



FY 2023 Results

25 August 2023

Authorised by Andrew Bennett
Group Chief Executive Officer

Strong performance continues across all business units

Revenue¹

\$363.2m

▲ **+13%** on pcp₄

▲ **+14%** on pcp^{4, 5}

EBITDA to shareholders²

\$33.9m

▼ **-5%** on pcp₄

▲ **+8%** on pcp^{4, 5}

NPATA to shareholders²

\$23.7m

▼ **-5%** on pcp₄

▲ **+7%** on pcp^{4, 5}

EPSA²

12.55cps

▼ **-10%** on pcp₄

▲ **+2%** on pcp^{4, 5}

¹ Revenue (i) includes share of results from associates (FY23: -\$1.9m loss, FY22: \$3.3m); and (ii) excludes interest income (FY23: \$1.4m, FY22: \$0.2m), one-off unguaranteed residual rights recognised during the period (FY23: \$nil, FY22: \$1.0m) as well as COG's 20.14% proportionate share of Earlypay's redundancy and restructuring costs (FY23 \$0.1m, FY22 \$nil) and impairment charge incurred by Earlypay (FY23 \$0.4m, FY22 \$nil)

² Underlying basis attributable to shareholders. Excludes profit on sale of assets (FY23 \$0.3m after tax, FY22 \$nil), impairment charge (FY23 \$9.4m after tax, FY22 \$0.6m after tax), redundancy and restructuring costs (FY23 \$0.5m after tax, FY22 \$0.1m after tax), transaction costs (FY23 \$0.1m after tax, FY22 \$0.4m after tax), one-off unguaranteed residual rights recognition (FY23 \$nil, FY22 \$0.4m after tax) and COG's 20.14% proportionate share of Earlypay's redundancy and restructuring costs (FY23 \$0.1m, FY22 \$nil) and impairment charge incurred by Earlypay (FY23 \$0.4m, FY22 \$nil)

⁴ Excluding government subsidies received in both periods

⁵ Excluding share of results in Earlypay in both periods

Strong performance continues across all business units (cont.)



Organic growth of volumes continues across the business



Our primary sectors in the market, infrastructure and construction have held up strongly in response to the 12 RBA cash rate increases (+4%) since May 2022.



Continued execution of our Acquisition strategy, where targets can be secured at the right price. Acquisition in the past year include:

- A 70% interest in **Chevron Equipment Finance** through COG's subsidiary QPF, effective 1 July 2022¹
- The salary packaging business known as **Paywise** through COG's subsidiary Fleet Network, effective 5 April 2023¹
- The car and lifestyle asset aggregation groups **NFC** and **UFS**, effective 31 July 2023¹



Strong acquisition pipeline remains and our \$31m acquisition facility remains in place with a major Australian Bank



NPATA to shareholders excluding share of results in Earlypay and government subsidies is \$24.2m (FY22: \$22.6m), an increase of 7% on pcip. EPSA excluding the share of results in Earlypay is 12.83cps (FY22: 12.52cps), an increase of 2%

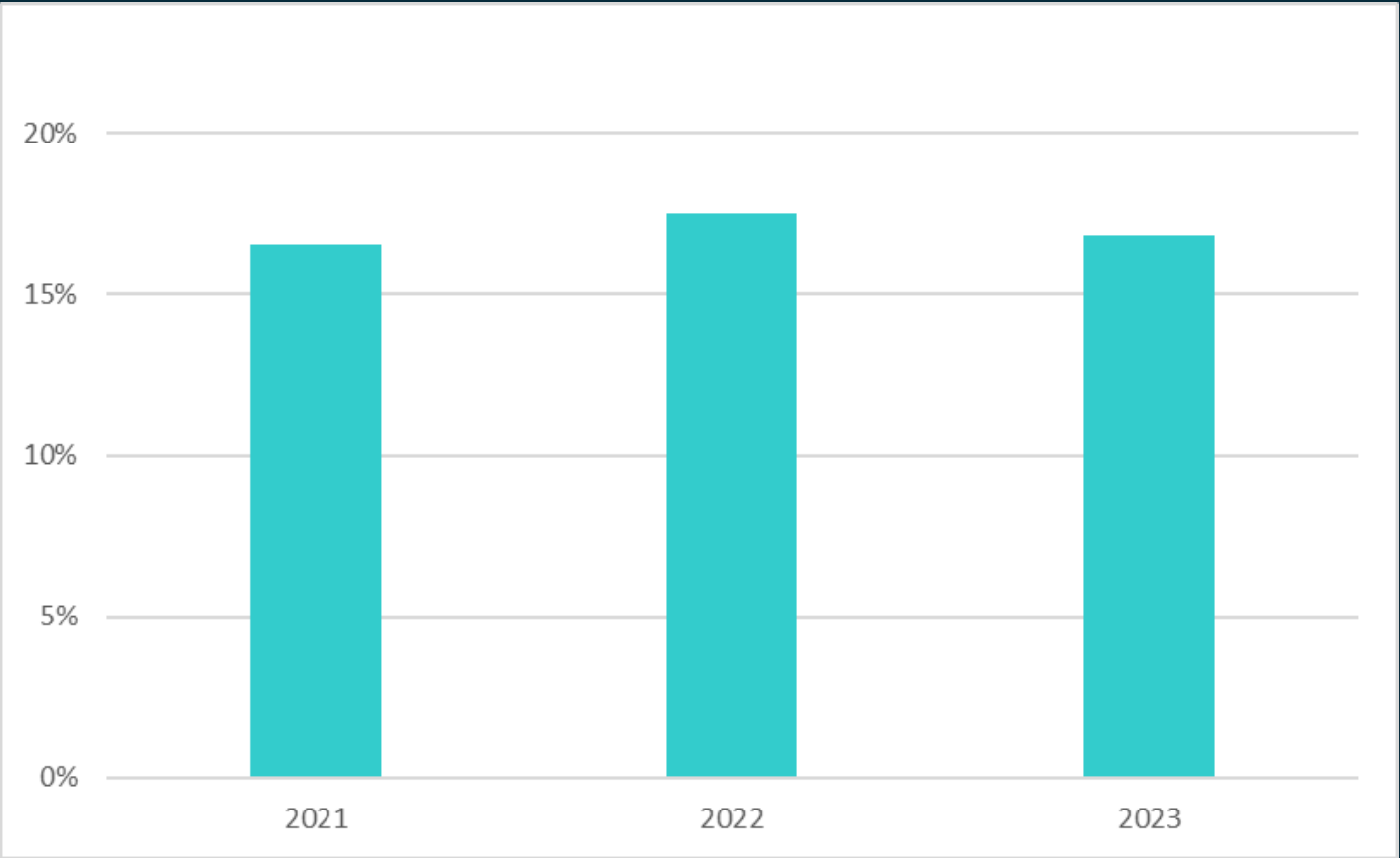


Carrying value of our EPY investment - Impairment indicators were identified as a result of the loss recognised by EPY for the financial year and therefore impairment testing was conducted at 30 June 2023. This exercise resulted in an impairment loss of \$9.4m being recorded.

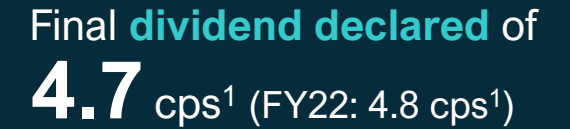
¹ Refer to pages 21, 28 and 29 for details on acquisitions completed

Returns over time

COG is a diversified financial services business with a focus on acquisitive growth. We have and will continue to invest effectively to derive strong returns for our shareholders by using our industry expertise and knowledge to identify value opportunities.¹



¹ This return analysis is based NPATA to shareholders on the aggregate investment overtime by COG into its controlled entities, the analysis excludes investments in its associates, including EPY.



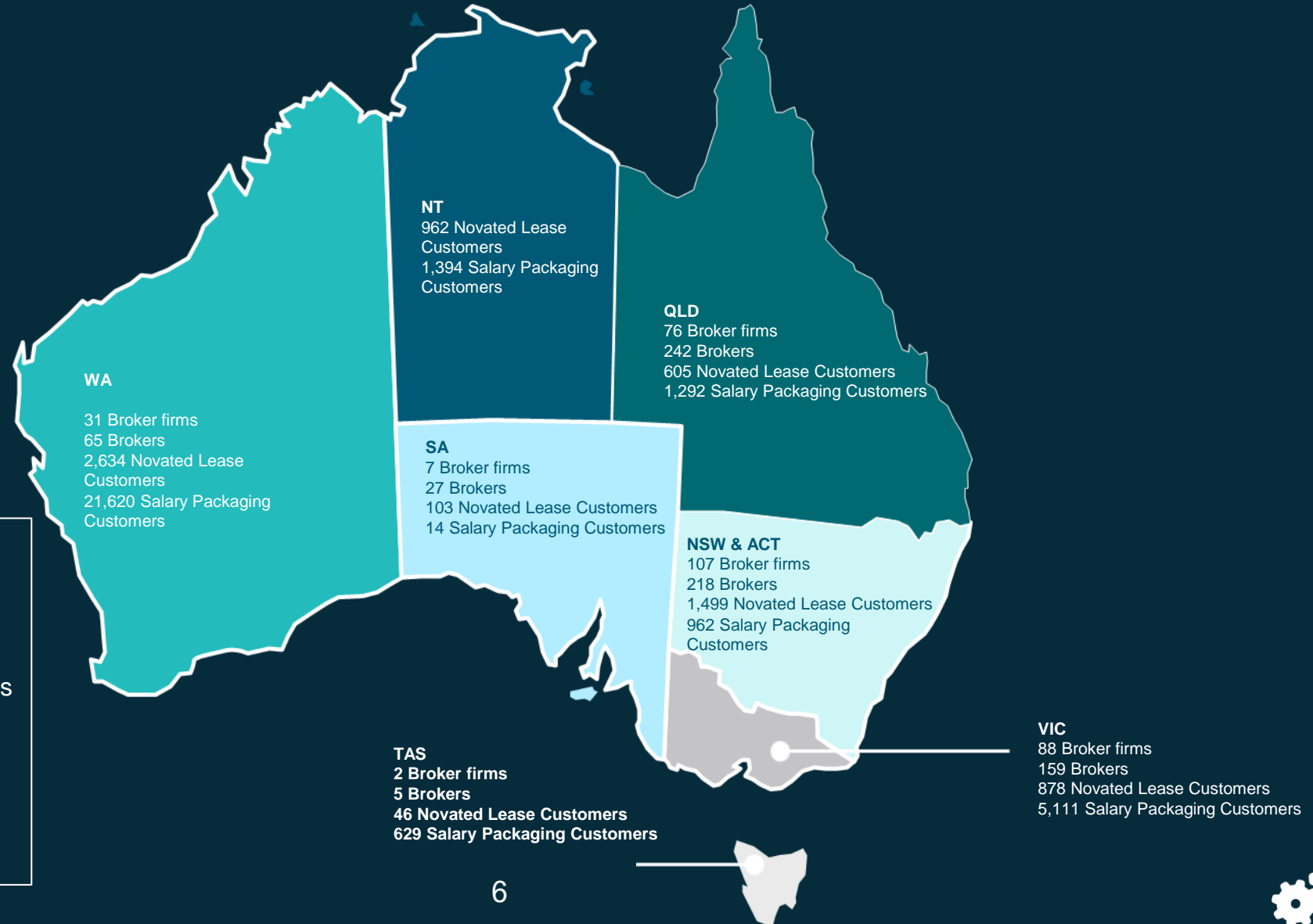
Payout ratio of
67.3%² (FY22: 62.0%²)

Dividend yield (annualised)
of **6.1%**³

Dividend yield *Grossed up for
Franking benefit* (annualised)
of **8.7%**⁴

⁵ Earnings per share adjusted for the amortisation of acquired intangible and calculated using the Weighted Average Number of Outstanding Shares for each FY

Diversity - A truly national business activity footprint



Summary of Group financial results

	FY23 ¹ \$m	FY22 ¹ \$m	Pcp Change
Revenue ²	363.2	323.0	12%
EBITDA	52.8	51.3	3%
Net interest expense	(0.1)	(0.4)	-75%
Depreciation	(3.1)	(2.6)	19%
Amortisation	(11.4)	(9.4)	21%
NPBT	38.2	38.9	-2%
Tax	(9.8)	(9.9)	-1%
NPAT	28.4	29.0	-2%
Minority interests	(10.1)	(8.6)	17%
NPAT to shareholders	18.3	20.4	-10%
EBITDA to shareholders	33.9	36.0	-6%
NPATA to shareholders³	23.7	25.1	-6%
(-) Less government subsidies	-	(0.1)	-100%
NPATA to shareholders before government subsidies	23.7	25.0	-5%
EPSA to shareholders (cps) ⁴	12.55	13.87	-10%

1. Underlying basis attributable to shareholders. Excludes profit on sale of assets (FY23 \$0.3m after tax, FY22 \$nil), impairment charge (FY23 \$9.4m after tax, FY22 \$0.6m after tax), redundancy and restructuring costs (FY23 \$0.5m after tax, FY22 \$0.1m after tax), transaction costs (FY23 \$0.1m after tax, FY22 \$0.4m after tax), one-off unguaranteed residual rights recognition (FY23 \$nil, FY22 \$0.4m after tax) and COG's 20.14% proportionate share of Earlypay's redundancy and restructuring costs (FY23 \$0.1m after tax, FY22 \$nil) and impairment charge incurred by Earlypay (FY23 \$0.4m, after tax FY22 \$nil)

2. Includes share of results from associates (FY23 -\$1.9m loss, FY22 \$3.3m) and excludes interest income (FY23 \$1.4m, FY22 \$0.2m), one-off unguaranteed residual rights recognised during the period (FY23 \$nil, FY22 \$1.0m) as well as COG's 20.14% proportionate share of Earlypay's redundancy and restructuring costs (FY23 \$0.1m, FY22 \$nil) and impairment charge incurred by Earlypay (FY23 \$0.4m, FY22 \$nil)

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

4. Excluding government subsidies received

Revenue growth of \$40.2m includes organic growth (+\$33.1m) and contribution from acquisitions (+\$23.1m), partially offset by the pass-through of brokerage revenue (at 100%) to some COG Aggregation members which from April 2022 is now paid directly from the financier to the member broker, in sync with the treatment applied to all other members (-\$4.6m) as well as a lower contribution from the Other segment (-\$7.8m), TL Commercial Finance due to the book now being in run-off (-\$3.4m) and government subsidies (-\$0.2m).

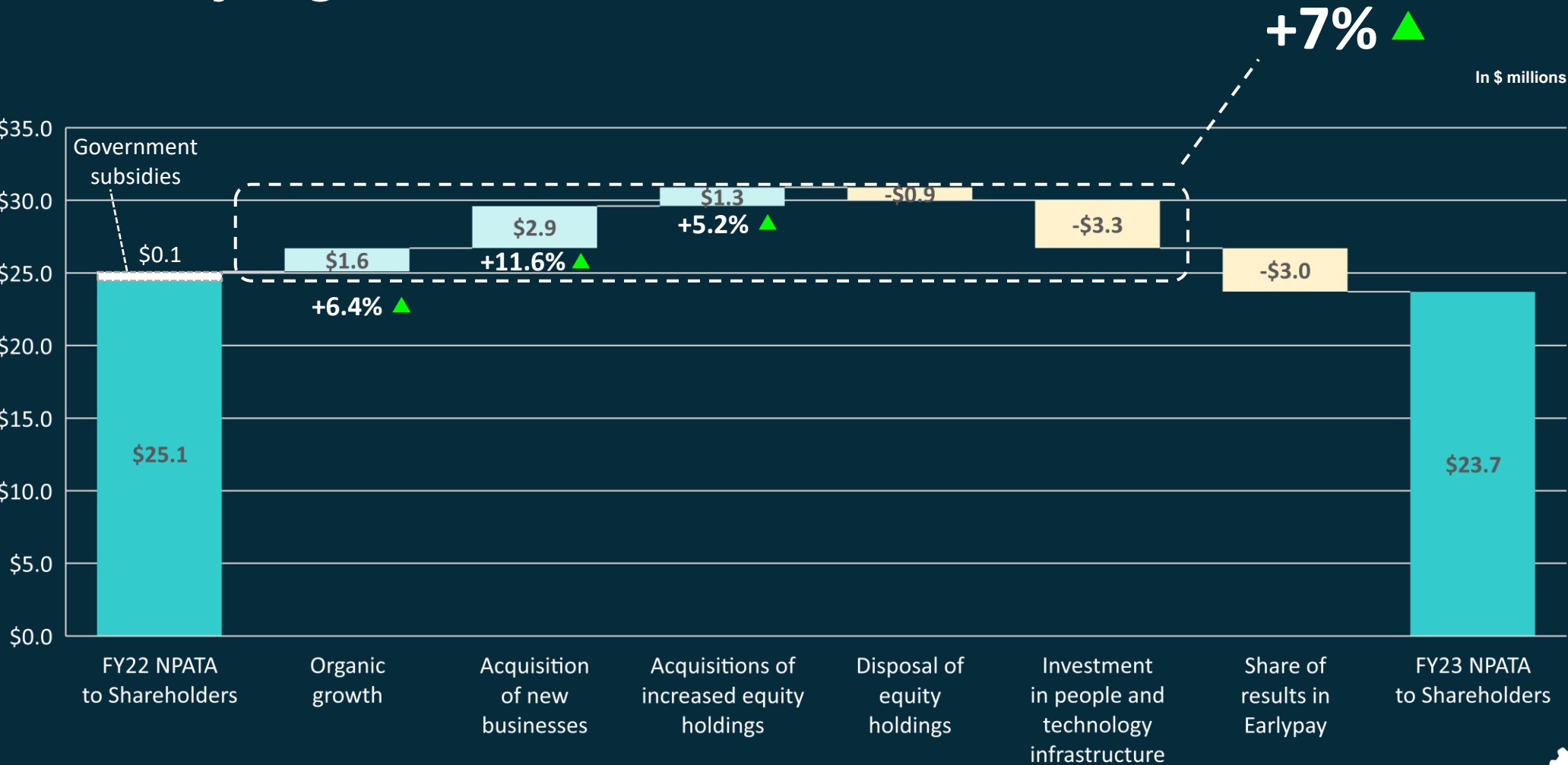
FY23 EBITDA margin decreased to 14.5% (FY22: 15.9%) and reflects a lower contribution from Earlypay versus pcp (-\$4.6m), compressed lending margins as well as investments in people and technology infrastructure (which is linked to an increase in business activity), offset by higher margin contributions from Chevron and Paywise and the benefit of not having the brokerage pass-through in the FY23 (explained above).

Depreciation & amortisation includes \$10.9m for amortisation of identified intangibles on acquisition of controlled entities (FY22: \$9.1m) and \$1.9m depreciation of right-of-use lease assets (FY22: \$1.4m).

EBITDA to shareholders comprises increases of \$4.1m from Finance Broking & Aggregation and \$0.9m from Funds Management and Lending, offset by a decrease of \$7.1m from Head Office & Other including Earlypay.

Effective tax rate of 26% (FY22: 25%) based on normalised NPBT.

Underlying NPATA to Shareholders



Underlying NPATA to Shareholders by segment

In \$ millions

Segment	FY23			FY22		
	NPATA to shareholders	(-) Less government subsidies ¹	NPATA to shareholders before government subsidies	NPATA to shareholders	(-) Less government subsidies ¹	NPATA to shareholders before government subsidies
Finance Broking & Aggregation	17.5	-	17.5	15.6	-	15.6
Funds Management & Lending	10.1	-	10.1	8.9	(0.1)	8.8
Other	(3.9)	-	(3.9)	0.6	-	0.6
Total	23.7	-	23.7	25.1	(0.1)	25.0

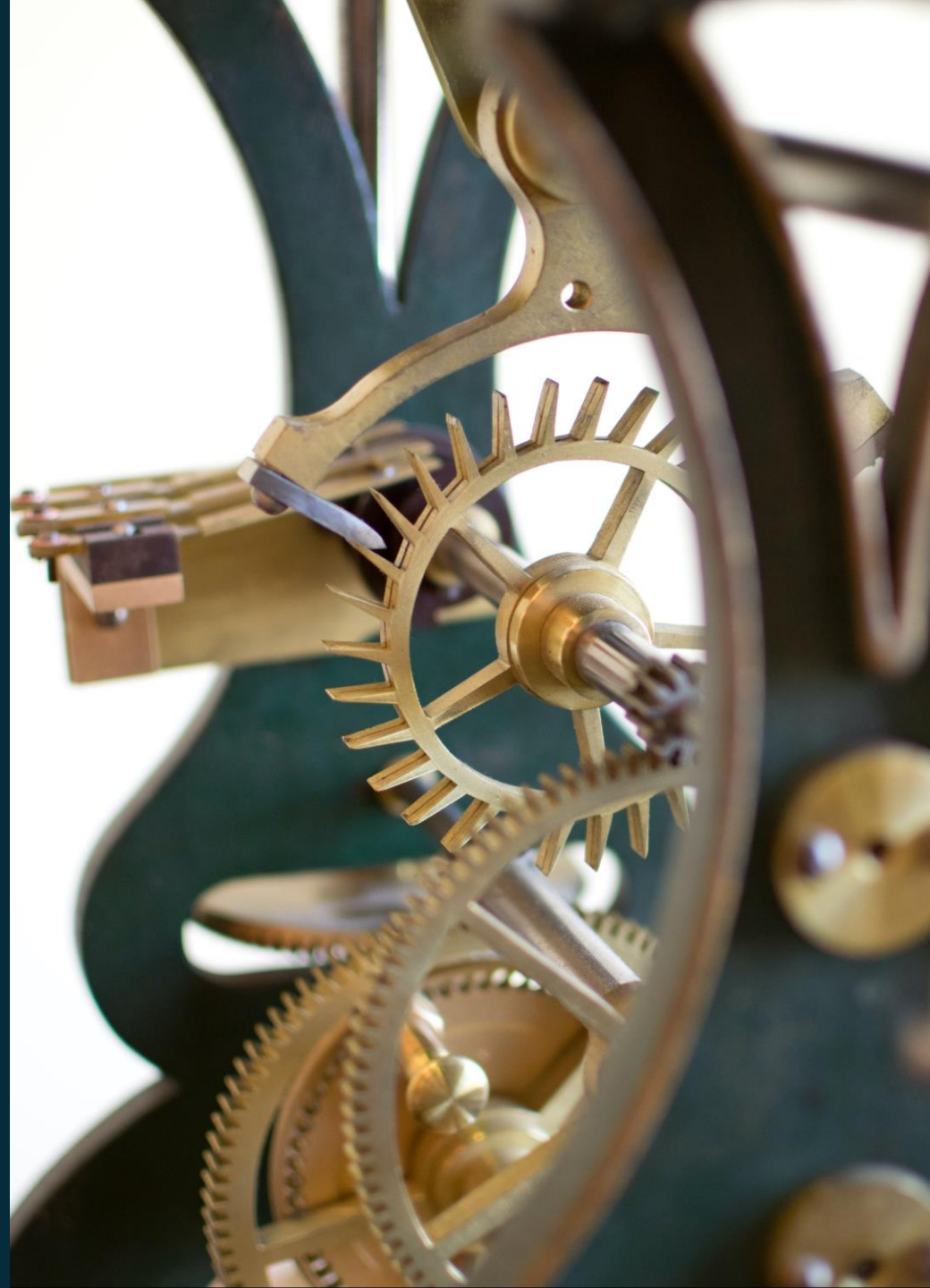
▲ **+7%** vs PCP ^{2, 3}

▼ **-5%** vs PCP ²

1. Government subsidies after tax, attributable to members
2. Excluding government subsidies
3. Excluding share of results in Earlypay in both periods

Segment performance

Finance Broking & Aggregation and Funds Management & Lending segments continued to report strong profit growth in FY23



Finance Broking & Aggregation

Australia's largest asset finance broker and aggregator & a growing retail fixed interest funds manager



21%

Estimated market share¹

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 and updated for actual FY23 CAPEX growth in Australia as per the Australian Bureau of Statistics (ABS).

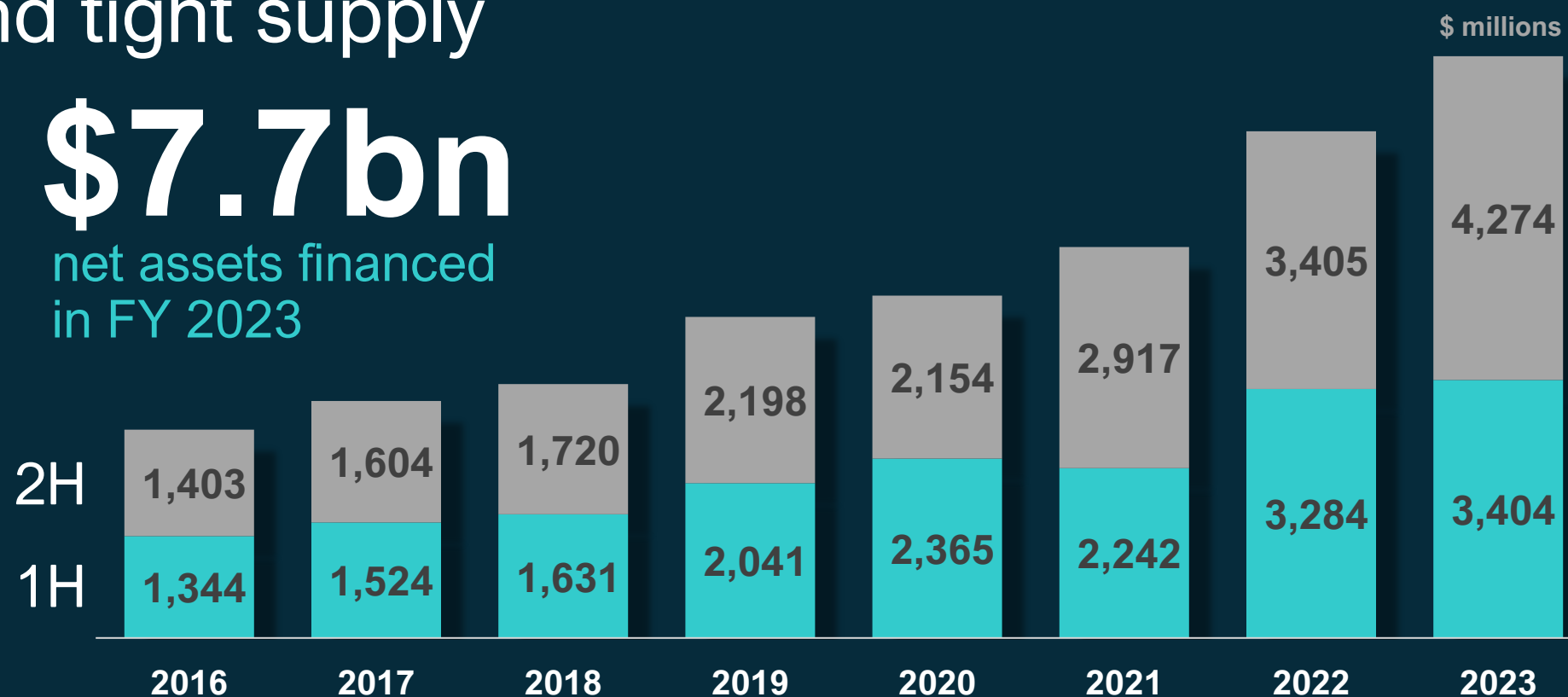
Finance Broking & Aggregation

Record volumes in the face of a higher interest rate environment and tight supply

▲ +15% vs PCP

\$7.7bn

net assets financed
in FY 2023



Finance Broking & Aggregation

Organic growth continues despite a higher interest rate environment

	FY23 ¹ \$m	FY22 ¹ \$m	Pcp Change
Revenue ²	307.4	274.4	12%
EBITDA	40.6	34.8	17%
Net interest	(0.5)	(0.5)	0%
Depreciation	(2.2)	(1.8)	22%
Amortisation (exc acquired intangibles)	(0.6)	(0.5)	20%
NPBT (before amortisation of acquired intangibles)	37.3	32.0	17%
Amortisation of acquired intangibles	(6.1)	(5.9)	3%
NPBT	31.2	26.1	20%
EBITDA to shareholders	27.0	22.9	18%

1. Underlying basis before tax – excluding transaction costs (FY23 \$0.3m, FY22 \$nil) and impairment charge (FY23 \$nil, FY22 \$0.5m).
2. Revenue includes share of results from associates (FY23 \$0.2m, FY22 \$0.2m) and excludes interest income (FY23 \$0.4m, FY22 \$0.1m).
3. Recognised as 'depreciation' and 'interest expense' under AASB 16 Leases, both below the EBITDA line.

Revenue growth of \$33.0m includes organic growth (+\$23.5m) with strong performance from the novated lease business and contribution from acquisitions (+\$14.1m), partially offset by the pass-through of brokerage revenue (at 100%) to some COG Aggregation members which from April 2022 is now paid directly from the financier to the member broker, in sync with the treatment applied to all other members (-\$4.6m).

EBITDA margin increased to 13.2% (FY22: 12.7%) and reflects the higher margin contributions from Chevron and Paywise businesses as well as the benefit of not having the brokerage pass-through in FY23, offset by investments in people and technology infrastructure, which is linked to an increase in business activity, and upgrading security and related infrastructure.

Depreciation and amortisation includes \$6.1m amortisation of identified intangibles on acquisition of controlled entities (FY22: \$5.9m) and \$1.6m depreciation of right-of-use lease assets (FY22: \$1.0m).

EBITDA to shareholders includes \$2.8m from acquisitions and increased equity holdings, net of disposals (FY22: \$1.5m).

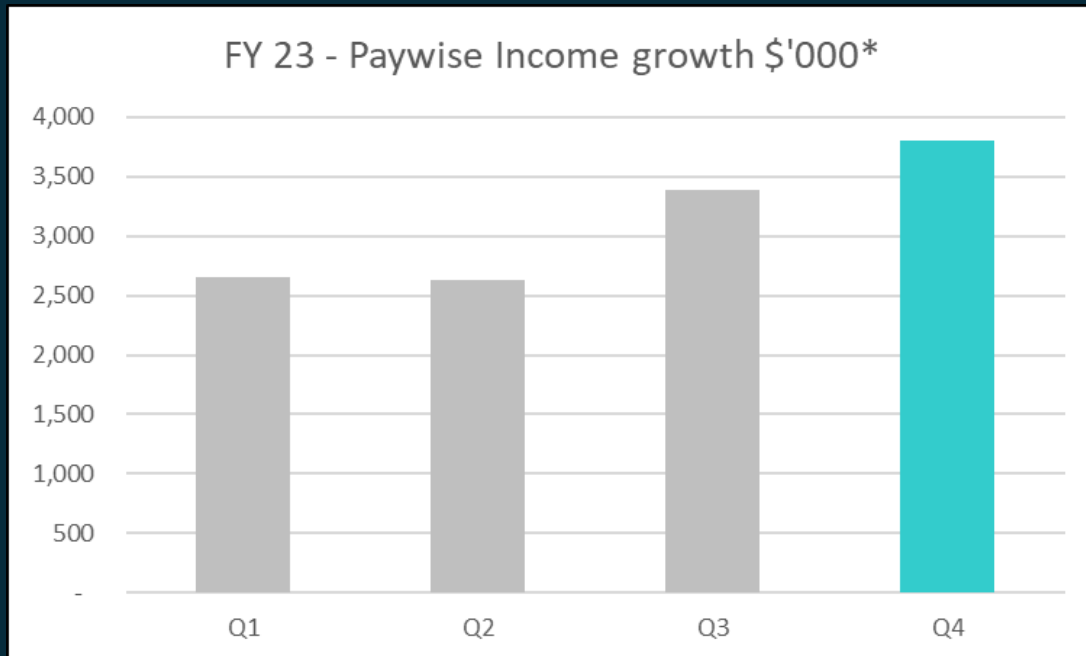
Cash generation to shareholders

	FY23 \$m	FY22 \$m	Pcp Change
Revenue to shareholders	234.7	188.7	24%
EBITDA to shareholders	27.0	22.9	18%
(-) Rent expense to shareholders ³	(1.0)	(0.8)	25%
(-) Capital expenditure to shareholders	(2.4)	(1.5)	60%
Cash EBITDA to shareholders	23.6	20.6	15%
(-) Tax expense to shareholders	(7.0)	(5.1)	37%
Cash generation to shareholders	16.6	15.5	7%



Novated Leasing and Salary Packaging have momentum

- In April 2023 via its novated leasing subsidiary business, FleetNetwork, COG acquired Paywise, a salary packaging business.
- COG simultaneously divested an 18% interest in the consolidated FleetNetwork business (which includes Paywise) to the EML Group.
- The rationale was to allow COG to expand its existing novated lease offering to salary packaging while simultaneously partnering with an established organisation that has been engaged for many decades in the provision of services to employers and their staff.
- Since acquisition Paywise continues to show strong growth and several of the synergy opportunities expected at the time of acquisition have started to be achieved.



* The chart reflects 100% of Paywise Income. COG only acquired Paywise in April 2023. Prior to the acquisition COG had no interest in Paywise.



Funds Management & Lending

Growing and driving a more significant contribution¹

	FY23 ² \$m	FY22 ² \$m	Pcp Change
Revenue ³	55.6	40.6	37%
EBITDA	19.5	16.8	16%
Net interest	0.7	0.1	600%
Depreciation	(0.6)	(0.6)	0%
Amortisation (exc acquired intangibles)	(0.1)	(0.1)	0%
NPBT (before amortisation of acquired intangibles)	19.5	16.2	20%
Amortisation of acquired intangibles	(4.6)	(2.9)	59%
NPBT	14.9	13.3	12%
EBITDA to shareholders	14.2	13.3	7%

1. Funds Management and Lending includes 75% of Westlawn from 1 November 2021 (51% previously) and 100% of TL Commercial (FY22: 100%).

2. Underlying basis before tax - excluding impairment loss (FY23 \$nil, FY22 \$0.1m) and one-off unguaranteed residual rights (FY23 \$nil, FY22 \$1.0m).

3. Revenue excludes interest income (FY23 \$0.8m, FY22 \$0.1m) and one-off unguaranteed residual rights recognised during the period (FY23 \$nil, FY22 \$1.0m).

4. Reflective of Equity-One revenue from 1 July 2022 to 1 March 2023 (as business acquired by Westlawn on 1 March 2022).

Revenue growth of \$15.0m includes organic growth of \$9.6m and contribution from Equity-One acquisition of \$9.0m⁴. This growth was partially offset by a decrease in government grants (\$0.2m) and a lower contribution from TL Commercial Finance due to the book now being in run-off (\$3.4m).

EBITDA margin contracted to 35.1% (FY22: 41.3%) largely due to compressed lending margins on the Chattel Mortgage product offered by Westlawn.

Depreciation and amortisation includes \$4.6m amortisation of identified intangibles on acquisitions (FY22: \$2.9m).

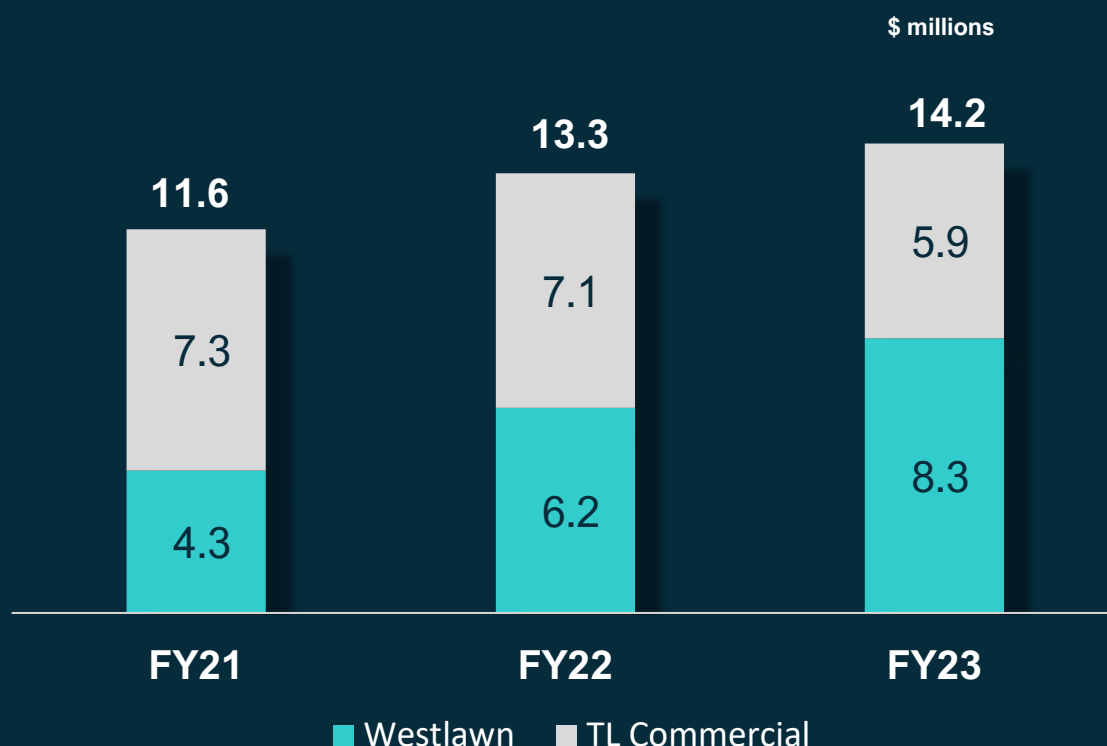
EBITDA to shareholders includes \$2.3m from acquisitions and increased equity holdings, net of disposals (FY22: includes \$2.1m from acquisitions and increased equity holdings, net of disposals).

Cash generation to shareholders

	FY23 \$m	FY22 \$m	Pcp Change
Revenue to shareholders	38.5	29.7	30%
EBITDA to shareholders	14.2	13.3	7%
(-) Rent expense to shareholders	(0.3)	(0.2)	50%
(-) Capital expenditure to shareholders	(0.1)	(0.3)	-67%
Cash EBITDA to shareholders	13.8	12.8	8%
(-) Tax expense to shareholders	(3.0)	(3.3)	-9%
Cash generation to shareholders	10.8	9.5	14%

Funds Management & Lending

EBITDA to shareholders



Funds management

Equity-One Mortgage Fund Limited has provided significant contribution in the financial year (+\$3.2m EBITDA to shareholders).

Funds under management & Lending of \$763.4m are up 19% on this time last year, following the acquisition of Equity-One.

	30 June 2023 \$m	30 June 2022 \$m
Funds under management		
Equity-One Contributory Mortgage Scheme	500.8	388.3
Westlawn Managed Investment Scheme	36.9	26.4
Westlawn Unsecured Notes	225.7	228.5
Total	763.4	643.2

Westlawn positioned for growth

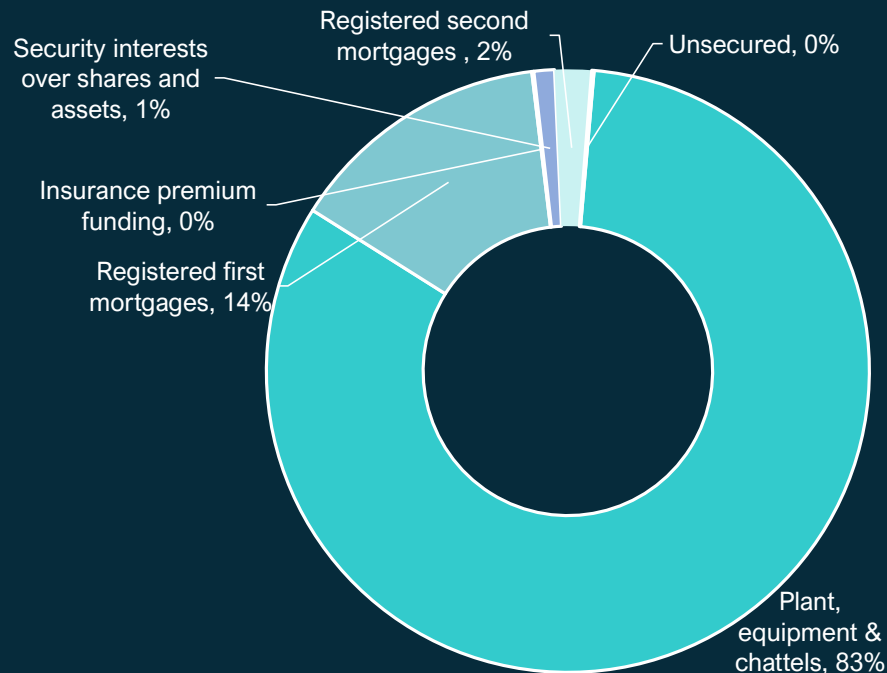
Organic growth in Westlawn is being achieved by the distribution of loan products through COG's broker network.

TL Commercial

The book continues to be in run-off; however, it delivered a strong contribution, largely as a result of cash collected in relation to residuals and end of lease payouts.

Lending book concentrated on asset backed contracts

Portfolio by product type (PV)



1. Excludes expected credit loss provision

Lending book

- The present value (PV) of the total lending book (\$227.9m¹) includes COG's 100% owned subsidiary TL Commercial Finance's legacy portfolio of \$10.7m (\$7.9m of lease receivables, including unguaranteed residuals, and \$2.8m of chattel mortgages) and a receivables portfolio of \$217.2m from Westlawn (which includes chattel mortgages originated from March 2021 onwards).
- New lease and loan originations in FY23 of \$110.8m (FY22: \$151.9m) includes \$63.6m of chattel mortgages (FY22: \$101.9m). The business has completed a product refresh in relation to our Chattel mortgage product coming into the end of the financial year which is expected to assist with materially volume growth.
- TL Commercial book is in run-off over the next 3 years and the internally funded lease contracts and unguaranteed residual rights will convert to approximately \$3.2m in pre-tax free cash flow
- The lending book continues to perform strongly as illustrated by a reduction in our ECL provisions which have reduced from 2.3% to 1.6% of receivables outstanding. The reduction is the result of collection performance and the mix of the book shifting to less risky receivables.

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 \$36.9m includes senior and subordinated issuances)

Other

Divestment of non-core HAL Group IT business executed in the 1H23

	FY23 ¹ \$m	FY22 ¹ \$m	Pcp Change
Revenue ²	0.2	8.0	-98%
EBITDA	(7.3)	(0.3)	-2333%
Net interest	(0.3)	-	-%
Depreciation	(0.3)	(0.2)	50%
Net (Loss)/PBT (before amortisation of acquired intangibles)	(7.9)	(0.5)	-1480%
Amortisation of acquired intangibles	-	-	-%
Net (Loss)/PBT	(7.9)	(0.5)	-1480%
(Loss)/EBITDA to shareholders	(7.3)	(0.2)	-3550%

1. Underlying basis before tax – excluding profit on sale of assets (FY23 \$0.4m, FY22 \$nil), transaction costs (FY23 \$0.1m, FY22 \$0.5m), redundancy and restructuring costs (FY23 \$0.2m, FY22 \$0.2m), impairment charge (FY23 \$9.4m, FY22 \$nil) and COG's 20.14% proportionate share of Earlypay's redundancy and restructuring costs (FY23 \$0.1m, FY22 \$nil) and impairment charge incurred by Earlypay (FY23 \$0.4m, FY22 \$nil)

2. Includes share of results from associates (FY23 -\$2.1m loss, FY22 \$3.1m) and excludes interest income (FY23 \$0.3m, FY22 \$0.1m) as well as COG's 20.14% proportionate share of Earlypay's redundancy and restructuring costs (FY23 \$0.1m, FY22 \$nil) and impairment charge incurred by Earlypay (FY23 \$0.4m, FY22 \$nil)

Segment includes COG head office expenses, Hal Group IT business (now divested) and the investment in Earlypay Limited (ASX: EPY)

Revenue contraction of \$7.8m includes the sale of the Hal Group IT business, effective 31 August 2022 (-\$3.8m), decrease in share of results from the associate Earlypay (-\$4.6m), partially offset by revenue from the October 2022 COG Broker Conference membership fee (+0.7m).

EBITDA to shareholders, excluding the impacts of EPY, is lower by \$2.5m. This year's spend includes:

-\$0.8 million in additional IT related spend on infrastructure and people.

-\$0.8m charges from the October 2022 COG Broker Conference (nil in prior year due to COVID-19)

More generally, COG corporate costs continue to be tightly managed with choices made as to where to invest corporate effort and energy to ensure efficiency.

Board of Directors



Patrick Tuttle
Chairman



Peter Rollason
Non-Executive Director



Stephen White
Non-Executive Director



Cameron McCullagh
Executive Director



Mark Crain
Executive Director

Management Team



Andrew Bennett
Chief Executive Officer



Richard Balzer
Chief Financial Officer



Philip Mcleod
General Counsel



Capital management

Efficient capital management and strong cash position

Cash and cash equivalents

The Group has generated significant cash over the period and the proportionate share of unrestricted cash and term deposits attributable to members at 30 June 2023 was \$55.9m (see Appendices).

Dividend

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.

For the half-year ended 31 December 2022, the Board declared a fully franked interim dividend of 3.7 cents per fully paid ordinary share (2021: 3.5 cents per fully paid ordinary share). The total dividend of \$7.0m was paid on 18 April 2023 out of the Company's profits reserve at 31 December 2022, and was 100% franked. The \$0.1m increase from the total proposed dividend amount of \$6.9m disclosed in the 1H23 COG Financial Report is due to rounding and the fact that an additional 102,814 new shares were issued on 3 March 2023 as part of the CEO Long-term incentive plan, before the dividend record date of 16 March 2023. COG issued 1,205,196 fully paid shares on 18 April 2023 under COG's DRP in respect of the FY23 interim dividend.

Dividend (continued)

For the year ended 30 June 2023, the Board declared a **final dividend** of 4.7 cents per fully paid ordinary share (FY22: 4.8 cents per fully paid ordinary share). The total dividend of \$9.0m will be paid on 20 October 2023 out of the Company's profits reserve at 30 June 2023 to all shareholders registered on the record date of 21 September 2023 and will be **100% franked**. The ex-dividend date for entitlement will be 20 September 2023. The DRP will apply to the final dividend and shares will be issued at a discount of 2.5%.

Capex

Capex for FY23 was \$3.2m (FY22: \$2.6m) and mainly relates to the development and implementation of new IT systems.

Acquisition finance facility

On February 2022, COG has established a \$31 million acquisition finance facility with a major Australian Bank for a term of 5 years. The facility has a revolving feature with drawdowns amortising across the term. Security and covenants are standard for a facility of this kind including a first ranking general security interest over the assets and undertakings of COG.

As at 30 June 2023, \$22.3m has been utilised on the acquisition of further ownership interests in Linx Group and Earlypay Limited as well as partial funding of the Chevron Equipment Finance and Paywise acquisitions. At 30 June 2023, \$8.7m remains available for future use.

Capital management

Capital raising

- On 18 April 2023 the Company issued 1,205,196 fully paid ordinary shares totalling \$1.66m as part of the COG's Dividend Reinvestment Plan (DRP).
- On 3 March 2023 the Company issued 102,814 fully paid ordinary shares totalling to \$0.15m 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 \$2.07m as part of the COG's Dividend Reinvestment Plan (DRP).
- On 11 August 2022 the Company issued 102,814 fully paid ordinary shares totalling to \$0.19m as part of the Group's FY21 Long-term incentive (LTI) plan for the CEO.

Investments

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

- On 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 \$7.1m. 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.
- On 1 September 2022, Fleet Network Pty Limited (Fleet Network) (a 95.2% owned subsidiary of Platform) acquired the novated lease business known as Australian Car Packaging for a total cash consideration of \$0.2m.
- 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) for a total cash consideration of \$0.6m, 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) for a total cash consideration of \$0.1m, 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) for a total cash consideration of \$0.4m (50% each).

- On 5 April 2023, Fleet Network Pty Limited (Fleet Network) (an entity that was a 95.2% owned subsidiary of Platform) acquired 100% of the shares in Howjack Holdings Pty Limited ('Howjack') for a total consideration of \$25.7m. Howjack is the sole shareholder of the novated lease and salary package company Paywise Pty Limited (collectively, 'Paywise'). The transaction was funded through the capitalisation of Fleet Network by contributions of \$15.0m from EML Group, \$15.1m from Platform (facilitated by the drawdown of the COG CBA facility of \$15.0m) and \$0.4m from a Fleet Network minority shareholder. EML Group is a partnership between Employers Mutual Limited (an Australian owned mutual) and ASWIG Management Pty Limited. Since 1910, the EML Group has provided a range of products encompassing workers' compensation, general insurance, and life insurance claims management. The rationale for the simultaneous acquisition and partial divestment transaction is to allow COG to expand its novated lease offering to also include salary packaging while simultaneously partnering with an established organisation to leverage their relationships in the provision of services to employers and their staff across the country. Platform now owns 78.1% of Fleet Network.
- On 31 July 2023, subsequent to balance date, the Group acquired a 100% equity interest in United Financial Services Pty Ltd, United Financial Services Network Pty Ltd, United Financial Services (Qld) Pty Ltd (together 'UFS') and National Finance Choice Pty Ltd ('NFC') from McMillan Shakespeare via its subsidiary COG Aggregation Pty Ltd for a total consideration of \$4.7m. NFC and UFS are long-established aggregation groups, operating primarily in the car and lifestyle asset market and representing 182 broker firms nationwide, writing approximately \$1 billion in volume per annum.

In addition to the above, the following internal reorganisation occurred during the 1H23:

- On 18 October 2022, Beinformed Group Pty Ltd (Be Car Wise) (a wholly owned subsidiary of Platform) was transferred from Platform to Fleet Network as part of plans to consolidate the novated lease business across the COG Group. As a result, Fleet Network issued 478 ordinary shares to Platform for a deemed subscription price of \$4.9m. Platform now owns 95.2% of Fleet Network.

Disposal of non-core business

- On 31 August 2022, the Group sold the non-core managed IT business services provided by Hal Group Pty Limited which generated a pretax profit on sale of \$0.4m. Hal Group Pty Limited has been renamed to COG TLC Pty Limited following the business sale.

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 2023 Annual Financial Report, and all other ASX announcements by COG.

Appendices



Appendices

Statutory income statement

	FY23 \$m	FY22 \$m	Pcp Change
Revenue	366.0	321.0	14%
Underlying EBITDA from core operations	52.8	51.3	3%
Impairment ¹	(9.8)	(0.6)	1533%
One-off unguaranteed residual rights recognition	-	1.0	-100%
Profit on disposal of assets	0.4	-	-%
Acquisition-related expenses	(0.4)	(0.5)	-20%
Redundancy and restructuring costs	(0.3)	(0.1)	200%
EBITDA from core operations	42.7	51.1	16%
Net interest expense	(0.1)	(0.4)	-75%
Depreciation & amortisation	(14.5)	(12.0)	21%
NPBT	28.1	38.7	-27%
Tax	(10.1)	(10.1)	0%
NPAT	18.0	28.6	-37%
Profit after tax attributable to:			
Non-controlling interests	9.9	8.9	11%
Members of COG	8.1	19.7	-59%

¹ Includes COG's 20.14% proportionate share of impairment charge incurred by Earlypay (FY23 \$0.4m, FY22 \$nil)

Impairment in FY23 relates to the write down of COG's investment in the associate Earlypay Limited (FY22: relates to the write down of \$0.1m in corporate bonds and write off of \$0.5m in trail commission receivables due to a financier contract renegotiation).

One-off unguaranteed residual rights recognition in FY22 reflects the receivable recognised on the execution of a new principal and agency agreement for a lease receivables portfolio.

Profit on disposal of assets reflects the gain recognised on the disposal of the non-core HAL Group IT business.

Depreciation & amortisation includes \$10.9m for amortisation of identified intangibles on acquisition of controlled entities (FY22: \$9.1m) and \$1.9m depreciation of right-of-use lease assets (FY22: \$1.4m).

Appendices

Reconciliation between statutory NPAT and underlying NPATA

	Members and NCI ¹			Members		
	FY23 \$m	FY22 \$m	Variance \$m	FY23 \$m	FY22 \$m	Variance \$m
NPAT	18.0	28.6	(10.6)	8.1	19.7	(11.6)
Adjustments (after tax):						
Impairment	9.8	0.6	9.2	9.8	0.6	9.2
One-off unguaranteed residual rights recognition	-	(0.7)	0.7	-	(0.4)	0.4
Profit on disposal of assets	(0.3)	-	(0.3)	(0.3)	-	(0.3)
Redundancy and restructuring costs	0.7	0.1	0.6	0.6	0.1	0.5
Acquisition-related expenses	0.2	0.4	(0.2)	0.1	0.4	(0.3)
Underlying NPAT	28.4	29.0	(0.6)	18.3	20.4	(2.1)
Amortisation of intangibles from acquisitions after tax	7.6	6.4	1.2	5.4	4.7	0.7
NPATA	36.0	35.4	0.6	23.7	25.1	(1.4)

1. Non-controlling interests

Consolidated statement of financial position

As at \$m	30 Jun 2023	30 Jun 2022
Cash and cash equivalents	101.8	76.1
Trade and other receivables	22.4	18.9
Contract assets	2.9	2.9
Financial assets - lease receivables	10.3	20.3
Financial assets - loans	64.9	53.0
Other assets	3.1	2.0
Total current assets ¹	205.4	173.2
Contract assets	8.3	7.9
Financial assets - lease receivables	16.0	27.2
Financial assets - loans	133.0	114.8
Other financial assets	17.6	7.2
Financial assets at fair value through OCI ²	0.2	0.2
Equity accounted associates	13.9	25.6
Property, plant and equipment	9.1	8.2
Intangible assets	184.1	148.2
Right-of-use lease assets	5.4	5.7
Total non-current assets	387.6	345.0
Total assets	593.0	518.2
Trade and other payables	34.9	32.2
Customer salary packaging liability	21.0	6.3
Interest bearing liabilities	204.1	195.7
Other liabilities	11.2	13.3
Lease liabilities	1.8	1.8
Total current liabilities ¹	273.0	249.3
Trade and other payables	12.2	1.9
Interest bearing liabilities	73.6	41.2
Deferred tax liabilities	13.8	12.3
Other liabilities	1.6	1.3
Lease liabilities	4.3	4.6
Total non-current liabilities	105.5	61.3
Total liabilities	378.5	310.6
Net assets	214.5	207.6

Cash and cash equivalents increased by \$25.7m mainly due cash held by the acquired entities Chevron and Paywise.

Financial assets – lease and loan receivables relates to lease, chattel mortgage and other lending product receivables in the Funds Management and Lending segment. The overall increase of \$8.9m is largely due to new originations in Westlawn (mostly relating to the chattel mortgage product), partially offset by the run-off of the TL Commercial Finance's lending portfolio.

Equity accounted associates mainly relates to the investment in Earlypay. The decrease of \$11.7m is largely related to the impairment loss and share of results recognised for the period, coupled with dividend received in the period.

Intangible assets mainly relates to identified intangibles and goodwill on acquisition of controlled entities. The movement in the period largely reflects \$45.7m of intangibles recognised on the acquisitions of Chevron Equipment Finance and Paywise, partially offset by the amortisation of those intangibles (aside from goodwill).

Interest bearing liabilities represents borrowings funding the lease / loan book as well as corporate debt. The movement in the period includes corporate facilities drawdowns of \$16.6m obtained to fund acquisitions.

¹ As at 30 June 2023, the Group's current assets of \$205.4m are \$67.6m lower than current liabilities of \$273.0m 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 form of liquidity issue.

² Other comprehensive income

Consolidated statement of cash flows

	FY23 \$m	FY22 ¹ \$m
Receipts from customers	386.6	346.6
Payments to suppliers and employees	(332.6)	(292.6)
Dividends received	0.6	1.0
Finance cost paid	(7.0)	(5.4)
Income tax paid	(15.8)	(14.4)
Net cash inflow from operating activities	31.8	35.2
Net cash (outflow) on acquisitions, net of cash acquired	(15.0)	(47.6)
Net cash (outflow) on investment in associates	-	(5.0)
Payments for deferred consideration	(0.3)	(0.2)
Payments for equipment - finance leases	(8.4)	(5.6)
Repayments of equipment – finance leases	28.9	51.3
Loans advanced	(102.4)	(146.3)
Repayments of loans	73.4	77.5
Payments for property, plant and equipment	(2.1)	(1.8)
Proceeds from sale of property, plant and equipment	0.2	0.3
Payment for intangible assets	(1.1)	(0.7)
Payment for investments	(15.8)	(1.8)
Proceeds from sale of investments	6.3	6.2
Other loan repayments received	0.1	0.5
Net cash (outflow) from investing activities	(36.2)	(73.2)
Proceeds from issue of shares	4.1	29.0
Costs of raising capital	(0.1)	(0.8)
Proceeds from interest bearing liabilities	97.2	68.7
Repayments of interest bearing liabilities	(61.0)	(51.1)
Repayments of lease liabilities - right-of-use lease assets	(2.3)	(2.1)
Dividends paid	(16.0)	(16.5)
Dividends paid by subsidiaries to non-controlling interests	(8.5)	(7.7)
Non-controlling interest acquisition contribution	16.7	0.1
Net cash inflow from financing activities	30.1	19.6
Net increase / (decrease) increase in cash and cash equivalents	25.7	(18.4)
Cash at the beginning of the year	76.1	94.5
Cash at the end of the period ²	101.8	76.1

Net cash inflow from operating activities includes \$25.6m (FY22: \$21.2m) relating to the lease and loan products offered through the Funds Management and Lending segment (including recovery of terminated leases) under 'Receipt from customers'.

Net cash (outflow) from investing activities includes the acquisition of 70% interest in Chevron Equipment Finance (through COG's subsidiary QPF) for a total consideration of \$7.1m and the acquisition of 100% of the novated lease business known as 'Paywise' (through COG's indirect subsidiary Fleet Network) for a total consideration of \$25.7m (FY22: includes the acquisition of 70% interest in Equity-One (through COG's subsidiary Westlawn) for a total consideration of \$24.8m, acquisition of an additional 30% interest in Platform Group for a total cash consideration of \$14.7m and the acquisition of an additional 24% interest in Westlawn for a total cash consideration of \$9.3m).

Net cash inflow from financing activities includes \$3.7m from shares issued under the Dividend Reinvestment Policy (DRP) (FY22: includes proceeds of \$20.0m from issue of shares via placement (largely utilised in new acquisitions) and \$9.0m from shares issued under the DRP).

¹ Certain prior year amounts have been reclassified or restated to conform to the current period presentation.

² Cash at the end of the period includes restricted cash of \$26.6m (30 June 2022: \$11.6m). Restricted cash represents 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 is not available for general use.

Appendices

Acquisition history

Date	Company	Activity	Acquirer	Interest acquired	Price	Consideration
Dec-15	Platform Consolidated Group (PCG)	Aggregation platform and finance broker	COG	60.0%	\$22.9m	76% cash / 24% equity
Oct-16	Consolidated Finance Group	Independent equipment finance aggregator	COG	80.0%	\$14.7m	60% cash / 40% equity
Oct-16	Linx Group Holdings (Linx)	Finance broker (VIC, NSW)	COG	50.0%	\$13.1m	60% cash / 40% equity
Oct-16	QPF Holdings (QPF)	Finance broker (QLD, WA)	COG	50.0%	\$21.3m	60% cash / 40% equity
Nov-16	Fleet Avenue	Motor vehicle finance broker	PCG	50.0%	\$0.2m	100% cash
Mar-17	Fleet Network	Finance broker (WA)	PCG	80.0%	\$6.1m	74% cash / 26% equity
Jul-17	DLV (Qld)	Finance broker (QLD)	QPF	50.0%	\$1.6m	50% cash / 50% shares
Jan-18	BusinessWorks	IT support services	COG	100.0%	\$1.3m	100% cash
Feb-18	Vehicle and Equipment Finance	Finance broker (VIC, NSW)	PCG	50.0%	\$3.0m	100% cash
May-18	Simply Finance	Finance broker	PCG	25.0%	\$0.8m	100% cash
Jul-18	Consolidated Finance Group	Acquisition of minority interests	COG	20.0%	\$4.2m	100% cash
Aug-18	Geelong Financial Group	Finance broker (VIC)	PCG	50.0%	\$0.3m	100% cash
Sep-18	Centrepont Finance	Finance broker (VIC)	COG	100.0%	\$8.3m	90% cash / 10% shares
Oct-18	Westlawn Finance	SME finance provider, insurance broking and funds management	COG	31.8%	\$14.3m	70% cash / 30% shares
Nov-18	Heritage Group	Finance broker (VIC)	Linx	50.0%	\$5.0m	100% cash
Feb-19	Sovereign Tasmania	Finance broker (TAS)	Linx	50.0%	\$2.2m	75% cash / 25% shares
Jul-19	QPF	Acquisition of minority interests	COG	5.6%	\$1.7m	100% cash
Oct-19	PCG	Acquisition of minority interests	COG	3.6%	\$1.1m	50% cash / 50% equity
Nov-19	Fleet Network	Acquisition of minority interests	PCG	15.8%	\$1.0m	100% cash
Jan-20	Earlypay Limited	Debtor finance provider	COG	17.4%	\$22.0m	100% cash

Appendices

Acquisition history (continued)

Date	Company	Activity	Acquirer	Interest acquired	Price	Consideration
Jul-20	Westlawn Finance	SME finance provider, insurance broking and funds management	COG	19.0%	\$7.5m	100% cash
Jul-20	PCG	Acquisition of minority interests	COG	0.2%	\$-	100% cash
Aug-20	Heritage Group	Finance broker (Vic)	Linx	13.3%	\$0.6m	100% cash
Oct-20	QPF	Acquisition of minority interests	COG	1.5%	\$2.4m	17% cash / 83% equity
Nov-20	Access Capital	Finance broker (SA, NT)	QPF	80.0%	\$9.2m	11% cash / 39% equity / 50% debt
Dec-20	Sovereign Tasmania	Acquisition of minority interests	Linx	4.2%	\$0.1m	100% cash
Jun-21	Linx	Acquisition of minority interests	COG	4.9%	\$2.1m	75% cash / 25% equity
Jul-21	Centrepont Yeppoon	Finance broker (QLD)	DLV	100.0%	\$1.0m	100% cash ⁷
Nov-21	Westlawn Finance	SME finance provider, insurance broking and funds management	COG	24%	\$9.3m	17% cash / 83% equity
Nov-21	PCG	Acquisition of minority interests	COG	30.1%	\$14.7m	17% cash / 83% equity
Jan-22	PCG	Acquisition of minority interests	COG	0.1%	\$-	100% cash
Mar-22	Equity-One Mortgage Fund	Funds management and contributory mortgage scheme	Westlawn	70%	\$24.8m	100% cash
Apr-22	Linx	Acquisition of minority interests	COG	4.9%	\$3.0m	100% cash
May-22	Earlypay	Debtor finance provider	COG	3.2%	\$5.0m	100% cash
Jul-22	Chevron Equipment Finance	Finance broker (QLD)	QPF	70%	\$7.0m	40% equity / 60% debt
Sep-22	Australian Car Packaging	Novated lease	Fleet Network	100%	\$0.2m	100% cash
Sep-22	Fleet Avenue	Motor vehicle finance broker	PCG	50% ¹	\$0.6m	100% cash
Jan-23	Sovereign Tasmania	Acquisition of minority interests	Linx	4.2% ²	\$0.1m	100% cash
Jan-23	Chevron Insurance Consultants	Insurance broker (QLD)	QPFI ³ / Chevron ⁴	50% / 50%	\$0.2m / \$0.2m	100% cash
Apr-23	Paywise	Novated lease	Fleet Network	100%	\$25.7m	50% equity / 50% debt
Jul-23	NFC & UFS (McMillan Shakespeare)	Independent equipment finance aggregator	COG Agg. ⁵	100%	\$4.7m	100% debt

1. From 29 September 2022, Platform owns 100% of Fleet Avenue

2. From 1 January 2023, Linx owns 58.3% of Sovereign Tasmania

3. QPF Insurance

4. Chevron Equipment Finance

5. COG Aggregation (former Consolidated Finance Group)

Appendices

Proportionate share of unrestricted cash attributable to members

\$ millions

	Total Cash	Restricted cash ¹	Unrestricted cash	Proportionate share of unrestricted cash attributable to Members ²
Platform Group	35.1	(22.5)	12.6	8.3
QPF Group	7.0	-	7.0	3.6
Linx Group	3.6	-	3.6	1.8
Westlawn Group	37.7	(4.1)	33.6	23.8
COG Aggregation	3.6	-	3.6	3.6
COG Parent	13.3	-	13.3	13.3
COG TLC	1.5	-	1.5	1.5
Total Cash	101.8	(26.6)	75.2	55.9

1. Cash and cash equivalents include restricted cash of \$26.6m (30 June 2022: \$11.6m). Restricted cash includes amounts 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 is not available for general use.

2. Based on COG's ownership of entity