

**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 2024**

Comparisons are to the period ended 31 December 2023 (unless specified for 30 June 2024)

	31 December 2024 \$'000	31 December 2023 \$'000	Increase/ (decrease)	% movement
Revenue from continuing operations	252,981	235,605	17,376	7%
Net profit from continuing operations	13,596	14,868	(1,272)	9%
Net profit from continuing operations after tax, attributable to members	8,468	9,107	(639)	7%

	31 December 2024 Cents	31 December 2023 cents
Earnings per share, attributable to members	4.28	4.76

	31 December 2024 \$'000	30 June 2024 \$'000
Net assets	200,556	203,633
Less: Intangible assets	(173,886)	(177,108)
Non-controlling interests	(50,293)	(51,948)
Right-of-use lease assets	(11,667)	(7,535)
Net tangible assets (NTA)	(35,290)	(32,958)
NTA per share (cents)	(17.72)	(16.91)

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 2024 annual financial report and all ASX announcements made by the Company during the interim reporting period.

**COG Financial Services Limited
and its controlled entities**

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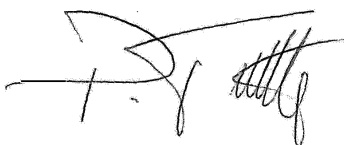
Appendix 4D & Half year Financial Report

Dividends

	31 December 2024 \$'000	31 December 2023 \$'000
Dividends paid or provided during the period		
Interim 2025 fully franked ordinary dividend of 3.0 cents (2024: 4.0 cents) per fully paid ordinary share franked at the tax rate of 30% (2024: 30%)	6,055	7,703
Final 2024 fully franked ordinary dividend of 4.4 cents (2023: 4.7 cents) per fully paid ordinary share franked at the tax rate of 30% (2023: 30%)	8,642	8,961

Dividends (distributions)	Amount per security¹	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
Final dividend 30 June 2023 (FY23)	4.7 cents	100%	21 September 2023	20 October 2023
Interim dividend 31 December 2023 (FY24)	4.0 cents	100%	12 March 2024	12 April 2024
Final dividend 30 June 2024 (FY24)	4.4 cents	100%	3 September 2024	2 October 2024
Interim dividend 31 December 2024 (FY25)	3.0 cents	100%	11 March 2025	11 April 2025

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



Patrick Tuttle
Chairman
26 February 2025

COG Financial Services Limited and its controlled entities

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Interim Financial Report

For the period ended 31 December 2024

Contents

Directors' Report	5
Auditor's Independence Declaration	9
Consolidated Statement of Comprehensive Income	10
Consolidated Statement of Financial Position	11
Consolidated Statement of Changes in Equity	12
Consolidated Statement of Cash Flows	13
Notes to the Financial Statements	14
Directors' Declaration	28
Independent Auditor's Review Report	29
Corporate Directory	31

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 2024.

Directors' details

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

Patrick Tuttle - Chairman
 Stephen 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 lending products.

OPERATING AND FINANCIAL REVIEW

The Board's 31 December 2024 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 2024 and 2023:

Period ended 31 December	Underlying ⁽¹⁾			Statutory		
	2024	2023 ⁽⁴⁾	Change %	2024	2023 ⁽⁴⁾	Change %
Revenue⁽²⁾	251.0	233.9	7%	253.0	235.6	7%
Finance Broking & Aggregation	136.6	136.4	0%	136.7	136.6	0%
Novated Leasing	77.7	65.5	19%	78.5	66.1	19%
Asset Management & Lending	36.7	32.0	15%	37.6	32.7	15%
All Other / Intersegment	-	-	%	0.2	0.2	0%
EBITDA	28.3	29.7	-5%	27.9	29.3	-5%
EBITDA after non-controlling interests (NCI)	18.6	18.8	-1%	18.3	18.4	-1%
Finance Broking & Aggregation	8.7	9.2	-5%	8.7	9.0	-3%
Novated Leasing	7.2	6.3	14%	7.2	6.3	14%
Asset Management & Lending	3.7	5.9	-37%	3.7	5.9	-37%
All Other / Intersegment	(1.0)	(2.6)	-62%	(1.3)	(2.8)	-54%
Profit after tax attributable to NCI	5.1	5.8	-12%	5.1	5.8	-12%
Profit after tax and NCI	8.7	9.4	-7%	8.5	9.1	-7%
NPATA⁽³⁾ after NCI	11.8	12.6	-6%	11.6	12.3	-6%

(1) On an underlying basis excluding transaction costs (1H25 \$nil, 1H24 \$0.2m after tax) and COG's 21.45% and 19.89% proportionate share of Earlypay Limited and Centrepont Alliance Limited's amortisation of acquired intangibles (1H25 \$0.3m, 1H24 \$nil after tax), redundancy and restructuring costs (1H25 \$nil, 1H24 \$nil, after tax), transaction costs (1H25 \$0.1m, 1H24 \$0.1m after tax) and the release of contingent consideration for the acquisition of FAM by CAF (1H25 \$0.2m, 1H24 \$nil after tax).

(2) Underlying revenue excludes interest income (1H25 \$2.0m, 1H24 \$1.7m).

(3) Excludes amortisation of acquired intangibles of (1H25: \$3.1m after tax attributable to members, 1H24: \$3.2m 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 2024:

- Underlying revenue was \$250,978k, an increase of 7% on the prior comparative period (pcp),
- Underlying earnings before interest, taxes, depreciation and amortisation (EBITDA) from core operations, and before minority interests, was \$28,302k, a decrease of 5% on the pcp,
- Underlying profit after tax, attributable to members of the Group, was \$8,718k, a decrease of 7% on the pcp,
- Underlying net profit after tax and amortisation of intangibles arising from business combinations (NPATA), attributable to members of the Group, was \$11,829k, a decrease of 6% on the pcp.

Directors' Report (continued)

On 25 July 2024, the Company issued 1,555,719 fully paid ordinary shares totaling \$1,830k as part of the consideration for the acquisition of an additional 5% equity interest in QPF Holdings Pty Ltd ("QPF"). On 26 September 2024 the Company issued 43,499 fully paid ordinary shares totaling to \$41k as part of the Group's FY22 and FY23 Long-term incentive plan for the CEO. On 2 October 2024 the Company issued 2,695,588 fully paid ordinary shares totaling \$2,581k as part of the COG's Dividend Reinvestment Plan.

On 29 January 2025 the Company issued 2,684,209 fully paid ordinary shares totalling \$2,642k in respect of the ESS for FY25.

The Group's net asset position as at the end of the period was \$200.6m (30 June 2024: \$203.6m).

Review of operations - segment performance

COG's business consists of four 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 Broking & Aggregation (FB&A)

The Finance Broking and Aggregation (FB&A) segment delivered revenues for the period ended 31 December 2024 of \$136,538k, up 0.1% on pcip (\$136,450k in the pcip). EBITDA before minority interests was down 9% to \$13,203k (\$14,466k in the pcip).

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 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 FY25, COG settled \$4.2b of NAF through its finance broking aggregation platforms, a 3% decrease on the pcip.

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 (novated leasing now reported under a separate segment, previously reported in Finance Broking & Aggregation).

On 1 July 2024, COG acquired an additional 5% equity interest in QPF Holdings Pty Ltd ("QPF"), taking COG's controlling interest in QPF from 58.74% to 63.74%.

On 1 July 2024, QPF Holdings Pty Ltd acquired an additional 20% equity interest in QPF Insurance Pty Limited, taking QPF's controlling interest in QPF from 80.00% to 100%.

On 31 July 2024, DLV (Qld) Pty Limited (a 50% owned subsidiary of QPF Holdings Pty Limited) acquired the mortgage finance broking business known as 'Cap Coast Home Loans' or 'CCHL'.

On 1 November 2024, Linx Group Holdings (Linx) acquired an additional 9.17% indirect interest in the Heritage Partnership from minority partners, taking Linx's indirect ownership in the Heritage Partnership from 70.83% to 80.00%. Subsequently, on 1 December 2024, Linx sold a 2.5% indirect interest to a key employee of Heritage, taking Linx's indirect ownership in the Heritage Partnership from 80.00% to 77.50%.

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. COG Connect has been designed to interface directly with our finance partners and will continue to support management of the sales process. COG Connect continues to be upgraded to further enhance the client experience and deliver process efficiencies.

Novated Leasing (NL)

The Novated Leasing segment delivered revenues for the period ended 31 December 2024 of \$77,746k, up 19% on pcip (\$65,497k in the pcip). Revenues for the period are inclusive of the contribution from the Community Salary Packaging (CSP) of \$264k (\$nil in the pcip). EBITDA before minority interests was up 14% to \$9,628k (\$8,449k in the pcip).

On 11 July 2024, Paywise Pty Ltd (Paywise) (a wholly owned subsidiary of Fleet Network) acquired a 100% controlling interest in the salary packaging business known as Community Salary Packaging (CSP).

Directors' Report (continued)

The Novated Leasing segment continues to benefit from the FBT incentive for electric vehicles which has further accelerated volume growth. Furthermore, since acquisition in April 2023, Paywise continues to show strong growth and the synergy opportunities expected at the time of acquisition are being achieved.

Asset Management & Lending (AM&L)

The Asset Management & Lending segment delivered revenues for the period ended 31 December 2024 of \$36,694k, up 15% on pc (p) (\$31,981k in the pc). Revenues for the period are inclusive of organic growth contribution from Equity-One Mortgage Fund Limited (Equity-One) of \$1,211k. This revenue growth was partially offset by a lower revenue contribution from TL Commercial Finance Pty Limited (TLC) with this legacy book being in run-off. EBITDA before minority interests was down 31% to \$6,491k (\$9,378k in the pc).

Westlawn has continued utilising its branch network for product distribution to accelerate Equity-One growth. Assets under management & Lending of \$967.0m are up 13% on this time last year, inclusive of the continued growth of Equity-One. Equity-One is a funds management business based in Melbourne and operates a peer to peer, contributory mortgage scheme.

New loans and leases written in the first half of FY25 totalled \$62.2m (\$71.2m in the pc), a decrease of 13% on the prior year.

TLC is currently in run-off with the total lease and loan receivables of \$0.9m as at 31 December 2024 representing the present value of lease and loan instalments and related unguaranteed residual values expected to be received over the next one to two years. The run-off book continues to perform strongly and remains an active focus to ensure a maximised return is achieved.

The lending book overall continued to perform strongly, with the Expected Credit Loss (ECL) provision increasing slightly to 1.5% in December 2024 from 1.4% in June 2024.

COG continues to focus on the next steps in its strategy, being the expansion of its asset 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 FY25.

Other

Earlypay Limited

COG's Other segment includes the Group's share of Earlypay Limited (ASX: EPY) profit of \$283k (before tax) for the period ended 31 December 2024 (\$320k profit before tax in the pc). COG owned 21.45% of the voting shares in EPY as at 31 December 2024.

Centrepont Alliance Limited

COG's Other segment includes the Group's share of Centrepont Alliance Limited (ASX: CAF) profit of \$1,448k (before tax) for the period ended 31 December 2024 (\$nil profit before tax in the pc). COG's investment in CAF represents a 19.89% interest in that company as at 31 December 2024.

Dividends

Since the year ended 30 June 2024, the Board declared a final dividend of \$8,642k (4.4 cps). This dividend was paid on 2 October 2024 out of the Company's profit reserve as at 30 June 2024 to all shareholders registered on the record date of 3 September 2024 and was fully franked. The ex-dividend date for entitlement was 2 September 2024. 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 2024, the Board declared a fully franked interim dividend of 3.0 cents per fully paid ordinary share (2023: 4.0 cps). The aggregate amount of the proposed dividend of \$6,055k will be paid on 11 April 2025 out of the Company's profits reserve at 31 December 2024. The Company's DRP has been suspended in relation to the interim dividend.

Directors' Report (continued)

Events subsequent to the end of the financial period

As disclosed in the notes to the financial statements, apart from the 2,684,209 fully paid ordinary shares issued on 29 January 2025 in respect of the loan-backed employee share scheme and the interim dividend declared on 26 February 2025, 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.

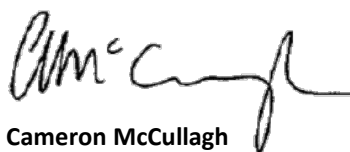
Rounding of amounts

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 26 February 2025.



Patrick Tuttle
Chairman



Cameron McCullagh
Executive Director

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 2024, 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, 26 February 2025

Consolidated Statement of Comprehensive Income

For the period ended 31 December 2024

		31 December 2024 \$'000	31 December 2023 \$'000
	Notes		
Revenue from continuing operations	A2	252,981	235,605
Cost of sales		(70,915)	(61,340)
Commissions paid		(83,256)	(83,688)
Employee benefits expense		(40,885)	(37,712)
Administration expenses		(17,836)	(14,589)
Occupancy expenses		(1,092)	(1,141)
Finance costs		(1,500)	(1,221)
Funding costs (Asset Management & Lending)		(10,166)	(5,822)
Depreciation and amortisation		(9,099)	(8,795)
Acquisition-related expenses		(61)	(275)
Other expenses		(640)	(401)
Share of results from associates	B2	1,801	337
Profit before income tax		19,332	20,958
Income tax expense		(5,736)	(6,090)
Profit after tax for the period		13,596	14,868
Other comprehensive income:			
<i>Items that may be reclassified subsequently to the statement of profit or loss:</i>			
Equity securities at FVOCI – changes in fair value, net of tax		(88)	(1,246)
Cash flow hedges – changes in fair value, net of tax		(541)	-
Total comprehensive income for the period		12,967	13,622
Profit after tax attributable to:			
Members of COG Financial Services Limited		8,468	9,107
Non-controlling interests		5,128	5,761
Total profit after tax for the period		13,596	14,868
Total comprehensive income attributable to:			
Members of COG Financial Services Limited		7,996	7,861
Non-controlling interests		4,971	5,761
Total comprehensive income for the period		12,967	13,622
Basic earnings per share from continuing operations, attributable to members (cents):			
		4.28	4.76
Diluted earnings per share from continuing operations, attributable to members (cents):			
		4.28	4.76

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 2024

		31 December 2024 \$'000	30 June 2024 \$'000
ASSETS	Notes		
Current			
Cash and cash equivalents	D2	135,194	125,680
Trade and other receivables		15,298	22,173
Contract assets		3,188	2,969
Financial assets - lease receivables		5,265	5,515
Financial assets - loans		83,611	78,293
Other financial assets		3,992	3,927
Inventories		406	176
Total current assets		246,954	238,733
Non-current			
Contract assets		9,360	8,578
Financial assets - lease receivables		7,665	9,679
Financial assets - loans		194,000	180,954
Other financial assets		27,944	29,412
Financial assets at fair value through other comprehensive income		-	203
Equity accounted associates	B2	23,696	22,723
Property, plant and equipment		12,380	11,051
Intangible assets		173,886	177,108
Right-of-use lease assets		11,667	7,535
Total non-current assets		460,598	447,243
Total assets		707,552	685,976
LIABILITIES			
Current			
Trade and other payables		27,662	38,715
Customer salary packaging liability		43,422	26,317
Interest bearing liabilities		232,720	221,907
Current tax liabilities		579	4,066
Provisions		9,238	8,822
Lease liabilities		5,859	4,268
Derivative financial instruments	C1	140	-
Other liabilities		-	101
Total current liabilities		319,620	304,196
Non-current			
Trade and other payables		16,161	15,780
Interest bearing liabilities		153,200	146,872
Deferred tax liabilities		9,624	10,150
Lease liabilities		6,330	3,701
Derivative financial instruments	C1	401	-
Provisions		1,660	1,644
Total non-current liabilities		187,376	178,147
Total liabilities		506,996	482,343
Net assets		200,556	203,633
EQUITY			
Share capital	B3.1	289,370	285,001
Accumulated losses		(117,793)	(117,793)
Reserves	B3.4	(21,314)	(15,523)
Non-controlling interests		50,293	51,948
Total equity		200,556	203,633

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 2024

Notes	Share capital \$'000	Accumulated losses \$'000	Reserves \$'000	Non-controlling interests \$'000	Total Equity \$'000
Balance at 1 July 2024	285,001	(117,793)	(15,523)	51,948	203,633
Net profit for the period, after tax	-	-	8,468	5,128	13,596
Equity securities at FVOCI – changes in fair value, net of tax	-	-	(66)	(22)	(88)
Cash flow hedges – changes in fair value, net of tax	-	-	(406)	(135)	(541)
Total comprehensive income for the period	-	-	7,996	4,971	12,967
Transactions with owners:					
Share based payment expense, net of cancelled/exercised	-	-	367	-	367
Financial liability to acquire further interests in subsidiaries	-	-	(883)	-	(883)
Disposal of part interest in subsidiary	-	-	156	36	192
Non-controlling interest acquired	-	-	(4,785)	(402)	(5,187)
Non-controlling interest acquisition contribution	-	-	-	765	765
Dividends	-	-	(8,642)	(7,025)	(15,667)
B3.3 Issue of share capital	4,452	-	-	-	4,452
Costs of raising capital, net of tax	(83)	-	-	-	(83)
Balance at 31 December 2024	289,370	(117,793)	(21,314)	50,293	200,556
Balance at 1 July 2023	279,470	(117,793)	2,239	50,554	214,470
Net profit for the period, after tax	-	-	9,107	5,761	14,868
Equity securities at FVOCI – changes in fair value, net of tax	-	-	(1,246)	-	(1,246)
Total comprehensive income for the period	-	-	7,861	5,761	13,622
Transactions with owners:					
Share based payment expense, net of cancelled/exercised	-	-	(147)	-	(147)
Financial liability to acquire further interests in subsidiaries	-	-	(3,101)	-	(3,101)
Disposal of part interest in subsidiary	-	-	936	3,191	4,127
Non-controlling interest acquired	-	-	(5,356)	(951)	(6,307)
Dividends	-	-	(8,971)	(8,270)	(17,241)
B3.3 Issue of share capital	2,169	-	-	-	2,169
Costs of raising capital, net of tax	(55)	-	-	-	(55)
Balance at 31 December 2023	281,584	(117,793)	(6,539)	50,285	207,537

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 2024

	31 December 2024 \$'000	31 December 2023 \$'000
Cash flows from operating activities		
Receipts from customers	301,818	272,270
Payments to suppliers and employees	(250,833)	(233,888)
Dividends received	840	138
Finance costs paid	(9,663)	(5,191)
Income taxes paid	(9,975)	(8,289)
Net cash inflow from operating activities	32,187	25,040
Cash flows from investing activities		
Net cash (outflow) on acquisitions, net of cash acquired	(2,837)	(4,683)
Net cash (outflow) on investment in associate	(12)	(13,054)
Payments for equipment – finance leases	-	(4,809)
Repayments of equipment – finance leases	2,264	9,069
Loans advanced	(62,242)	(66,425)
Repayments of loans	42,637	52,706
Payments for property, plant and equipment	(2,806)	(2,143)
Proceeds from sale of property, plant and equipment	359	1,060
Payments for intangible assets	(1,360)	(237)
Proceeds from sale of loan receivables	-	23,350
Payments for investments	(24,985)	(20,739)
Proceeds from sale of investments	21,623	8,922
Net cash (outflow) from investing activities	(27,359)	(16,983)
Cash flows from financing activities		
Proceeds from issue of shares	4,452	2,169
Proceeds from interest-bearing liabilities	37,678	37,500
Repayments of interest-bearing liabilities	(21,420)	(19,848)
Repayments of lease liabilities	(1,122)	(927)
Dividends paid	(8,642)	(8,971)
Dividends paid by subsidiaries to non-controlling interests	(7,025)	(8,270)
Non-controlling interests acquired	-	(3,888)
Non-controlling interest acquisition contribution	765	-
Net cash inflow/(outflow) from financing activities	4,686	(2,235)
Net increase in cash and cash equivalents	9,514	5,822
Cash and cash equivalents, beginning of the financial year	125,680	101,796
Cash and cash equivalents, end of the period	135,194	107,618

D2

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

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 26 February 2025.

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 2024 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 2024 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 Financial Position
- A1 Operating segments
- A2 Revenue
- B3.3 Dividends – Franking credits

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.

Notes to the Financial Statements (continued)

As at 31 December 2024, the Group's current assets of \$246,954k are \$72,666k lower than current liabilities of \$319,620k 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 four 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 & 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;
- *Novated Leasing* activities comprise the provision of novated leasing and salary packaging services to government and private sector customers;
- *Asset Management & 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 21.45% and 19.89% in the associates Earlypay Limited and Centrepont Alliance Limited, respectively, and (ii) corporate office function provided by the ultimate parent entity.

	Finance Broking and Aggregation	Novated Leasing	Asset Management & Lending	All Other / Intersegment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Period ended 31 December 2024					
Revenue ⁽¹⁾	136,538	77,746	36,694	-	250,978
Underlying EBITDA from core operations ⁽²⁾	13,203	9,628	6,491	(1,020)	28,302
Acquisition-related expenses	(5)	(31)	(25)	-	(61)
Adjustment related to Associates ⁽³⁾	-	-	-	(313)	(313)
Statutory EBITDA from core operations	13,198	9,597	6,466	(1,333)	27,928
Interest income					2,003
Finance costs					(1,500)
Depreciation and amortisation					(9,099)
Profit before tax					19,332
Income tax expense					(5,736)
Profit after tax					13,596
Non-controlling interests					(5,128)
Profit after tax, attributable to members					8,468

	Finance Broking and Aggregation	Novated Leasing	Asset Management & Lending	All Other / Intersegment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Period ended 31 December 2023					
Revenue ⁽¹⁾	136,450	65,497	31,981	-	233,928
Underlying EBITDA from core operations ⁽²⁾	14,466	8,449	9,378	(2,595)	29,698
Acquisition-related expenses	(179)	(17)	-	(79)	(275)
Adjustment related to Associates ⁽³⁾	-	-	-	(126)	(126)
Statutory EBITDA from core operations	14,287	8,432	9,378	(2,800)	29,297
Interest income					1,677
Finance costs					(1,221)
Depreciation and amortisation					(8,795)
Profit before tax					20,958
Income tax expense					(6,090)
Profit after tax					14,868
Non-controlling interests					(5,761)
Profit after tax, attributable to members					9,107

(1) Revenue excludes interest income (31 December 2024: \$2,003k, 31 December 2023: \$1,677k).

(2) Excludes non-recurring items.

(3) Reflects COG's 21.45% and 19.89% proportionate share of Earlypay Limited and Centrepont Alliance Limited's amortisation of acquired intangibles (31 December 2024: \$450k, 31 December 2023: \$nil), redundancy and restructuring costs (31 December 2024: \$39k, 31 December 2023: \$53k), transaction costs (31 December 2024: \$83k, 31 December 2023: \$73k) and the release of contingent consideration for the acquisition of FAM by CAF (31 December 2024: \$259k, 31 December 2023: \$nil).

A - Financial Performance (continued)

A2 REVENUE

For the period ended 31 December

	2024 \$'000	2023 \$'000
Commission, trail, fee and volume bonus income	158,938	154,490
Sale of goods	71,739	61,714
Finance lease income	1,198	3,134
Finance income - loans	14,235	9,246
Interest income	2,003	1,677
Other operating revenue	4,868	5,344
	252,981	235,605

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.

During the half year ended 31 December 2024 the Group executed the following acquisitions:

- effective 11 July 2024, Paywise Pty Ltd (Paywise) (a wholly-owned subsidiary of Fleet Network) acquired a 100% controlling interest in the salary packaging business known as Community Salary Packaging (CSP) for a total consideration of \$2,090k (\$1,894k settled in cash and \$196k deferred).
- effective 31 July 2024, DLV (Qld) Pty Limited (a 50% owned subsidiary of QPF Holdings Pty Limited) acquired a 100% controlling interest in the mortgage finance broking business known as 'Cap Coast Home Loans' or 'CCHL' for a total consideration of \$987k (\$893k settled in cash and \$94k deferred).

B - Group Structure (continued)

B1 BUSINESS COMBINATIONS (continued)

The values identified for the acquisitions as at the respective acquisition dates are as follows:

	CSP ¹ \$'000	CCHL ² \$'000
Purchase consideration		
Cash consideration	1,894	893
Deferred consideration	196	94
Less: Cash and cash equivalents acquired	(240)	-
	1,850	987
Fair value of net assets (liabilities) acquired		
Contract assets	-	841
Intangible assets	475	-
Trade and other receivables	71	-
Trade and other payables	(5)	(8)
Customer salary packaging liability	(108)	-
Deferred tax liabilities	(143)	-
	290	833
To be recognised as goodwill	1,560	154

¹ Recognised as at 11 July 2024 on a provisional basis.

² Recognised as at 31 July 2024 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, and
- acquisition accounting remains provisional.

Transactions between owners

During the period ended 31 December 2024, the Group acquired (or disposed of) additional interests from minority shareholders in the following entities, which were already controlled by the Group:

- effective 1 July 2024, COG acquired an additional 5% equity interest in QPF Holdings Pty Ltd ("QPF") for a total consideration of \$3,660k, taking COG's controlling interest in QPF from 58.74% to 63.74%. Half of the purchase consideration was settled in cash (and funded via drawdown from the COG corporate debt facility). The remaining 50% was settled via allotment and issuance of 1,555,719 fully paid ordinary COG shares on 25 July 2024, as approved by the shareholders on the Extraordinary General Meeting held on 22 July 2024.
- effective 1 July 2024, QPF Holdings Pty Ltd acquired an additional 20% equity interest in QPF Insurance Pty Limited for a cash consideration of \$896k, taking QPF's controlling interest in QPF Insurance Pty Limited from 80.00% to 100%.
- effective 1 November 2024, Linx Group Holdings (Linx) through its wholly owned subsidiaries Linx Heritage Corporate and Linx Heritage Finance acquired an additional 9.17% interest in Heritage Corporate Partnership and Heritage Finance Partnership from minority partners, for total consideration of \$705k. As a result of this transaction, Linx's indirect ownership in Heritage Corporate Partnership and Heritage Finance Partnership increased from 70.83% to 80.00%.

B - Group Structure (continued)

B1 BUSINESS COMBINATIONS (continued)

- effective 1 December 2024, Linx sold a 2.5% indirect interest in Heritage Corporate Partnership and Heritage Finance Partnership for a total discounted consideration of \$107k to a key employee of Heritage. The differential between fair value and the discounted value offered to the key employee of \$85k was recognised as an employee benefit expense for the period. As a consequence of this transaction, Linx's indirect ownership in Heritage Corporate Partnership and Heritage Finance Partnership decreased from 80.00% to 77.50%.

As the Group already controls the entities above, the additional acquisitions have been treated as a transaction between owners and consequently do not generate any additional goodwill or other acquisition adjustments.

B2 EQUITY ACCOUNTED ASSOCIATE

The carrying amount of the Group's interests in equity-accounted associates has changed as follows:

	31 December 2024 \$'000
Balance at the beginning of the period	22,723
Additional investment in non-material associates	12
Share of results from associates ⁽¹⁾	1,801
Dividend received ⁽²⁾	(840)
Balance at the end of the period ⁽³⁾	23,696

⁽¹⁾ Share of results from associates in the Consolidated Statement of Comprehensive Income includes share of results from Earlypay Limited (EPY) of \$283k, Centrepoint Alliance Limited (CAF) of \$1,448k and other non-material associates of \$70k.

⁽²⁾ Dividend received includes dividend received from EPY of \$88k, CAF of \$692k and other non-material associates of \$60k.

⁽³⁾ Equity accounted associates in the Consolidated Statement of Financial Position includes investment in EPY of \$9,880k, CAF of \$13,025k and investment in other non-material associates of \$791k.

Earlypay Limited

COG's investment in EPY represents a 21.45% interest in that company as at 31 December 2024. 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.

Centrepoint Alliance Limited

COG's investment in CAF represents a 19.89% interest in that company as at 31 December 2024. CAF is an ASX-listed company and is a leading provider of advice and business services to financial advice firms throughout Australia.

B - Group Structure (continued)

B3 SHARE CAPITAL AND RESERVES

B3.1 ORDINARY SHARES

	6 months ended 31 December 2024 \$'000	12 months ended 30 June 2024 \$'000	6 months ended 31 December 2024 No. of shares '000	12 months ended 30 June 2024 No. of shares '000
<i>Shares issued and fully paid</i>				
Balance at the beginning of the period	285,001	279,470	194,859	190,662
Shares issued under DRP ⁽¹⁾	2,581	3,805	2,696	2,847
Shares issued via business combination ⁽²⁾	1,830	-	1,556	-
Shares issued under LTI Plan ⁽³⁾	41	1,885	43	1,350
Costs of raising capital, net of tax	(83)	(159)	-	-
Closing balance at the end of the period	289,370	285,001	199,154	194,859

⁽¹⁾ On 2 October 2024 the Company issued 2,695,588 fully paid ordinary shares totalling \$2,581k as part of the COG's Dividend Reinvestment Plan (DRP). On 12 April 2024 the Company issued 1,383,646 fully paid ordinary shares totalling \$1,921k as part of the COG's DRP. On 20 October 2023 the Company issued 1,463,193 fully paid ordinary shares totalling \$1,885k as part of the COG's DRP.

⁽²⁾ On 25 July 2024, the Company issued 1,555,719 fully paid ordinary shares totalling \$1,830K as part of the consideration for the acquisition of an additional 5% equity interest in QPF Holdings Pty Ltd ("QPF"), taking COG's controlling interest in QPF from 58.74% to 63.74%.

⁽³⁾ On 26 September 2024 the Company issued 43,499 fully paid ordinary shares totalling \$41k as part of the Group's FY22 and FY23 Long-term incentive (LTI) plan for the CEO. On 5 February 2024, the Company issued 1,145,000 fully paid ordinary shares totalling \$1,601k in lieu of the new loan-backed share scheme as part of the Group's LTI Plan for employees for FY24. On 18 September 2023 the Company issued 204,955 fully paid ordinary shares totalling to \$284k as part of the Group's FY21, FY22 and FY23 LTI plan for the CEO (refer Note B3.2).

B3.2 SHARE BASED PAYMENTS

Performance rights

The Group has issued performance rights to Andrew Bennett who commenced as a member of key management personnel in 2018. These performance rights, which were issued as part of Andrew Bennett's remuneration package, entitle him to receive shares in COG under certain vesting conditions, as set out below:

Service period	Tranche	Grant date	Vesting date	Granted	Vested	Rolled over	Expired/ Forfeited/ Cancelled	Balance at 31 December 2024
FY21 LTIP	Tranche 1	11 August 2022	30 June 2021	102,814	(102,814)	-	-	-
	Tranche 2	11 August 2022	30 June 2022	102,814	(102,814)	-	-	-
	Tranche 3	11 August 2022	30 June 2023	102,814	(102,814)	-	-	-
	Total			308,442	(308,442)	-	-	-
FY22 LTIP	Tranche 1	11 September 2023	30 June 2022	58,642	(58,642)	-	-	-
	Tranche 2	11 September 2023	30 June 2023	58,642	(23,457)	(35,185)	-	-
	Tranche 3	11 September 2023	30 June 2024	58,642	(23,457)	35,185	(70,370)	-
	Total			175,926	(105,556)	-	(70,370)	-
FY23 LTIP	Tranche 1	11 September 2023	30 June 2023	50,105	(20,042)	(30,063)	-	-
	Tranche 2	11 September 2023	30 June 2024	50,105	(20,042)	(30,063)	-	-
	Tranche 3	11 September 2023	30 June 2025	50,106	-	60,126	-	110,232
	Total			150,316	(40,084)	-	-	110,232
Total				634,684	(454,082)	-	(70,370)	110,232

These performance rights were issued under the Long-term Incentive Plan ("LTI Plan") approved at the EGM held on 30 June 2021. The 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 with the purpose of attract, motivate, and retain eligible participants and to provide them with an incentive to deliver growth and value to all Shareholders.

B - Group Structure (continued)

B3 SHARE CAPITAL AND RESERVES (continued)

B3.2 SHARE BASED PAYMENTS (continued)

Under the LTI Plan, Andrew Bennett is entitled to participate in the long-term incentive plan with a grant date value of 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.

In respect of the vesting conditions:

- for each issued Tranche, 40% will vest on being employed on the respective Tranche's Vesting Date and 60% will vest on being employed and achieving normalised earnings per share (EPS) Compound Annual Growth Rate (CAGR) on the respective Tranche's Vesting Date;
- 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%

The share-based payment expense in relation to the above is recognised with reference to the fair value of the performance rights at each grant date and the respective service/vesting periods.

No other KMP were eligible to participate in the LTI Plan in 2023 and before. No options have been granted over unissued shares during or since the end of the financial year.

Loan-backed employee share scheme (ESS)

On 21 December 2023, the LTI Plan was amended to accommodate the issue of shares to participants using advances made by the Company. Under the ESS, employees are entitled to subscribe for new ordinary COG shares facilitated through a limited recourse loan, made by the Company. The shares are subject to vesting conditions set by the Board. The shares granted will vest over 3 years and vesting conditions are similar to those applicable to the performance rights, as described above.

On 5 February 2024, the Company issued 1,145,000 fully paid ordinary shares totalling \$1,601k in respect of the ESS for FY24, as set out below:

Service period	Tranche	Grant date	Vesting date	Granted	Vested ⁽¹⁾	Rolled over	Expired/ Forfeited/ Cancelled	Balance at 31 December 2024
FY24 ESS	Tranche 1	22 January 2024	30 June 2024	381,667	(152,667)	(229,000)	-	-
	Tranche 2	22 January 2024	30 June 2025	381,667	-	229,000	-	610,667
	Tranche 3	22 January 2024	30 June 2026	381,666	-	-	-	381,666
Total				1,145,000	(152,667)	-	-	992,333

- (1) In relation to Tranche 1, 40% of the shares granted vested on 30 June 2024 as all participants were employed on that date. The remaining 60% of the shares granted in relation to Tranche 1 rolled over to Tranche 2 as EPS CAGR target was not met at the vesting date. Vested shares are held as security against the limited recourse loan (granted by the Company to the employee in exchange for the shares) and therefore are subject to settlement of the respective limited recourse loan.

B - Group Structure (continued)

B3 SHARE CAPITAL AND RESERVES (continued)

B3.2 SHARE BASED PAYMENTS (continued)

In addition to the above, on 29 January 2025 (as disclosed as a subsequent event in Note D4) the Company issued 2,684,209 fully paid ordinary shares totalling \$2,642k in respect of the ESS for FY25.

The share-based payment expense in relation to the above is recognised with reference to the fair value of the benefit at each grant date (determined using an option valuation model) over the respective service/vesting periods.

Participants in the ESS for FY24 and FY25 comprised certain employees, including Key Management Personnel ("KMPs") Andrew Bennett (CEO) and Richard Balzer (CFO).

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 2.5% of the market price, or a higher percentage determined by the Board.

Dividends recognised during the reporting period

For the year ended 30 June 2024, the Board declared a final dividend of 4.4 cps (2023: 4.7 cps). The aggregate amount of the dividend was paid on 2 October 2024 out of the Company's profit reserve at 30 June 2024, and was 100% franked. COG issued 2,695,588 fully paid shares on 2 October 2024 under its DRP in respect of the FY24 final dividend.

Dividends not recognised during the reporting period

For the period ended 31 December 2024, the Board declared an interim dividend of 3.0 cps (2023: 4.0 cps). The aggregate amount of the proposed dividend of \$6,055k will be paid on 11 April 2025 out of the Company's profits reserve at 31 December 2024, and will be 100% franked. The DRP has been suspended in relation to the interim dividend.

Franking credits

As at the end of the reporting period, \$16,761k of franking credits were available for subsequent financial periods based on a tax rate of 30% (30 June 2024: \$17,840k).

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.

B - Group Structure (continued)

B3 SHARE CAPITAL AND RESERVES (continued)

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	Cash flow hedge reserve \$'000	Total \$'000
Balance at 1 July 2024	32,572	(9,990)	(16)	113	54	(1,029)	(15,253)	(21,974)	-	(15,523)
Non-controlling interest acquired	-	-	-	-	88	-	-	(4,873)	-	(4,785)
Share based payment expense, net of cancelled/exercised	-	-	-	-	-	367	-	-	-	367
Financial liability to acquire further interests in subsidiaries	-	-	-	-	-	-	(883)	-	-	(883)
Equity securities at FVOCI – changes in fair value, net of tax	-	-	-	(66)	-	-	-	-	-	(66)
Cash flow hedges – changes in fair value, net of tax	-	-	-	-	-	-	-	-	(406)	(406)
Disposal of part interest in subsidiary	-	-	-	-	-	-	-	156	-	156
Transfer to reserves (profit for the period)	8,468	-	-	-	-	-	-	-	-	8,468
Dividends paid	(8,642)	-	-	-	-	-	-	-	-	(8,642)
Balance at 31 December 2024	32,398	(9,990)	(16)	47	142	(662)	(16,136)	(26,691)	(406)	(21,314)
Balance at 1 July 2023	36,255	(9,323)	(16)	113	230	333	(10,116)	(15,237)	-	2,239
Non-controlling interest acquired	-	-	-	-	-	-	-	(5,356)	-	(5,356)
Share based payment expense, net of cancelled/exercised	-	-	-	-	-	(147)	-	-	-	(147)
Financial liability to acquire further interests in subsidiaries	-	-	-	-	-	-	(3,101)	-	-	(3,101)
Equity securities at FVOCI – changes in fair value, net of tax	-	-	-	(1,246)	-	-	-	-	-	(1,246)
Disposal of part interest in subsidiary	-	-	-	-	-	-	-	936	-	936
Transfer from revaluation reserve on disposal of property	175	-	-	-	(175)	-	-	-	-	-
Transfer to reserves (profit for the period)	9,107	-	-	-	-	-	-	-	-	9,107
Dividends paid	(8,971)	-	-	-	-	-	-	-	-	(8,971)
Balance at 31 December 2023	36,566	(9,323)	(16)	(1,133)	55	186	(13,217)	(19,657)	-	(6,539)

B - Group Structure (continued)

B3 SHARE CAPITAL AND RESERVES (continued)

B3.4 RESERVES (continued)

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 land and buildings.

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 employees, and
- variances between the fair value of shares issued to employees 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

Includes the financial liability arising from the put options 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.

Cashflow hedge reserve

This reserve is used to record fair value gains or losses associated with the effective portion of derivatives that are designated and qualify as cash flow hedges. Amounts are recycled to the income statement in the same period the hedged item affects the income statement.

C - Financial Instruments

C1 DERIVATIVE AND HEDGE ACCOUNTING

Hedge accounting

The Group designates certain derivatives as hedging instruments in respect of interest rate risk in cash flow hedges, as appropriate.

At the inception of a hedge relationship, the Group determines the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group determines whether the hedging instrument is effective in offsetting changes in cash flows of the hedged item attributable to the hedged risk.

Treatment of gains or losses

The fair value gain or loss associated with the effective portion of derivatives that are designated and qualify as cash flow hedges is recognised initially in other comprehensive income and then recycled to the income statement in the same period the hedged item affects the income statement. Any ineffective portion of the gain or loss on the hedging instrument is recognised in the income statement immediately.

No significant hedge ineffectiveness was recorded in either the current or prior period.

Cash flow hedges

The Group enters interest rate swap contracts as relevant to offset the variability in cash flows from changing interest rates. As the critical terms of the interest rate swap contracts and the corresponding hedged items are consistent, the Group performs a qualitative assessment of effectiveness, and it is expected that the cash flows of the interest rate swap contracts and the cash flows of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying interest rates.

	31 December 2024 \$'000	30 June 2024 \$'000
Interest rate swap – cash flow hedges (current)	140	-
Interest rate swap – cash flow hedges (non-current)	401	-
Derivative financial instruments	541	-

D - Other

D1 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:

- Linx Group Holdings Pty Limited (7.7% of contributed equity to be acquired by the Group between 1 July 2021 and 30 June 2027);
- QPF Holdings Pty Limited (10.2% of contributed equity to be acquired by the Group between 1 July 2021 and 30 June 2027);
- Vehicle and Equipment Finance Pty Limited (25% of contributed equity to be acquired by the Group between 1 July 2021 and 30 June 2027);
- Access Capital Pty Limited (20% of contributed equity to be acquired by the Group between 1 July 2022 and 30 June 2027);

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.

QPF Holdings Pty Ltd - Guarantee

COG has provided a guarantee of \$4,028k to Westpac in relation to a loan obtained by QPF Holdings Pty Ltd from Westpac to facilitate the acquisition of businesses, including Access Capital and Chevron Finance.

Linx Group Holdings Pty Ltd - Guarantee

COG has also provided a guarantee of \$897k to Westpac in relation to a loan facility available to Linx Group Holdings Pty Ltd to facilitate the acquisition of businesses, including increased interest in Heritage.

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

D - Other (continued)

D2 CASH AND CASH EQUIVALENTS

	31 December 2024 \$'000	30 June 2024 \$'000
Restricted ⁽¹⁾	51,453	34,938
Unrestricted	83,741	90,742
	135,194	125,680

⁽¹⁾ Cash and cash equivalents include restricted cash of \$51,453k (30 June 2024: \$34,938k) which are funds held by the Group on behalf of its novated leasing 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.

D3 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 2024 and are not expected to have any significant impact for the full financial year ending 30 June 2025.

D4 SUBSEQUENT EVENTS

Apart from the 2,684,209 fully paid ordinary shares issued on 29 January 2025 in respect of the loan-backed employee share scheme (See Note B3.2) and the interim dividend declared on 26 February 2025 (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.

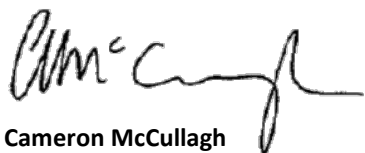
Directors' Declaration

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 2024 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

26 February 2025

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 2024, 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, material accounting policy information 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 2024 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 Group 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 2024 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

A handwritten signature in black ink, appearing to read 'Tim Aman'.

Tim Aman
Director

Sydney, 26 February 2025

Corporate Directory

Directors

Patrick Tuttle
Chairman

Peter Rollason
Non-executive Director

Stephen 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
Level 5, 126 Phillip Street
Sydney NSW 2000
Phone 1300 288 664

Share Registry

Automic Registry Services
Level 5, 126 Phillip Street
Sydney NSW 2000
Phone 1300 288 664
Email: hello@automic.com.au
Internet: www.automicgroup.com.au

External Auditors

BDO Audit Pty Limited
1 Margaret Street
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

ASX: COG