities		**62,156**	**61,329**
Total liabilities		**306,203**	**310,609**
Net assets		**206,655**	**207,615**
EQUITY			
Share capital	B3	277,715	275,512
Accumulated losses		(117,793)	(117,793)
Reserves	B3	4,773	13,227
Non-controlling interests		41,960	36,669
Total equity		**206,655**	**207,615**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the period ended 31 December 2022

	Notes	Share capital $'000	Accumulated losses $'000	Reserves $'000	Non-controlling interests $'000	Total Equity $'000
Balance at 1 July 2022		**275,512**	**(117,793)**	**13,227**	**36,669**	**207,615**
Net profit for the period, after tax		-	-	8,285	4,510	**12,795**
Total comprehensive income for the period		**-**	**-**	**8,285**	**4,510**	**12,795**
Transactions with owners:						
Share based payment expense		-	-	117	-	**117**
Options to acquire further interests in subsidiaries		-	-	(8,631)	-	**(8,631)**
Disposal of part interest in subsidiary		-	-	1,065	247	**1,312**
Non-controlling interest acquired		-	-	(262)	647	**385**
Non-controlling interest recognised through business combination		-	-	-	3,056	**3,056**
Non-controlling interest acquisition contribution		-	-	-	1,201	**1,201**
Dividends	B3.3	-	-	(9,028)	(4,370)	**(13,398)**
Issue of share capital		2,255	-	-	-	**2,255**
Costs of raising capital, net of tax		(52)	-	-	-	**(52)**
Balance at 31 December 2022	B3	**277,715**	**(117,793)**	**4,773**	**41,960**	**206,655**
Balance at 1 July 2021		**247,315**	**(117,793)**	**22,817**	**37,322**	**189,661**
Net profit for the period, after tax		-	-	7,996	4,241	**12,237**
Total comprehensive income for the period		**-**	**-**	**7,996**	**4,241**	**12,237**
Transactions with owners:						
Share based payment expense		-	-	(10)	-	**(10)**
Transaction between owners		-	-	(68)	-	**(68)**
Non-controlling interest acquired		-	-	(10,588)	(12,459)	**(23,047)**
Non-controlling interest recognised through business combinations		-	-	-	250	**250**
Non-controlling interest acquisition contribution		-	-	-	107	**107**
Dividends	B3.3	-	-	(9,981)	(4,915)	**(14,896)**
Issue of share capital		26,962	-	-	-	**26,962**
Costs of raising capital, net of tax		(676)	-	-	-	**(676)**
Balance at 31 December 2021	B3	**273,601**	**(117,793)**	**10,166**	**24,546**	**190,520**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the period ended 31 December 2022

	Note	31 December 2022 $'000	31 December 2021 $'000
Cash flows from operating activities			
Receipts from customers		232,459	231,797
Payments to suppliers and employees		(162,825)	(148,914)
Dividends received		327	310
Finance costs paid		(3,126)	(2,725)
Income taxes paid		(9,056)	(6,958)
Net cash inflow from operating activities		**57,779**	**73,510**
Cash flows from investing activities			
Net cash outflow on acquisitions, including cash acquired		(7,673)	(24,110)
Payments for deferred consideration		(29)	(83)
Payments for equipment - finance leases		(5,259)	(2,868)
Payments for loans advanced		(53,858)	(56,271)
Payments for property, plant and equipment		(844)	(404)
Payment for intangible assets		(619)	(17)
Payment for investments		(3,611)	-
Proceeds from sale of investments		6,716	6,501
Proceeds from sale of property, plant and equipment		-	186
Loan repayments received		68	277
Net cash (outflow) from investing activities		**(65,109)**	**(76,789)**
Cash flows from financing activities			
Non-controlling interest acquisition contribution		1,201	107
Proceeds from issue of shares		2,068	26,962
Costs of raising capital		(52)	(676)
Proceeds from interest bearing liabilities		30,051	30,506
Repayments of interest bearing liabilities		(27,248)	(27,487)
Repayments of lease liabilities - right-of-use lease assets		(733)	(814)
Dividends paid		(9,028)	(9,981)
Dividends paid by subsidiaries to non-controlling interests		(4,370)	(4,915)
Net cash (outflow)/inflow from financing activities		**(8,111)**	**13,702**
Net (decrease)/increase in cash and cash equivalents		**(15,441)**	**10,423**
Cash and cash equivalents, beginning of the financial year		76,107	94,514
Cash and cash equivalents, end of the period	C4	**60,666**	**104,937**
Non-cash investing and financing activities:			
Scrip consideration issued for acquisitions of investments		-	-

The above Consolidated Statement of Cashflows should be read in conjunction with the accompanying notes.

Preface to the Notes to the Financial Statements

COG Financial Services Limited (COG or the Company) and its controlled entities (the Group) is an Australian Securities Exchange (ASX) listed Company whose principal activities are focused on the equipment finance sector. The investment objective of the Company is to grow its earnings per share by investing in complementary entities and growing existing businesses that specialise in equipment financing and broking, aggregation, insurance broking and novated leasing.

COG is the ultimate parent company of the Group and is a for-profit listed company limited by shares, incorporated and domiciled in Australia.

The financial statements have been approved and authorised for issue by the Board of Directors on 27 February 2023.

The interim financial statements are general purpose financial statements that:

- have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001,* as appropriate for for-profit entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting,*
- include the assets and liabilities of all subsidiaries of the Company as at 31 December 2022 and the results of the subsidiaries for the period then ended (inter-entity transactions with, or between subsidiaries are eliminated in full on consolidation),
- have been prepared on an historical cost basis, and
- are measured and presented in Australian dollars, which is the Company's functional and presentation currency with all values rounded to the nearest thousand dollars unless otherwise stated, in accordance with ASIC Legislative Instrument 2016/191.

The interim financial statements do not include all the information and disclosures required for annual financial statements. Accordingly, these half year financial statements are to be read in conjunction with the Annual Financial Report for the year ended 30 June 2022 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001.*

The principal accounting policies and key accounting judgements, estimates and assumptions are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

The Company's principal place of business is Level 1, 72 Archer Street, Chatswood, NSW 2067.

The registered office is Level 5, 126 Phillip Street, Sydney, NSW, 2000.

Reclassification or restatement of prior year balances
Certain prior year amounts in the following notes to the financial statements have been reclassified to conform to the current year presentations.

- Consolidated Statement of Comprehensive Income
- Consolidated Statement of Changes in Equity
- Consolidated Statement of Cash Flows
- A2 Revenue
- B3.3 Dividends - Franked dividends

Going concern
The financial statements have been prepared on a going concern basis.

The Directors regularly monitor the Company's cash position and, on an on-going basis, consider a number of options to ensure that adequate funding continues to be available for the Company to meet all of its commitments.

Preface to the Notes to the Financial Statements (continued)

As at 31 December 2022, the Group's current assets of $151,376k are $92,671k lower than current liabilities of $244,047k due to COG's subsidiary Westlawn Finance Limited, 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.

The Directors are satisfied the current level of cash reserves, availability of operational cash flow, and quantum of financing, which can be secured through the means noted above, will be sufficient to meet the ongoing operational commitments of the Company for more than 12 months from the date of this report.

A - Financial Performance

A1 OPERATING SEGMENTS

The Group has three operating segments based upon the products and services offered by business units within each segment. The Group presents the financial information below to the Directors each month or quarter.
The Group's reportable segments are as follows:

- *Finance Broking and Aggregation* activities comprise business units focused on the aggregation of broker volumes to maximise profitability through scale, and finance broking focused on a range of finance products and asset types;
- *Funds Management and Lending* activities are focused on the management of investment funds and providing financing arrangements to commercial customers for essential business assets; and
- *All Other / Intersegment* activities, which include: (i) equity investment of 20.14% in the associate Earlypay Limited, and (ii) corporate office function provided by the ultimate parent entity.

Period ended 31 December 2022	**Finance Broking and Aggregation $'000**	**Funds Management and Lending (1) $'000**	**All Other / Intersegment $'000**	**Total $'000**
Revenue (2)	135,120	27,161	272	162,553
Underlying EBITDA from core operations (3)	**17,191**	**11,796**	**(4,449)**	**24,538**
Profit on disposal of assets (4)	-	-	395	395
Acquisition-related expenses	(30)	-	(121)	(151)
Redundancy and restructuring costs	-	-	(121)	(121)
Statutory EBITDA from core operations	**17,161**	**11,796**	**(4,296)**	**24,661**
Interest income				402
Finance costs				(591)
Depreciation and amortisation				(6,864)
Profit before tax				**17,608**
Income tax expense				(4,813)
Profit after tax				**12,795**
Non-controlling interests				(4,510)
Profit after tax, attributable to members				**8,285**

Period ended 31 December 2021	**Finance Broking and Aggregation $'000**	**Funds Management and Lending (1) $'000**	**All Other / Intersegment $'000**	**Total $'000**
Revenue (2)	131,538	18,362	3,582	153,482
Underlying EBITDA from core operations (3)	**16,725**	**7,221**	**(573)**	**23,373**
Impairment	(498)	(187)	-	(685)
One-off unguaranteed residual rights recognition	-	1,040	-	1,040
Acquisition-related expenses	-	(4)	(9)	(13)
Redundancy and restructuring costs	-	-	(169)	(169)
Statutory EBITDA from core operations	**16,227**	**8,070**	**(751)**	**23,546**
Interest income				92
Finance costs				(297)
Depreciation and amortisation				(5,916)
Profit before tax				**17,425**
Income tax expense				(5,188)
Profit after tax				**12,237**
Non-controlling interests				(4,241)
Profit after tax, attributable to members				**7,996**

(1) Funds Management and Lending includes Westlawn Finance Limited.
(2) Revenue (i) includes share of results from associates (31 December 2022: loss of $1,369k, 31 December 2021: profit of $1,147k); and (ii) excludes interest income (31 December 2022: $402k, 31 December 2021: $92k) and one-off unguaranteed residual rights recognised during the period (31 December 2022: $nil, 31 December 2021: $1,040k).
(3) Excludes non-recurring items.
(4) On 31 August 2022, the Group sold the managed IT services provided by Hal Group Pty Limited which generated a profit on sale of $395k.

A - Financial Performance (continued)

A2 REVENUE

	31 December 2022 $'000	31 December 2021 $'000
Commission, trail, fee and volume bonus income	106,327	102,261
Sale of goods	39,311	37,101
Finance lease income	4,883	7,179
Finance income - loans	7,594	3,508
Management fee income	1,659	122
Interest income	402	92
Dry hire income	123	28
Government grants	-	189
Other operating revenue	4,025	2,987
	164,324	**153,467**

B - Group Structure

B1 BUSINESS COMBINATIONS

Key judgement - fair value of assets acquired

When the Group obtains control over a new acquisition (acquiree) it is required to determine the value of assets and liabilities it has acquired. This value is based upon assessment of the fair value of the rights and obligations transferred to the Group and involves estimates and judgements in relation to the:

- date control was obtained over the acquiree by the Group (acquisition date),
- the acquisition price paid, including any non-cash or deferred consideration,
- assets and liabilities already recognised by the acquiree,
- amounts recognised by the acquiree and whether they are representative of the fair value of the assets and liabilities, and
- fair value of assets and liabilities not previously recognised including internally generated intangible assets.

Non-controlling interests as well as equity interests previously held in the acquired entity are both recognised at fair value at the acquisition date.

These factors are complex and the determination of key assumptions requires a high degree of judgement. In the case of large or complex business combinations, external specialists are used to assist in determining the fair value of assets and liabilities resulting from the business combination.

If new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date, identified adjustments to the fair value, then the amounts recognised as at the acquisition date are retrospectively revised.

As previously disclosed in the 30 June 2022 Financial Report, during the financial year ended 30 June 2022 the Group executed the following acquisitions:

- effective 1 July 2021, DLV (Qld) Pty Limited (DLV) acquired as a going concern, the business known as Centrepoint Finance Yeppoon, operated by Another Day In Paradise Pty Limited. DLV is a 50% owned subsidiary of COG's subsidiary QPF Holdings Pty Limited,

- effective 1 March 2022, acquired 70% of Equity-One through its 75% owned subsidiary Westlawn. Acquisition accounting for Equity-One remains provisional.

During the half year ended 31 December 2022 the Group executed the following acquisition:

- Effective 1 July 2022, QPF Holdings Pty Limited (QPF) (a 57% owned subsidiary of COG) acquired a 70% controlling interest in Club Transport Finance Pty Limited (trading as Chevron Equipment Finance) (Chevron) for a total cash consideration of $7 million. 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. QPF funded the acquisition of Chevron through a $4.2m external borrowing and a $2.8m capital raising. In relation to the QPF capital raising, COG and other QPF minority shareholders contributed capital pro rata to their existing shareholdings 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 acquisition finance facility.

B - Group Structure (continued)

B1 BUSINESS COMBINATIONS

The values identified for the above acquisition as at 31 December 2022 are as follows:

	Chevron Equipment Finance [1] $'000
Purchase consideration	
Cash consideration	6,900
Deferred consideration	100
Working capital adjustment	130
Less: Cash and cash equivalents acquired	(106)
	7,024
Fair value of net assets (liabilities) acquired	
Contract assets	-
Property, plant and equipment	40
Intangible assets	2,170
Trade and other receivables	762
Right-of-use lease assets	732
Trade and other payables	(757)
Lease liabilities	(754)
Deferred tax liabilities	(651)
Provisions	(129)
	1,413
Non-controlling interests	(3,056)
To be recognised as goodwill	**8,667**

[1] Recognised as at 1 July 2022 on a provisional basis

Acquisition values

For the acquisition outlined above:

- goodwill associated with the acquisition primarily relates to synergies due to scale and operational efficiencies through the sharing of operational expertise throughout the Group and is not expected to be tax deductible,
- acquisition accounting remains provisional.

B - Group Structure (continued)

B2 EQUITY ACCOUNTED ASSOCIATE

Earlypay Limited (EPY)

COG's investment in EPY represents a 20.14% interest in that company as at 31 December 2022. The carrying amount of equity-accounted investment in Earlypay Limited (EPY) has changed as follows in the half year ended 31 December 2022:

	31 December 2022 $'000
Balance at the beginning of the period	**24,784**
Share of results from associates (1)	(1,424)
Dividend received	(1,016)
Dividend reinvested in lieu of cash	850
Balance at the end of the period (2)	**23,194**

(1) Share of results from associates in the Consolidated Statement of Comprehensive Income includes share of results from other non-material associates of $55k.

(2) Equity accounted associates in the Consolidated Statement of Financial Position includes investment in other non-material associates of $716k.

EPY is an ASX-listed company and is a provider of secured finance to small and medium-sized enterprises (SME) in the form of invoice and equipment finance. Through its receivables finance facility, it provides an advance payment of up to 80% of a client's invoice to help their businesses overcome the cash pressure of delivering goods or services in advance of payment from their customers (often 30 to 60 days). This is a flexible line of credit that is utilised in line with sales volume. It will also consider an additional advance to a client (above the usual 80%), for an additional fee and when there is adequate security from the client to cover the position. Other services include trade finance to assist client finance purchases, as well as equipment finance to assist SMEs with capital expenditure on items required to operate their businesses.

B3 SHARE CAPITAL AND RESERVES

B3.1 ORDINARY SHARES

	31 December 2022 $'000	30 June 2022 $'000	31 December 2022 No. of shares '000	30 June 2022 No. of shares '000
Shares issued and fully paid				
Balance at the beginning of the period	275,512	247,315	187,911	166,346
Shares issued via placement (1)	-	20,000	-	14,815
Shares issued under DRP (2)	2,068	9,025	1,340	6,750
Shares issued under LTI Plan (3)	187	-	103	-
Costs of raising capital, net of tax	(52)	(828)	-	-
Closing balance at the end of the period	**277,715**	**275,512**	**189,354**	**187,911**

(1) On 21 October 2021 the Company issued 11,874,994 fully paid ordinary shares under an institutional investment offer, raising $16,031k. On 1 December 2021 the Company issued 2,939,821 fully paid ordinary shares to an existing shareholder, raising $3,969k.

(2) On 21 October 2022 the Company issued 1,340,099 fully paid ordinary shares totalling $2,068k as part of the COG's Dividend Reinvestment Plan (DRP). On 28 April 2022 the Company issued 1,425,378 fully paid ordinary shares totalling $2,063k as part of the COG's Dividend Reinvestment Plan (DRP). On 22 October 2021 the Company issued 5,324,885 fully paid ordinary shares totalling $6,962k as part of COG's Dividend Reinvestment Plan (DRP).

(3) On 11 August 2022 the Company issued 102,814 fully paid ordinary shares totalling to $187k as part of the Group's FY21 Long-term incentive (LTI) plan for the CEO (refer Note B3.2).

B - Group Structure (continued)

B3.2 SHARE BASED PAYMENTS

Options and performance rights
Andrew Bennett
The Group has issued share options and performance rights to Andrew Bennett who commenced as a member of key management personnel in 2018. These share options, which were issued as part of Andrew Bennett's remuneration package, entitle him to acquire one share in COG at the option strike price at any time between the grant and expiry dates, as set out below:

Service period	Tranche	Grant date	Vesting date	Exercise price [2]	Granted	Exercised	Expired/ Forfeited / Cancelled [1]	Balance at 31 December 2022 [1]
Options								
FY18	N/A	25 July 2018	25 July 2018	$1.05	685,714	-	(685,714)	-
FY19	N/A	25 July 2019	25 July 2019	$1.05	322,581	-	(322,581)	-
FY20	N/A	23 December 2020	23 December 2020	$0.49	418,410	-	(418,410)	-
Total					**1,426,705**	**-**	**(1,426,705)**	**-**
Performance rights								
FY21 LTIP	Tranche 1	11 August 2022	30 June 2021	N/A	102,814	102,814	-	-
	Tranche 2	11 August 2022	30 June 2022	N/A	102,814	-	-	102,814
	Tranche 3	11 August 2022	30 June 2023	N/A	102,814	-	-	102,814
Total					**308,442**	**102,814**	**-**	**205,628**

(1) At an Extraordinary General Meeting (EGM) held on 30 June 2021, the shareholders approved the consolidation of the Company's issued share capital (every 10 shares and every 10 options were consolidated into one share and one option, respectively), effective 1 July 2021, and the cancellation of 685,714 and 322,581 unlisted options issued to Andrew Bennett in exchange for payments to him of $127,081 and $100,000, respectively. Further, at an Extraordinary General Meeting (EGM) held on 22 December 2022, the shareholders approved the cancellation of 418,410 unlisted options issued to Andrew Bennett in exchange for a payment to him of $401,682.

(2) On a post share consolidation basis.

At the EGM held on 30 June 2021 the adoption of a new LTI Plan, effective 1 January 2021, was approved. The revised LTI Plan allows for the issue of performance rights, options, or shares in the Company (Incentive Securities), or a combination of those Incentive Securities. The Board may determine from time to time to issue Incentive Securities under the LTI Plan.

The Incentive Securities issued under the LTI Plan will be used to attract, motivate, and retain eligible participants and to provide them with an incentive to deliver growth and value to all Shareholders.

Under the revised LTI Plan, the Board may offer eligible participants such number of Incentive Securities in the Company as it may decide on the terms and conditions set out in the rules of the LTI Plan, and in the invitation, letter given to the proposed participant.

Under the revised remuneration arrangements that came into effect on 1 January 2021, Andrew Bennett is entitled to receive performance rights with a grant date value of up to $237,500 per annum (and representing up to 50% of his fixed annual remuneration) that will be subject to vesting conditions set by the Board. The performance rights granted each year will vest over 3 years.

B - Group Structure (continued)

B3.2 SHARE BASED PAYMENTS

The following update in relation to the CEO's participation in the LTI Plan were announced on 11 August 2022:

FY21 long-term incentive:
Andrew Bennett's allocation and associated vesting conditions under the LTI Plan are as follows:

(a) Tranche 1: 102,814 performance rights, convertible into 102,814 ordinary shares upon vesting, with 40% vesting on being employed at 30 June 2021 and 60% vesting on being employed and achieving normalised earnings per share (EPS) Compound Annual Growth Rate (CAGR) on 30 June 2021;

(b) Tranche 2: 102,814 performance rights, convertible into 102,814 ordinary shares upon vesting, with 40% vesting on being employed at 30 June 2022 and 60% vesting on being employed and achieving normalised EPS Compound Annual Growth Rate (CAGR) on 30 June 2022;

(c) Tranche 3: 102,814 performance rights, convertible into 102,814 ordinary shares upon vesting, with 40% vesting on being employed at 30 June 2023 and 60% vesting on being employed and achieving normalised EPS Compound Annual Growth Rate (CAGR) on 30 June 2023.

In respect of the vesting conditions:

- these will be assessed no later than 15 September of the subject year end;
- where vesting conditions of Tranche 1 or Tranche 2 are not met, the performance rights roll forward to the next Tranche; and
- CAGR requirements are:

	CAGR	**Range**	**Vesting %**
Threshold	0.0%	< Threshold	0.0%
Target 1	2.5%	> Threshold & < Target 1	25.0%
Target 2	7.5%	> Target 1 & < Target 2 = > Target 2	Straight Line Pro rata from 25.0% to 100.0% 100%

Tranche 1 has been assessed by the Board as meeting the vesting requirements as Andrew Bennett was employed at vesting date and the Company achieved a normalised EPS CAGR for the year ended 30 June 2021 of 177%. Therefore, 102,814 shares were issued to Andrew Bennett on 11 August 2022 in lieu of Tranche 1.

The share-based payment expense in relation to the above will be recognised in FY2023 and FY2024 (in line with a grant date of 11 August 2022 and respective service/vesting periods).

FY22 long-term incentive:
The Board has awarded 100% of the maximum entitlement, being $237,500 and subject to a 3-year vesting period, on similar terms to the ones described above.

No other KMP were eligible to participate in the LTI Plan in 2022. No options have been granted over unissued shares during or since the end of the financial year.

Employee expenses
Employee expenses are recognised in the profit and loss when the employee delivers the related service.

Equity-settled share-based payment
The cost of equity-settled transactions is measured at fair value on the date where all parties agree to the terms of the arrangement. Fair value is determined using a Black-Scholes option pricing model based on the factors outlined above. The share-based payment is recognised in profit or loss with a corresponding increase in equity over the term of the arrangement with the expense allocated over the term of the arrangement, based on the best available estimate of the remuneration expected to be paid at the end of the term. No adjustment is made to any expense recognised in the prior year if the actual and estimated amount of share-based payments vary.

Employee benefit liabilities
Employee benefits are included in current provisions at their face value if the Group expects to settle it within the next twelve months. Employee benefits payable later than one year are included in non-current provisions and have been measured at the present value of the estimated future cash outflows to be made for those benefits. The present value is determined using market yields on high quality corporate bonds with terms to maturity that match the expected timing of cash flows.

B3.3 DIVIDENDS

The Company's dividend policy permits a payout ratio of up to 70% of NPATA to members.

The Company has a Dividend Reinvestment Plan (DRP). The DRP rules are disclosed on the Company's website www.cogfs.com.au. Under the DRP, holders of ordinary shares can elect to have all or part of their dividend entitlements satisfied by the issue of new ordinary shares rather than being paid in cash. Shares issued under the DRP may be subject to a discount of up to 5% of the market price, or a higher percentage determined by the Board.

Dividends recognised during the reporting period
For the year ended 30 June 2022, the Board declared a final dividend of 4.8 cps (2021: 6.0 cps). The aggregate amount of the dividend was paid on 21 October 2022 out of the Company's profit reserve at 30 June 2022, and was 100% franked. COG issued 1,340,099 fully paid shares on 21 October 2022 under its DRP in respect of the FY22 final dividend.

Dividends not recognised during the reporting period
For the period ended 31 December 2022, the Board declared an interim dividend of 3.7 cps (2021: 3.5 cps). The aggregate amount of the proposed dividend of $6,912k will be paid on 18 April 2023 out of the Company's profits reserve at 31 December 2022, and will be 100% franked.

Franked dividends
As at the end of the reporting period, $14,522k of franking credits were available for subsequent financial periods based on a tax rate of 30% (30 June 2022: $11,207k).

The above available amounts are based on the balance of the dividend franking account at period end adjusted for franking credits that:

- will arise from the payment of the current tax liability,
- will arise from the payment of dividends recognised as a liability at period end,
- will arise from the receipt of dividends recognised as receivables at period end, and
- the entity may be prevented from distributing in subsequent years.

The ability to utilise the franking credits is dependent upon there being sufficient available net assets to declare dividends, and the payment of dividends not prejudicing COG's ability to pay its creditors.

B3 SHARE CAPITAL AND RESERVES

B3.4 RESERVES

The movement in reserves is as follows:

	Profits reserve $'000	General reserve $'000	Foreign currency translation reserve $'000	Equity securities at FVOCI reserve $'000	Revaluation reserve $'000	Share based payments reserve $'000	Transaction between owners' reserve $'000	Non-controlling interests reserve $'000	Total $'000
Balance at 1 July 2022	**44,235**	**(9,323)**	**(16)**	**95**	**230**	**306**	**579**	**(22,879)**	**13,227**
Non-controlling interest acquired	-	-	-	-	-	-	-	(262)	(262)
Share-based payments expense	-	-	-	-	-	117	-	-	117
Financial liability to acquire further interest in subsidiaries	-	-	-	-	-	-	(8,631)	-	(8,631)
Disposal of part interest in subsidiary	1,563	-	-	-	-	-	(498)	-	1,065
Transfer to reserves (profit for the period)	8,285	-	-	-	-	-	-	-	8,285
Dividends paid	(9,028)	-	-	-	-	-	-	-	(9,028)
Balance at 31 December 2022	**45,055**	**(9,323)**	**(16)**	**95**	**230**	**423**	**(8,550)**	**(23,141)**	**4,773**
Balance at 1 July 2021	**39,531**	**-**	**(16)**	**(8,536)**	**-**	**280**	**579**	**(9,021)**	**22,817**
Non-controlling interest acquired	-	-	-	-	-	-	-	(10,588)	(10,588)
Share-based payments expense	-	-	-	-	-	(10)	-	-	(10)
Transfers between reserves	793	(9,324)	-	8,478	53	-	-	-	-
Transactions between owners	-	-	-	-	-	-	(68)	-	(68)
Transfer to reserves (profit for the period)	7,996	-	-	-	-	-	-	-	7,996
Dividends paid	(9,981)	-	-	-	-	-	-	-	(9,981)
Balance at 31 December 2021	**38,339**	**(9,324)**	**(16)**	**(58)**	**53**	**270**	**511**	**(19,609)**	**10,166**

B - Group Structure (continued)

B3 SHARE CAPITAL AND RESERVES

B3.4 RESERVES

Reserves

Profits reserve

The Profits reserve was established to accumulate profits relating to previous financial years for the purpose of facilitating the payment of dividends in future financial years.

Foreign currency translation reserve

This reserve is used to recognise exchange differences arising from translation of the financial statements of foreign operations to Australian Dollars. The reserve is recognised in profit or loss when the net investment is disposed of.

Revaluation reserve

The revaluation reserve relates to the revaluation of the FVOCI investment in EPY immediately before its reclassification as Investment in associate.

Equity securities at FVOCI reserve

This reserve comprises the cumulative net change in the fair value of equity securities designated at FVOCI.

Share-based payments reserve

The Share-based payment reserves is used to recognise:

- the fair values of options and rights issued to executives, and
- variances between the fair value of shares issued to executives and the value the related shares are issued for.

Non-controlling interests reserve

This reserve is used to record the differences which may arise as a result of transactions with non-controlling interests that do not result in a loss of control.

Transaction between owners' reserve

Reflects the financial liability arising from the put option to acquire further interests in Equity One and Chevron. The financial liability has been recognised separately from the business combination transaction as a reduction to equity, in accordance with requirements of AASB 132 *Financial instruments: Presentation*, as this financial liability takes the form of a transaction between owners.

C - Other

C1 CONTINGENCIES AND COMMITMENTS

Commitments
The Group has commitments to acquire contributed equity of various subsidiaries. The following estimated commitments, which may vary in terms of percentage and timing, are based upon multiples of future financial years' normalised EBITDA and include an option for a one-year deferral by either party:

- Fleet Network Pty Limited (2.8% of contributed equity in the year ended 30 June 2023),
- Linx Group Holdings Pty Limited (7.7% of contributed equity to be acquired by the Group between 1 July 2021 and 30 June 2024);
- QPF Holdings Pty Limited (10.2% of contributed equity to be acquired by the Group between 1 July 2021 and 30 June 2024);
- Vehicle and Equipment Finance Pty Limited (25% of contributed equity to be acquired by the Group between 1 July 2021 and 30 June 2024);
- Access Capital Pty Limited (20% of contributed equity to be acquired by the Group between 1 July 2022 and 30 June 2025);

Contingencies

Westlawn Finance Limited - Guarantee
COG has provided a guarantee to Westlawn in relation to finance lease and chattel mortgage loan funding arrangements provided to TLC. Amounts owed under this arrangement are included in Finance lease funding and other interest bearing liabilities.

Westlawn Financial Services Pty Limited - Letter of financial support
COG has provided a letter of financial support to Westlawn Financial Services Limited (WFS) whereby it has agreed to provide on a pro rata basis with other Westlawn shareholders, such financial support as may be necessary to enable WFS to meet its financial commitments as the responsible entity for the Westlawn Income Fund (WIF), a registered managed investment scheme administered by WFS. COG's commitment to WFS is currently limited to its 75.0% ownership interest in Westlawn.

COG TLC Pty Ltd (formerly Hal Group Pty Limited)
General security interest
COG holds a registered general security interest (GSA) over the assets and undertakings of its subsidiary, COG TLC Pty Ltd (formerly Hal Group Pty Limited), and its wholly owned subsidiary, TL Commercial Finance Pty Limited (TLC) (formerly TL Rentals Pty Limited). The COG GSA secures repayment of monies loaned to COG TLC Pty Ltd under the COG loan facility.

Letter of financial support
COG has provided a letter of financial support to Hal and its controlled entities.

There are no other material contingencies or commitments at the end of the reporting period.

C - Other (continued)

C2 SUBSEQUENT EVENTS

Apart from the interim dividend declared on 27 February 2023 (see Note B3.3), no other matters or circumstances have occurred subsequent to period end that have significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

C3 NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the half-year ended 31 December 2022 and are not expected to have any significant impact for the full financial year ending 30 June 2023.

C4 CASH AND CASH EQUIVALENTS

	31 December 2022 $'000	30 June 2022 $'000
Restricted [1]	10,375	11,759
Unrestricted	50,291	64,348
	60,666	**76,107**

(1) **Restricted cash**
Cash and cash equivalents include restricted cash of $10,375k (30 June 2022: $11,759k) 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.

Directors’ Declaration

1. In the opinion of the Directors of COG Financial Services Limited (the Company):

   a) the consolidated financial statements and notes of the Company and its controlled entities (the Group), are in accordance with the *Corporations Act 2001*, including:

      i. giving a true and fair view of the Group’s financial position as at 31 December 2022 and of its performance for the period ended on that date; and

      ii. complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and

   b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. The basis of preparation confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

3. The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by Section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors.

Patrick Tuttle
Chairman

Cameron McCullagh
Executive Director

27 February 2023

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of COG Financial Services Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of COG Financial Services Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001.*

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

BDO

Tim Aman

Director

Sydney, 27 February 2023

Corporate Directory

Directors

Patrick Tuttle
Chairman

Peter Rollason
Non-executive Director

Steve White
Non-executive Director

Cameron McCullagh
Executive Director

Mark Crain
Executive Director

Chief Executive Officer
Andrew Bennett

Chief Financial Officer
Richard Balzer

Company Secretary
David Franks

Registered Office
David Franks
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Share Registry
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Sydney NSW 2000
Phone 1300 288 664
Email: hello@automic.com.au
Internet: www.automicgroup.com.au

External Auditors
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Sydney NSW 2000
Phone: 1300 138 991
Internet: https://www.bdo.com.au/en-au/sydney

Securities Exchange
http://cogfs.com.au is a public company listed with the Australian Securities Exchange Limited

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