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FY 2022 Results

26 August 2022

Authorised by Andrew Bennett
Group Chief Executive Officer

About COG

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 FY22 CAPEX growth in Australia as per the Australian Bureau of Statistics (ABS).

About COG

COG is an ASX listed provider of **asset finance broking and aggregation services & a growing retail fixed interest funds manager**

Finance Broking & Aggregation

- Australia's largest asset finance broking and aggregation group, with an estimated 21% market share of broker originated asset finance
- Driven by consistent organic growth coupled with an acquisition-led finance broker and aggregation platform strategy, with founder-vendors retaining an equity exposure to their businesses
- Aggregation services provided to COG equity owned brokers and independent network of member brokers

Funds Management & Lending

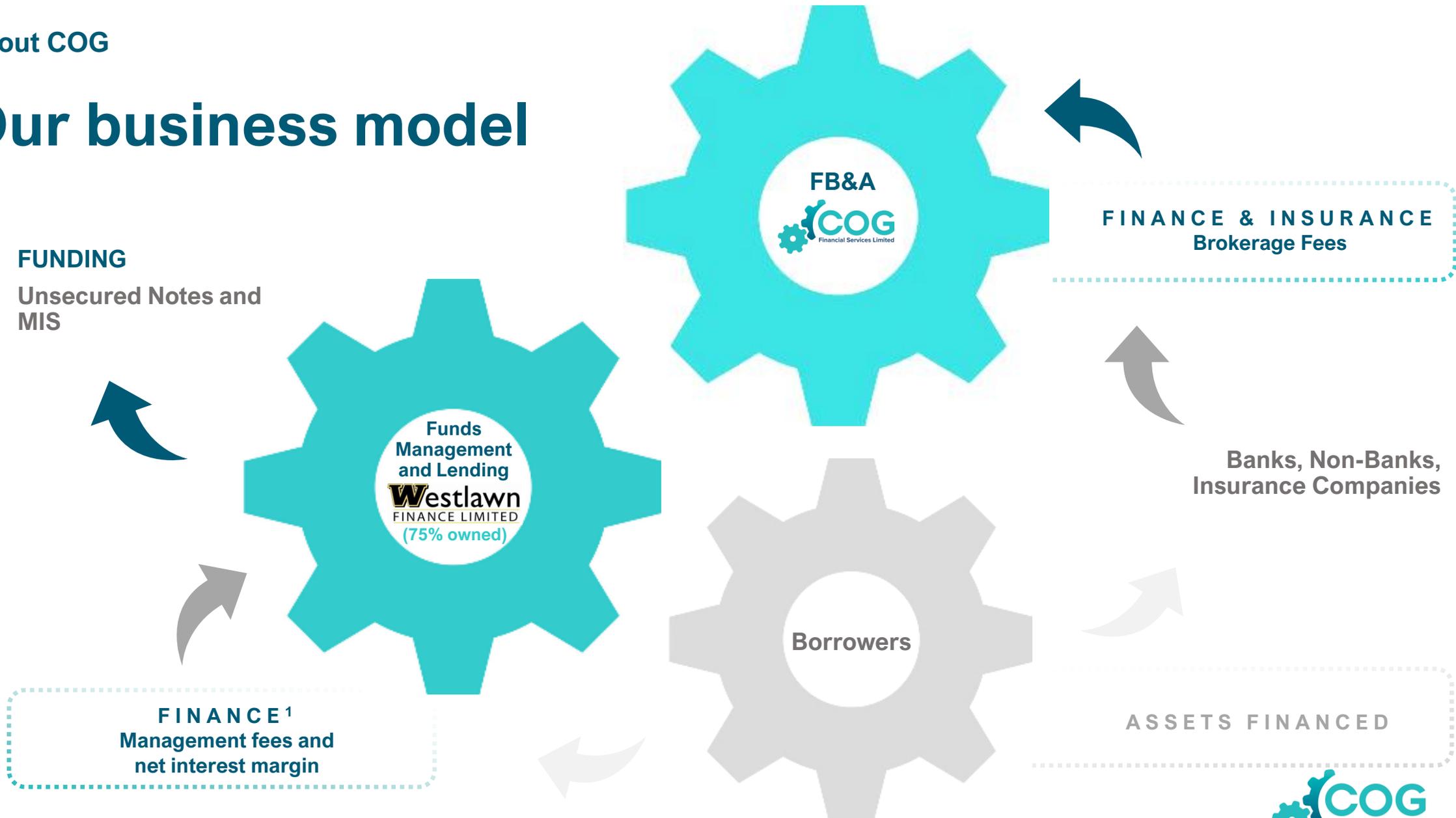
- Funds Management covers a contributory mortgage fund scheme, managed investment scheme (MIS) and an unsecured notes program
- Provider of commercial and consumer lending to SMEs through its subsidiary Westlawn Finance Limited
- Distributed through Westlawn's branch network and brokers, including COG's own broker network
- Funded through the issue of unsecured notes and a MIS, a scalable / capital light funding structure as compared to other non-banks

About COG

Our business model

FUNDING

Unsecured Notes and MIS



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

Strong performance continues across all business units

- Ongoing investment in complementary businesses (finance broking, insurance broking, and novated leasing) to consolidate COG's position as Australia's largest asset finance broker
- Acquisitions completed for additional interests in Westlawn +24% (75% owned, from 1 November 2021), Platform Consolidated Group Pty Limited +30% (100% owned, from 1 November 2021) and Linx Group +5% (60% owned from 1 April 2022)⁵
- Acquisition of 70% interest in Equity-One Mortgage Fund Limited through Westlawn, effective 1 March 2022⁵
- Acquisition of a 70% interest in Chevron Equipment Finance through COG's subsidiary QPF, effective 1 July 2022⁵
- Full 12-month benefit of FY22 acquisitions will flow into FY23 profit results
- Progressing implementation of strategic plan focusing on systems, customer service and expansion of COG's in-house lending products
- Strong acquisition pipeline and \$31m acquisition facility established with a major Australian Bank

Revenue¹

\$323.0m

▲ **+20%** on pcp⁴

EBITDA to shareholders²

\$36.0m

▲ **+33%** on pcp⁴

NPATA to shareholders²

\$25.1m

▲ **+41%** on pcp⁴

EPSA^{2, 3, 4}

13.87cps

▲ **+28%** on pcp⁴

¹ Includes share of results from associates (FY22: \$3.3m, FY21: \$1.2m) and excludes interest income of \$0.2m (FY21 \$0.2m) and one-off unguaranteed residual rights recognised during the period of \$1.0m (FY21 \$nil).

² Underlying basis attributable to shareholders. Excludes impairment charge (FY22 \$0.6m after tax, FY21 \$37.2m after tax), loss on deemed sale and reacquisition of investment at fair value (FY22 \$nil, FY21 \$5.0m after tax), gain from a bargain purchase (FY22 \$nil, FY21 \$0.4m after tax), redundancy and restructuring costs (FY22 \$0.1m after tax, FY21 \$0.2m after tax), transaction costs (FY22 \$0.4m, FY21 \$0.1m after tax), fraud provision (FY22 \$nil, FY21 \$0.1m after tax) and one-off unguaranteed residual rights recognition (FY22 \$0.4m post tax, FY21 \$nil).

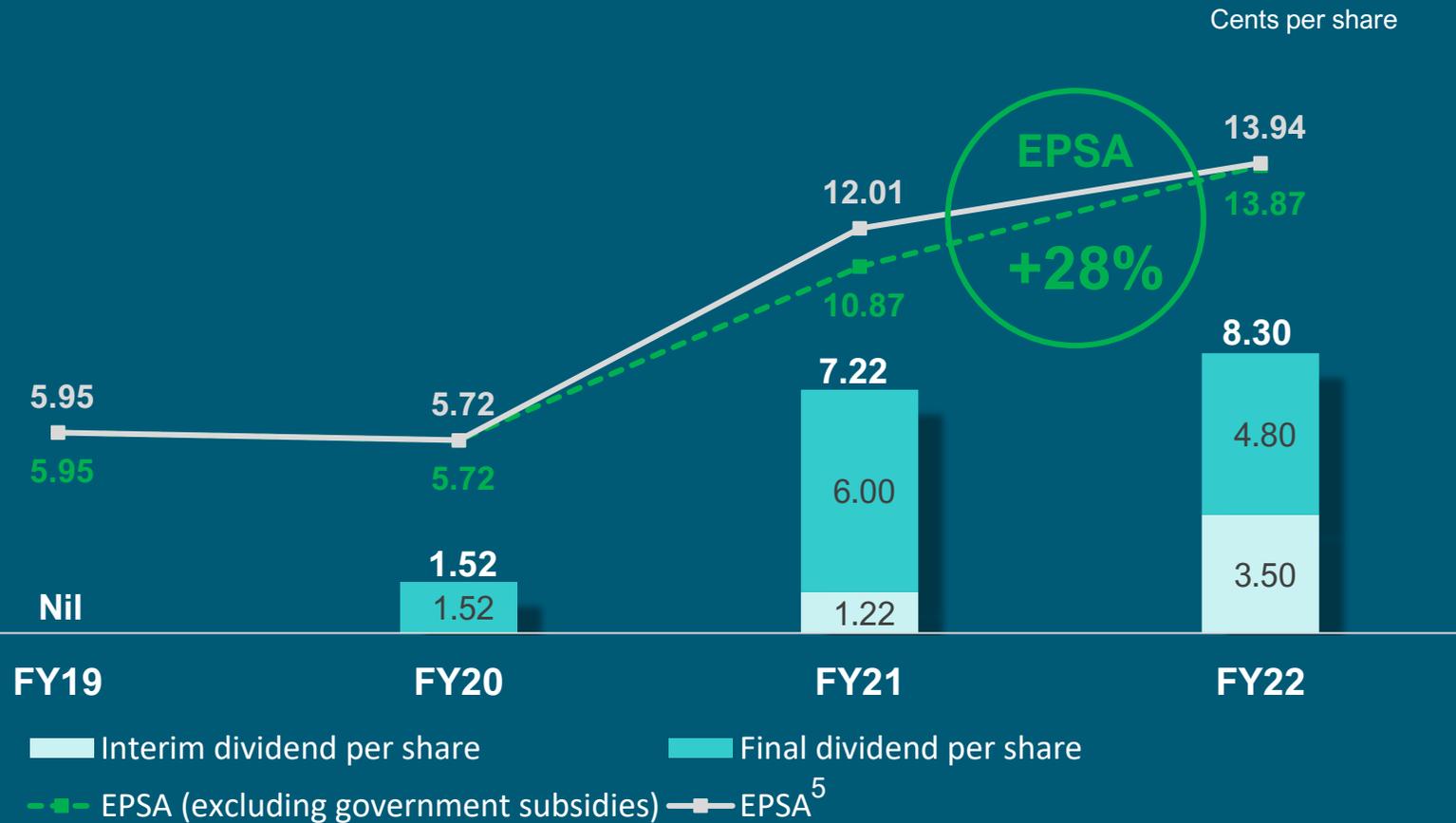
³ On a post share consolidation basis

⁴ Excluding government subsidies received in both periods

⁵ Refer to pages 21, 27 and 28 for details on acquisitions completed

Growth in EPSA and dividends per share

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Final **dividend declared** of **4.8** cps^{1,2} (FY21: 6.0 cps^{1,2})

Total **FY22 dividends** of 8.3 cps^{1,2} show a **15%** increase on FY21 (7.22 cps^{1,2})

Payout ratio of **62%**³ maintained (FY21: 62%³)

Dividend yield (annualised) of **5.3%**⁴

¹ On a post share consolidation basis
² Dividends fully franked
³ Total dividends divided by NPATA
⁴ FY22 total dividends divided by the COG closing share price at 30 June 2022
⁵ Earnings per share adjusted for the amortisation of acquired intangible and calculated using the Weighted Average Number of Outstanding Shares for each FY

Summary of Group financial results

Our results

For the year ended 30 June	2022 ¹ \$m	2021 ^{1, 5} \$m	Pcp Change
Revenue ²	323.0	272.7	18%
EBITDA	51.3	46.8	10%
Net interest expense	(0.4)	(0.9)	-56%
Depreciation	(2.6)	(2.5)	4%
Amortisation	(9.4)	(8.8)	7%
NPBT	38.9	34.6	12%
Tax	(9.9)	(9.6)	3%
NPAT	29.0	25.0	16%
Minority interests	(8.6)	(9.2)	-7%
NPAT to shareholders	20.4	15.8	29%
EBITDA to shareholders	36.0	29.6	22%
NPATA to shareholders³	25.1	19.5	29%
(-) Less government subsidies	(0.1)	(1.8)	-94%
NPATA to shareholders before government subsidies	25.0	17.7	41%
EPSA to shareholders (cps) ⁴	13.87	10.87	28%

- Underlying basis attributable to shareholders. Excludes impairment charge (FY22 \$0.6m after tax, FY21 \$37.2m after tax), loss on deemed sale and reacquisition of investment at fair value (FY22 \$nil, FY21 \$5.0m after tax), gain from a bargain purchase (FY22 \$nil, FY21 \$0.4m after tax), redundancy and restructuring costs (FY22 \$0.1m after tax, FY21 \$0.2m after tax), transaction costs (FY22 \$0.4m, FY21 \$0.1m after tax), fraud provision (FY22 \$nil, FY21 \$0.1m after tax) and one-off unguaranteed residual rights recognition (FY22 \$0.4m post tax, FY21 \$nil).
- Includes share of results from associates (FY22: \$3.3m, FY21: \$1.2m) and excludes interest income (FY22 \$0.2m, FY21 \$0.2m) and one-off unguaranteed residual rights recognised during the period (FY22 \$1.0m, FY21 \$nil).
- NPATA is NPAT adjusted for amortisation of identified intangibles on acquisition of controlled entities (after tax).
- On a post share consolidation basis and excluding government subsidies received in both periods.
- Amounts have been reclassified to conform to the current year presentation – see comments in subsequent slides and Appendices.

Revenue growth of \$50.3m includes organic growth (+\$46.7m) and contribution from acquisitions (+7.4m), partially offset by a decrease in government subsidies received (-\$3.8m).

FY22 EBITDA margin compressed slightly to 15.9% (FY21: 17.2%) largely due to an increase in volume-based commission payments and a small increase in some administrative costs to pre-COVID levels, which is linked to a lift in business activity.

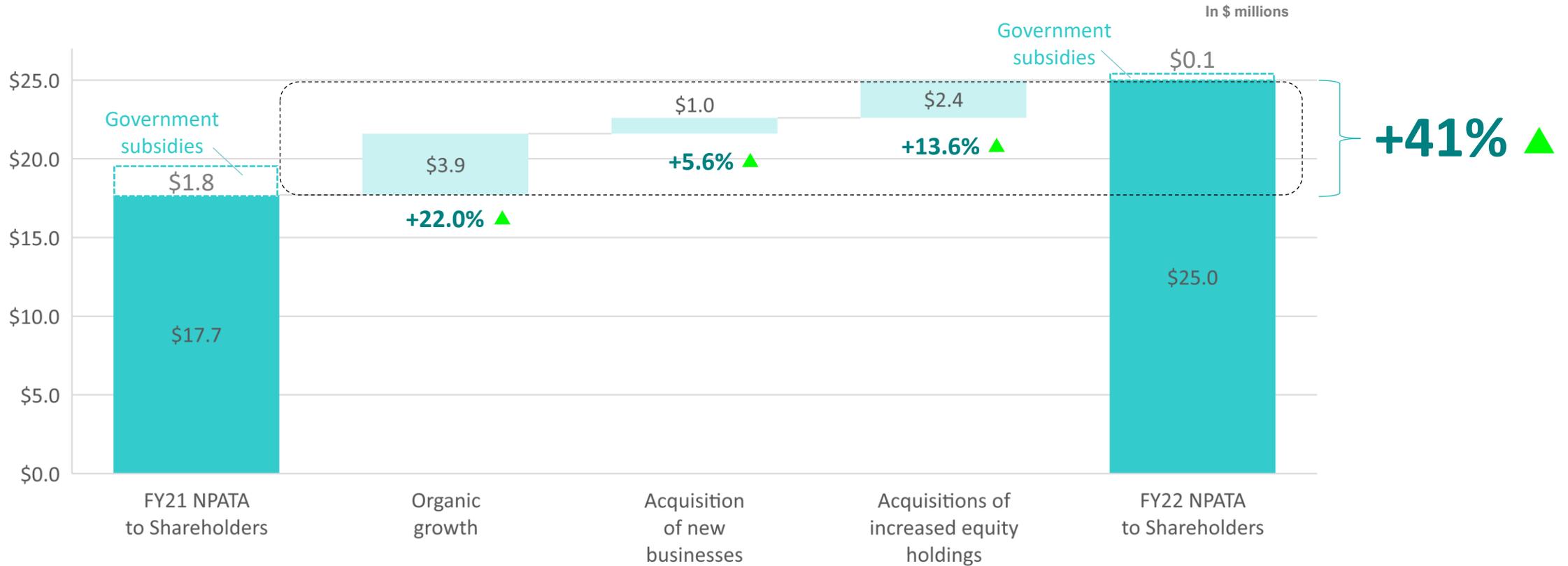
Depreciation & amortisation includes \$9.1m for amortisation of identified intangibles on acquisition of controlled entities (FY21: \$8.1m) and \$1.4m impact of AASB 16 Leases adoption (FY21: \$2.0m).

EBITDA to shareholders comprises increases of \$4.1m from Finance Broking & Aggregation, \$1.7m from Funds Management and Lending and \$0.6m from Head Office & Other.

Effective tax rate of 25% (FY21: 28%) based on normalised NPBT.

Summary of Group financial results

Underlying NPATA to Shareholders



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Summary of Group financial results

Underlying NPATA to Shareholders by segment

In \$ millions

Segment	FY22			FY21		
	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	15.6	-	15.6	11.8	(1.1)	10.7
Funds Management & Lending	8.9	(0.1)	8.8	7.6	(0.4)	7.2
Other	0.6	-	0.6	0.1	(0.3)	(0.2)
Total	25.1	(0.1)	25.0	19.5	(1.8)	17.7

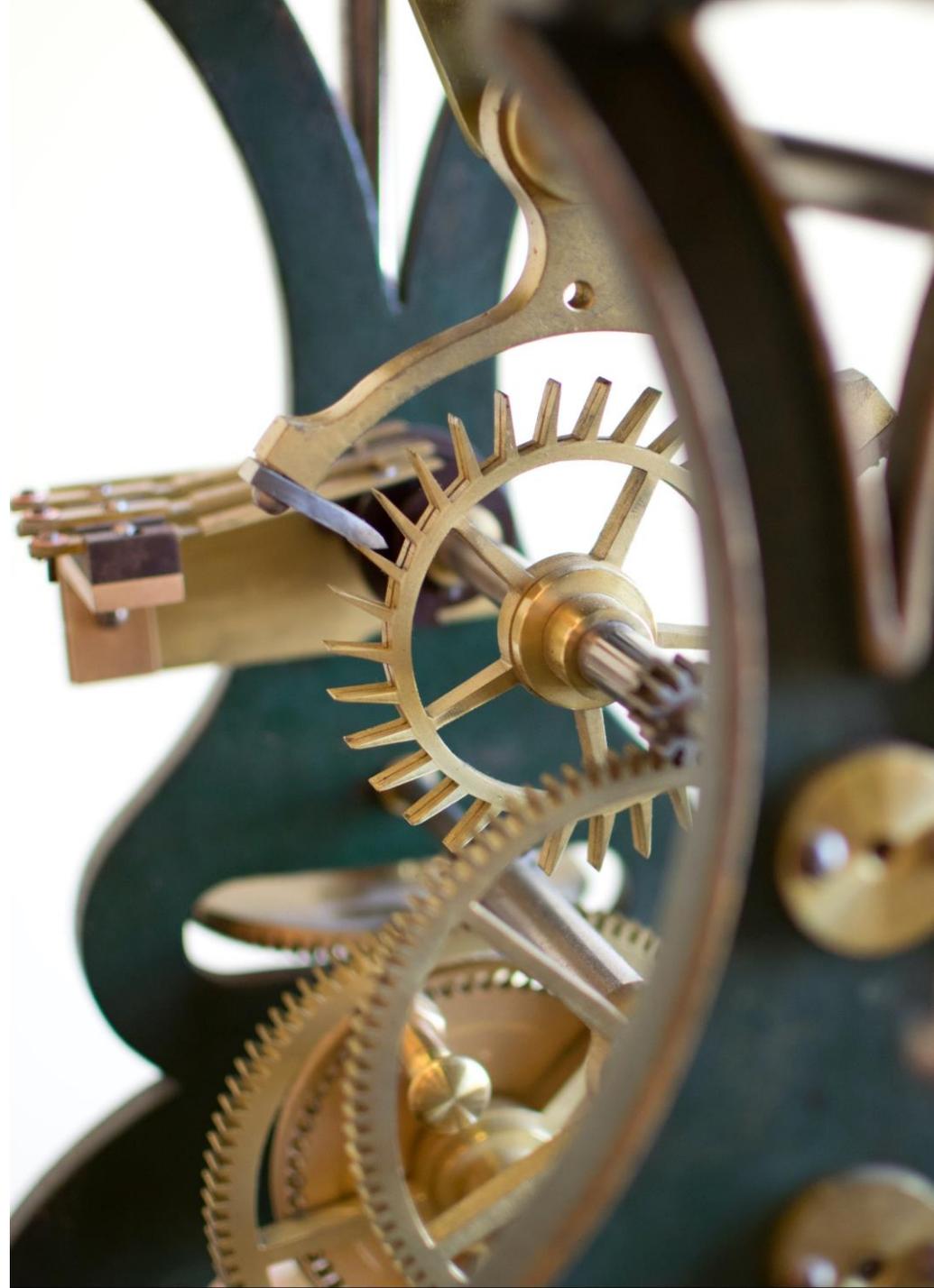
1. Government subsidies after tax, attributable to members

2. Excluding government subsidies

 **+41%** vs PCP²

Segment performance

Finance Broking & Aggregation and
Funds Management & Lending
segments reported strong FY22 profit
growth



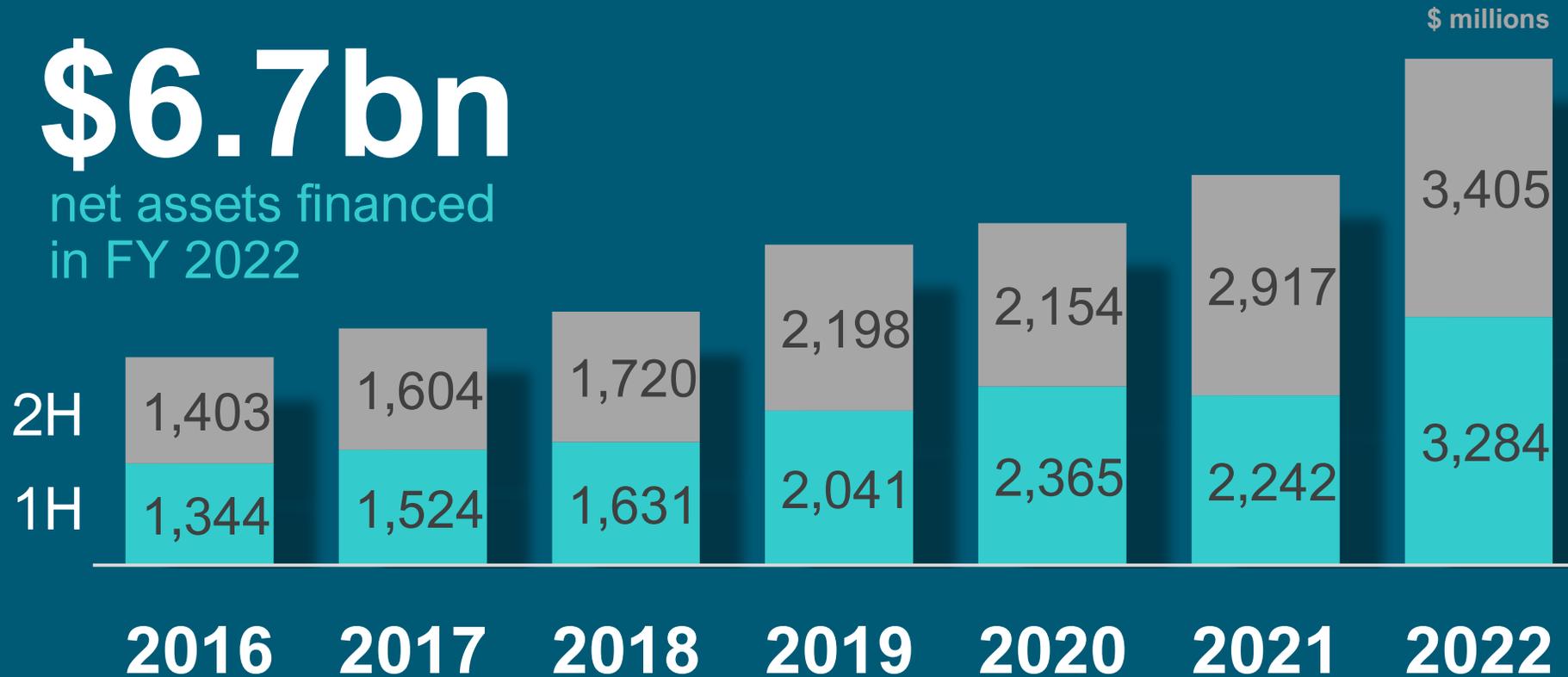
Finance Broking & Aggregation

Record volumes despite supply chain challenges

▲ **+30%** vs PCP

\$6.7bn

net assets financed
in FY 2022



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Finance Broking & Aggregation

Increased volumes drive organic growth

For the year ended 30 June	2022 ¹ \$m	2021 ^{1, 2} \$m	Pcp Change
Revenue	274.4	229.7	19%
EBITDA	34.8	31.7	10%
Net interest	(0.5)	(0.4)	25%
Depreciation	(1.8)	(1.9)	-5%
Amortisation (exc acquired intangibles)	(0.5)	(0.6)	-17%
NPBT (before amortisation of acquired intangibles)	32.0	28.8	11%
Amortisation of acquired intangibles	(5.9)	(6.3)	-6%
NPBT	26.1	22.5	16%
EBITDA to shareholders	22.9	18.8	22%

1. Underlying basis before tax- excluding redundancy and restructuring costs (FY22 \$nil, FY21 \$0.1m), transaction costs (FY22 \$nil, FY21 \$0.2m) and impairment charge (FY22 \$0.5m, FY21 \$nil).
2. Amounts have been reclassified to conform to the current year presentation as follows: 'Share of results from associates' have been included to the 'Underlying EBITDA from core operations'.
3. Government subsidies after tax, attributable to members are \$nil (FY21: \$1.1m).
4. Recognised as 'depreciation' and 'interest expense' under AASB 16 Leases, both below the EBITDA line.

Revenue growth of \$44.7m includes organic growth (+\$45.2m) with strong performance from the novated lease business and contribution from acquisitions (+2.3m), partially offset by a decrease in government subsidies received³ (-\$2.8m).

EBITDA margin contracted to 12.7% (FY21: 13.8%), largely due to increased volume-based commission payments (higher trade volumes) and a moderate return of some administrative costs to pre-COVID levels, which is linked to an increase in business activity.

Depreciation and amortisation includes \$5.9m amortisation of identified intangibles on acquisition of controlled entities (FY21: \$6.3m) and \$1.0m impact of AASB 16 Leases adoption (FY21: \$1.6m).

EBITDA to shareholders includes \$2.9m from acquisitions and increased equity holdings (FY21: \$0.8m contribution from acquisitions made during the period).

Cash generation to shareholders

For the year ended 30 June	2022 \$m	2021 \$m	Pcp Change
Revenue to shareholders	188.7	133.7	41%
EBITDA to shareholders	22.9	18.8	22%
(-) Rent expense to shareholders ⁴	(0.8)	(1.1)	-27%
(-) Capital expenditure to shareholders	(1.5)	(1.1)	36%
Cash EBITDA to shareholders	20.6	16.6	24%
(-) Tax expense to shareholders	(5.1)	(4.0)	28%
Cash generation to shareholders	15.5	12.6	23%

Our Aggregation & Broker brands

COG provides aggregation services to

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

COG offers finance brokers

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



100% OWNED



100% OWNED



75% OWNED



60% OWNED



57% OWNED



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Funds Management & Lending

Westlawn paves the way for growth - new business volumes strong in FY22¹

For the year ended 30 June	2022 ² \$m	2021 ^{2,3} \$m	Pcp Change
Revenue ⁴	40.6	35.2	15%
EBITDA	16.8	15.9	6%
Net interest	0.1	-	-%
Depreciation	(0.6)	(0.4)	50%
Amortisation (exc acquired intangibles)	(0.1)	(0.2)	-50%
NPBT (before amortisation of acquired intangibles)	16.2	15.3	6%
Amortisation of acquired intangibles	(2.9)	(1.7)	71%
NPBT	13.3	13.6	-2%
EBITDA to shareholders	13.3	11.6	15%

1. Funds Management and Lending includes 75% of Westlawn from 1 November 2021 (FY21: 51%) and 100% of TL Commercial (FY21: 100%).
2. Underlying basis before tax - excluding redundancy and restructuring costs (FY22 \$nil, FY21 \$0.1m), impairment loss (FY22 \$0.1m, FY21 \$37.8m), one-off unguaranteed residual rights recognised during the period (FY22 \$1.0m, FY21 \$nil), fraud provision (FY22 \$nil, FY21 \$0.3m), gain from a bargain purchase (FY22 \$nil, FY21 \$0.4m) and loss on deemed sale & reacquisition of investment at fair value (FY22 \$nil, FY21 \$5.0m).
3. Amounts have been reclassified to conform with current year presentation as follows: 'Interest income' & 'Funding costs' and 'dividend income' have been included to the 'Underlying EBITDA from core operations'.
4. Revenue excludes interest income (FY22 \$0.1m, FY21 \$0.2m) and one-off unguaranteed residual rights recognised during the period (FY22 \$1.0m, FY21 \$nil).

Revenue growth of \$5.4m includes organic growth in Westlawn of \$2.8m and contributions from Equity-One acquisition of \$5.1m and Centrepoint of \$4.8m (previously reported as part of the FB&A segment). This growth was partially offset by a decrease in government grants (\$0.5m) and a lower contribution from TL Commercial Finance due to the run-off of the existing portfolio (\$6.8m).

EBITDA margin contracted to 41.3% (FY21: 45.0%) largely due to an increase in the Expected Credit Loss provision relating to Forum Finance contracts (+\$0.6m) as well as compressed lending margins on the Chattel Mortgage product offered by Westlawn.

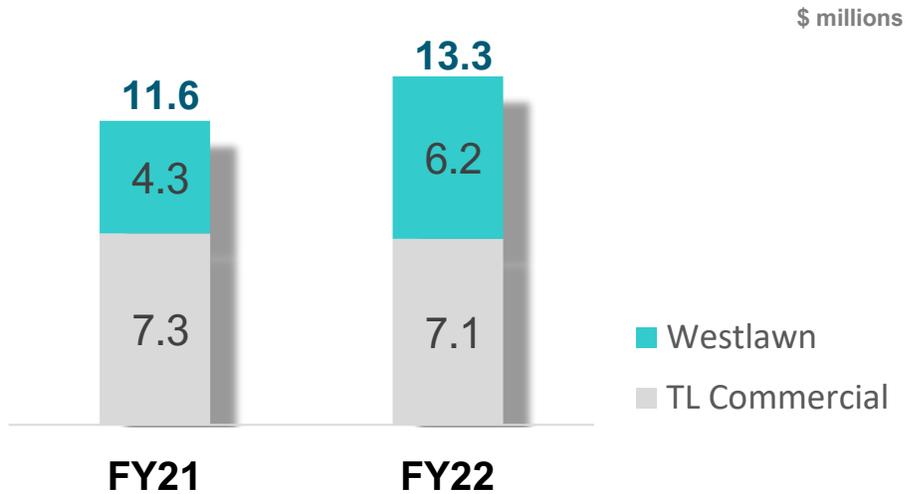
Depreciation and amortisation includes \$2.9m amortisation of identified intangibles on acquisitions (FY21 \$1.7m).

Cash generation to shareholders

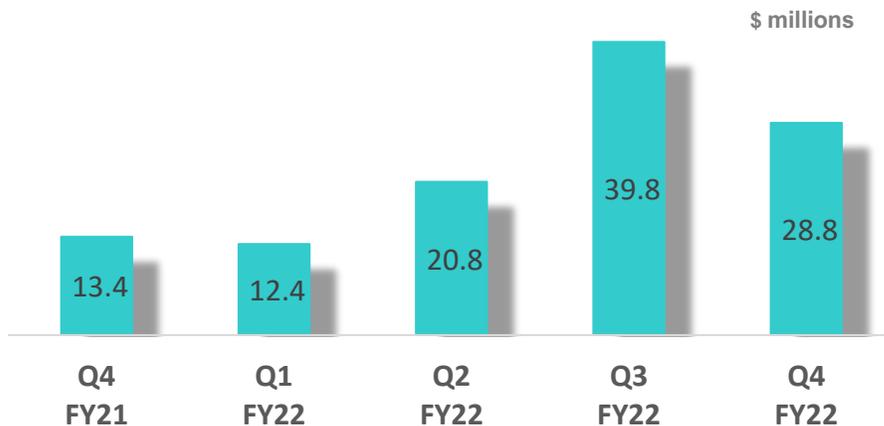
For the year ended 30 June	2022 \$m	2021 \$m	Pcp Change
Revenue to shareholders	29.7	26.2	13%
EBITDA to shareholders	13.3	11.6	15%
(-) Rent expense to shareholders	(0.2)	(0.1)	100%
(-) Capital expenditure to shareholders	(0.3)	(0.6)	-50%
Cash EBITDA to shareholders	12.8	10.9	17%
(-) Tax expense to shareholders	(3.3)	(3.4)	-3%
Cash generation to shareholders	9.5	7.5	27%

Funds Management & Lending

EBITDA to shareholders



Chattel Mortgage origination - Westlawn



Westlawn positioned for growth

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

Westlawn's chattel mortgage origination volumes through the COG broker network are building strongly

Westlawn has surplus cash and funding available via its Management Investment Scheme to support this growth

Funds management

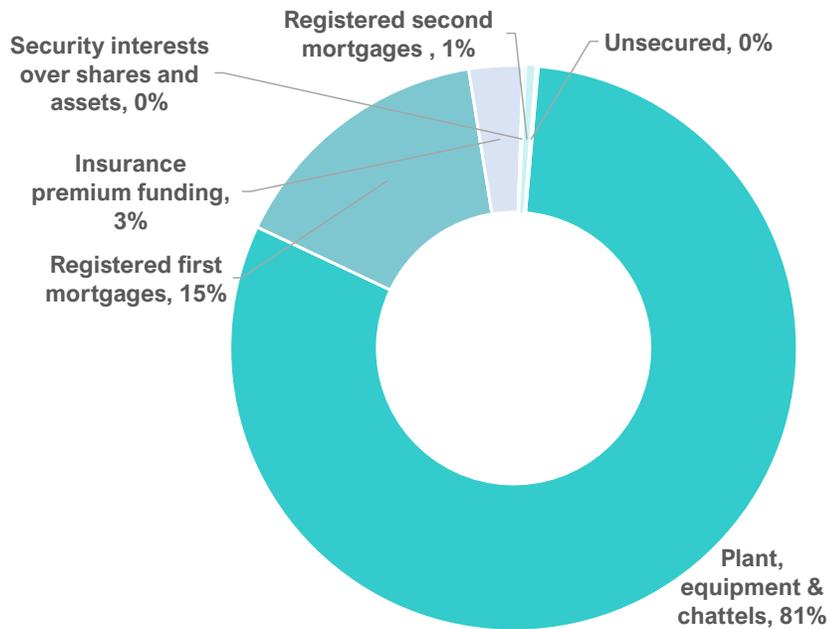
Acquisition of funds management business, Equity-One Mortgage Fund Limited, will lift Westlawn earnings in FY23

Funds under management of \$643.2m are up 189% on the prior year, following the acquisition of Equity-One

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

Lending book concentrated on asset backed contracts

Portfolio by product type (PV)



1. Excludes adjustment for expected credit loss provision

Lending book

- The present value (PV) of the total lending book (\$220.4m¹) includes COG's 100% owned subsidiary TL Commercial Finance's legacy portfolio of \$31.8m (\$26.7m of lease receivables, including unguaranteed residuals, and \$5.1m of chattel mortgages) and a receivables portfolio of \$188.6m from Westlawn (which includes chattel mortgages originated from March 2021 onwards)
- New lease and loan originations in FY22 of \$151.9m increased by 46% on pcp (FY21: \$104m) and includes \$101.9m of chattel mortgages (FY21: \$14.9m, originated from March to June 2021)
- Westlawn has adequate cash balances available to satisfy increasing demand for loan originations
- TL Commercial book is in run-off over the next 4 years and the internally funded lease contracts and unguaranteed residual rights will convert to approximately \$10.7m in pre-tax free cash flow

Funding

- Established unsecured notes program operated by Westlawn Finance Limited continues to provide a reliable source of funding
- Westlawn Managed Investment Scheme is operating and commenced receiving investment funds in December 2020 (current balance of approximately \$26.4m includes senior and subordinated issuances)



Other

Earlypay delivers significant contribution

For the year ended 30 June	2022 ¹ \$m	2021 ^{1, 2} \$m	Pcp Change
Revenue ³	8.0	7.8	3%
EBITDA	(0.3)	(0.8)	63%
Net interest	-	(0.5)	100%
Depreciation	(0.2)	(0.2)	0%
Net (Loss)/PBT (before amortisation of acquired intangibles)	(0.5)	(1.5)	67%
Amortisation of acquired intangibles	-	-	-%
Net (Loss)/PBT	(0.5)	(1.5)	67%
(Loss)/EBITDA to shareholders	(0.2)	(0.8)	75%

1. Underlying basis before tax - excluding transaction costs (FY22 \$0.5m, FY21 \$nil) and redundancy and restructuring costs (FY22 \$0.2m, FY21 \$0.1m).
2. Amounts have been reclassified to conform to the current year presentation as follows: 'Dividend income' and 'share of results from associates' have been included to the 'Underlying EBITDA from core operations'.
3. Includes share of results from associates (FY22: \$3.1m, FY21: \$1.1m) and excludes interest income (FY22 \$0.1m, FY21 \$0.1m).

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

Revenue growth of \$0.2m includes increase in share of results from associates (+\$1.4m), offset by a lower contribution from the Hal Group IT business (-\$0.7m) decreased government subsidies (-\$0.5m).

COG corporate costs are tightly managed and include employment and other head office expenses. They are largely in line with last year, despite the overall expansion of the business.

Hal Group EBITDA for FY22 decreased by \$0.4m to \$0.6m as a result of decreased government subsidies (-\$0.2m) and lower trading volumes.

Consolidated statement of financial position

As at \$m	30 Jun 2022	30 Jun 2021
Cash and cash equivalents	76.1	94.5
Trade and other receivables	18.9	18.2
Contract assets	2.9	2.8
Financial assets - lease receivables	20.3	42.5
Financial assets - loans	53.0	46.4
Other assets	2.0	1.3
Total current assets ¹	173.2	205.7
Contract assets	7.9	7.1
Financial assets - lease receivables	27.2	50.1
Financial assets - loans	114.8	52.5
Other financial assets	7.2	10.8
Financial assets at fair value through OCI ²	0.2	0.9
Equity accounted associates	25.6	18.4
Property, plant and equipment	8.2	6.7
Intangible assets	148.2	117.7
Right-of-use lease assets	5.7	6.8
Total non-current assets	345.0	271.0
Total assets	518.2	476.7
Trade and other payables	32.2	27.4
Customer salary packaging liability	6.3	6.8
Interest bearing liabilities	195.7	183.5
Other liabilities	13.3	14.4
Lease liabilities	1.8	1.5
Total current liabilities ¹	249.3	233.6
Trade and other payables	1.9	2.9
Interest bearing liabilities	41.2	35.7
Deferred tax liabilities	12.3	8.4
Other liabilities	1.3	1.1
Lease liabilities	4.6	5.3
Total non-current liabilities	61.3	53.4
Total liabilities	310.6	287.0
Net assets	207.6	189.7

Cash and cash equivalents decreased by \$18.4m mainly due to loan originations in Westlawn during the financial year.

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 \$23.8m is largely due to the transfer and relaunch of TL Commercial Finance's lending operations in Westlawn.

Equity accounted associates mainly relates to the investment in Earlypay. The increase of \$7.2m is largely related to on-market acquisitions during the second half of FY22, coupled with the share of results for the financial year.

Intangible assets mainly relates to identified intangibles and goodwill on acquisition of controlled entities. The movement in the period reflects \$39.1m of intangibles recognised on the acquisitions of Equity-One and Centrepoint Yeppoon, partially offset by the amortisation of those intangibles (excluding goodwill).

Interest bearing liabilities represents borrowings funding the lease / loan book.

¹ As at 30 June 2022, the Group's current assets of \$173.2m are \$76.1m lower than current liabilities of \$249.3m 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

For the year ended 30 June	2022 \$m	2021 ¹ \$m
Receipts from customers	519.4	456.0
Payments to suppliers and employees	(292.4)	(250.4)
Dividends received	1.0	0.7
Finance cost paid	(5.4)	(8.3)
Income tax paid	(14.4)	(7.2)
Net cash inflow from operating activities	208.2	190.8
Net cash (outflow)/inflow on acquisitions ²	(47.6)	33.0
Net cash (outflow) on investment in associates	(5.0)	-
Payments for deferred consideration	(0.2)	(3.4)
Payments for equipment - finance leases	(5.6)	(0.8)
Payments for loans advanced	(146.3)	(111.5)
Payments for property, plant and equipment	(1.8)	(1.8)
Payment for intangible assets	(0.8)	(1.1)
Payment for investments	(1.8)	-
Proceeds from sale of treasury shares	-	5.0
Proceeds from sale of property, plant and equipment	6.5	3.9
Loan repayments received	0.5	0.4
Net cash (outflow) from investing activities	(202.1)	(76.3)
Proceeds from issue of shares	29.0	6.3
Costs of raising capital	(0.8)	(0.2)
Proceeds from interest bearing liabilities	7.5	5.0
Repayments of interest bearing liabilities	(34.0)	(50.5)
Repayments of lease liabilities - right-of-use lease assets	(2.1)	(2.1)
Dividends paid	(16.5)	(4.4)
Dividends paid by subsidiaries to non-controlling interests	(7.7)	(10.0)
Non-controlling interest acquisition contribution	0.1	1.2
Net cash (outflow) from financing activities	(24.5)	(54.7)
Net increase in cash	(18.4)	59.8
Cash at the beginning of the year	94.5	34.7
Cash at the end of the period ³	76.1	94.5

Net cash inflow from operating activities includes \$263.3m (FY21: \$257.7m) 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 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 (FY21: includes the acquisition of 19% of Westlawn for a total consideration of \$7.5m and the acquisition of 80% of Access Capital, through COG's subsidiary QPF, for a total consideration of \$9.3m).

Net cash (outflow) from financing activities includes proceeds of \$20.0m from issue of shares via placement, largely utilised in new acquisitions (FY21: \$6.3m).

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

² Net of cash acquired

³ Cash at the end of the period includes restricted cash of \$11.6m (FY21: \$10.5m). 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.

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 2022 was \$50.3m (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 2021, the Board declared a fully franked **interim** dividend of 3.5 cents per fully paid ordinary share (2020: 1.22 cents per fully paid ordinary on a post share consolidation basis). The total dividend of \$6.5m was paid on 28 April 2022 out of the Company's profits reserve at 31 December 2021. COG issued 1,425,378 fully paid shares on 28 April 2022 under COG's DRP in respect of the FY22 interim dividend.

Dividend (continued)

For the year ended 30 June 2022, the Board declared a **final** dividend of 4.8 cents per fully paid ordinary share (FY21: 6.0 cents per fully paid ordinary share on a post share consolidation basis). The total dividend of \$9.0m will be paid on 21 October 2022 out of the Company's profits reserve at 30 June 2022 to all shareholders registered on the record date of 22 September 2022 and will be **100% franked**. The ex-dividend date for entitlement will be 21 September 2022. The DRP will apply to the final dividend and shares will be issued at a discount of 2.5%.

Capex

Capex for FY22 was \$2.6m (FY21: \$2.9m) and mainly relates to the development and implementation of new IT systems.

Acquisition finance facility

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 2022, \$7.5m has been utilised on the acquisition of further ownership interests in Linx Group and Earlypay Limited, and \$23.5m remains available for future use.

Capital management

Capital raising

On 21 October 2021 the Company issued 11,874,994 fully paid ordinary shares under an institutional placement offer, raising \$16.0m. On 1 December 2021 the Company issued 2,939,821 fully paid ordinary shares to an existing shareholder, raising \$4.0m. The funds raised were partially utilised in the acquisition of additional interests in Westlawn and Platform Consolidated Group (PCG).

On 22 October 2021 the Company issued 5,324,885 fully paid ordinary shares totalling \$7.0m as part of COG's Dividend Reinvestment Plan (DRP). On 28 April 2022 the Company issued a further 1,425,378 fully paid ordinary shares totalling \$2.1m as part of COG's DRP.

Investments

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

- On 1 July 2021, DLV (Qld) Pty Limited (DLV) acquired the broking business known as Centrepoint Finance Yeppoon, operated by Another Day In Paradise Pty Ltd, for a cash consideration of \$0.5m plus a deferred, earnings based, consideration payable over a period of 3 years. DLV is a 50% owned subsidiary of COG's subsidiary QPF Holdings Pty Limited.
- On 1 November 2021, COG exercised its option to acquire 3,553,409 shares in Westlawn Finance Limited (Westlawn) (representing an additional interest of 24.0%) for a total cash consideration of \$9.3m - taking COG's controlling interest in Westlawn from 51.0% to 75.0%.
- On 1 November 2021, COG exercised its option to acquire 15,689,234 shares in PCG (representing an additional interest of 30.05%) for a total cash consideration of \$14.7m - taking COG's controlling interest in PCG from 69.9% to 99.94% at 31 December 2021. The remaining 33,414 PCG shares (representing 0.06%) were acquired by COG on 1 January 2022 for a consideration of \$0.032m. COG's ownership of PCG is now 100%, effective 1 January 2022.

Investments (continued)

- On 1 March 2022, Westlawn acquired a 70% controlling interest in Equity-One Mortgage Fund Limited (Equity-One) for a cash consideration of \$23.7m, plus a deferred, earnings based, consideration estimated to be \$1.1m, to be paid in FY23.
- On 1 April 2022, the Group exercised its option to acquire 1,486,525 Linx shares (representing an additional interest of 4.9%) for a cash consideration of \$2.7m, plus a purchase price true up calculation, based on actual FY22 audited results to occur in August 2022. This amount is currently estimated to be approximately \$0.3m. As a consequence, COG's controlling interest in Linx increased from 54.9% to 59.8% on 1 April 2022.
- Between 12 May 2022 and 18 May 2022, the Group acquired an additional 9,164,188 shares in Earlypay Limited (ASX: EPY) for \$5.0m, through a series of on-market purchases. COG's EPY ownership interest at 30 June 2022 was 19.66%.
- 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 million. Chevron specialises in arranging asset finance for commercial clients. Its client base consists of SMEs predominantly operating in the transport and earthmoving sectors Australia wide.

In addition to the above, the following internal restructure occurred, effective 1 July 2021:

- The aggregation business of Centrepoint Finance Pty Limited (known as Centrepoint Business Partners) and its related assets and liabilities, as well as a 100% of the shares in EF Systems Pty Ltd (owner of the proprietary system BROOS) were sold by Centrepoint to Consolidated Finance Group Limited (CFG) for a cash consideration of \$1 (both wholly-owned entities of COG).
- the Group disposed of its 100% equity interest in Centrepoint Finance Pty Limited to Westlawn for a total cash consideration of \$6.2m.

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.

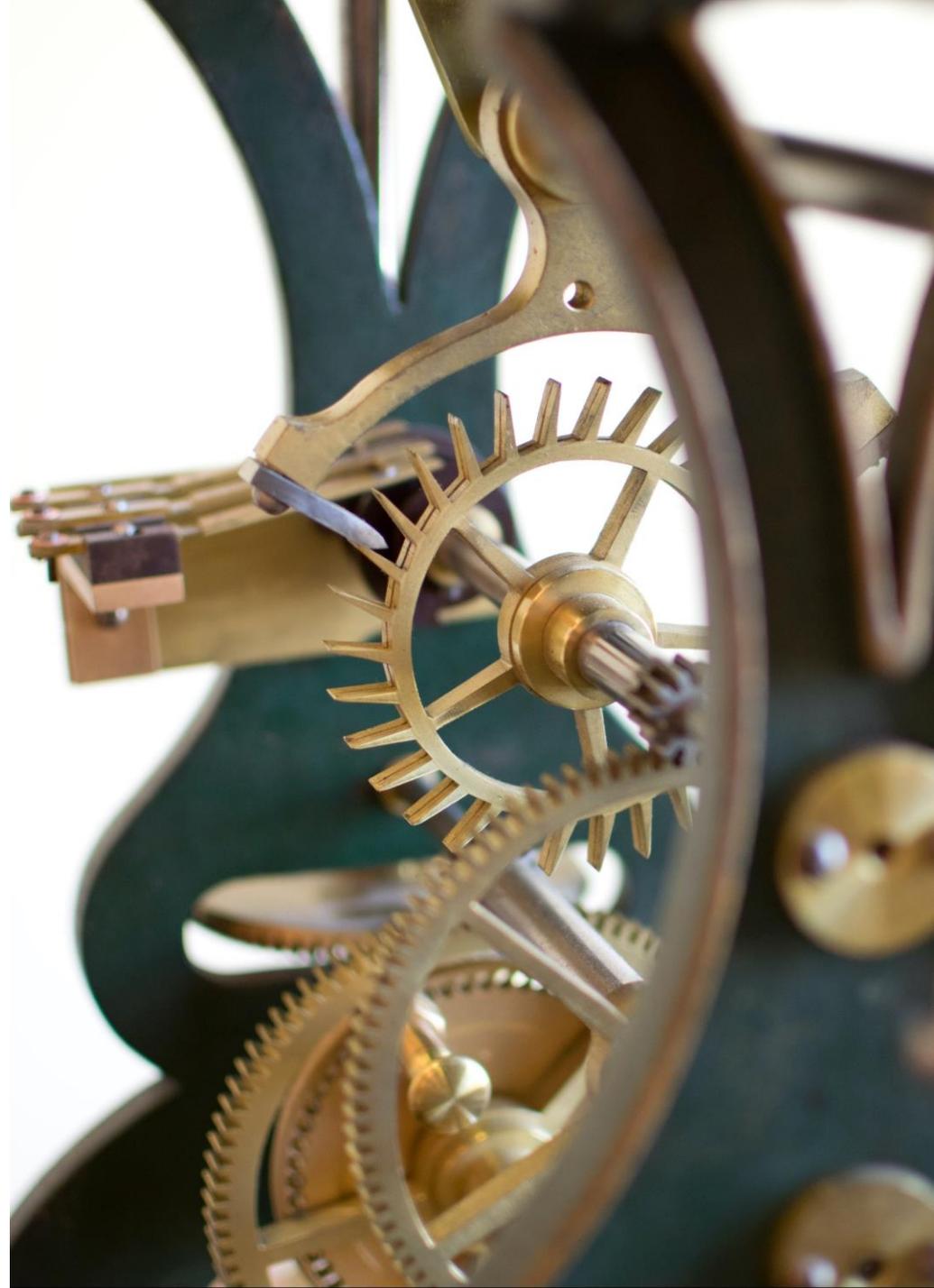
COG will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this Presentation except as required by law or by any appropriate regulatory authority.

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 2022 Annual Financial Report, and all other ASX announcements by COG.

Appendices



Appendices

Statutory income statement

For the year ended 30 June	2022 \$m	2021 \$m	Pcp Change
Revenue	321.0	271.7	18%
Underlying EBITDA from core operations	51.3	46.8	10%
Impairment	(0.6)	(37.8)	-98%
Loss on deemed sale and reacquisition of investment at fair value	-	(5.0)	-100%
Fraud provision	-	(0.3)	-100%
Gain from a bargain purchase	-	0.4	-100%
One-off unguaranteed residual rights recognition	1.0	-	-%
Acquisition-related expenses	(0.5)	(0.2)	150%
Redundancy and restructuring costs	(0.1)	(0.2)	-50%
EBITDA from core operations	51.1	3.7	-1281%
Net interest expense	(0.4)	(0.9)	-56%
Depreciation & amortisation	(12.0)	(11.3)	6%
NPBT	38.7	(8.5)	N/A
Tax	(10.1)	(8.9)	13%
NPAT	28.6	(17.4)	N/A
Profit after tax attributable to:			
Non-controlling interests	8.9	9.0	-1%
Members of COG	19.7	(26.4)	N/A

Impairment 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 (where, going forward, volume-based incentive is expected to largely replace trail commission) (FY21: relates to the write-off of goodwill and other intangibles in the Funds Management and Lending business, in connection with the restructuring of the business, following the acquisition of a controlling interest in Westlawn).

Loss on deemed sale and reacquisition of investment at fair value in FY21 relates to the acquisition of a controlling interest in Westlawn. At the date of acquisition, the equity interest in Westlawn previously held (which was accounted for under the equity method) was treated as if it were disposed of and reacquired at fair value, resulting in a book loss of \$5m.

Gain from a bargain purchase in FY21 represents the excess of the fair value of all acquired assets and assumed liabilities at the acquisition date over the total consideration paid for Westlawn.

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

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Reconciliation between statutory NPAT and underlying NPATA

For the year ended 30 June	Members and NCI ¹			Members		
	2022 \$m	2021 \$m	Variance \$m	2022 \$m	2021 \$m	Variance \$m
NPAT	28.6	(17.4)	46.0	19.7	(26.4)	46.1
Adjustments (after tax):						
Impairment	0.6	37.3	(36.7)	0.6	37.2	(36.6)
Gain from a bargain purchase	-	(0.4)	0.4	-	(0.4)	0.4
Loss on deemed sale and reacquisition of investment at fair value	-	5.0	(5.0)	-	5.0	(5.0)
Fraud provision	-	0.2	(0.2)	-	0.1	(0.1)
One-off unguaranteed residual rights recognition	(0.7)	-	(0.7)	(0.4)	-	(0.4)
Redundancy and restructuring costs	0.1	0.2	(0.1)	0.1	0.2	(0.1)
Acquisition-related expenses	0.4	0.1	0.3	0.4	0.1	0.3
Underlying NPAT	29.0	25.0	4.0	20.4	15.8	4.6
Amortisation of intangibles from acquisitions after tax	6.4	5.6	0.8	4.7	3.7	1.0
NPATA	35.4	30.6	4.8	25.1	19.5	5.6

1. Non-controlling interests

Appendices

Prior period reclassifications to EBITDA

Reclassification adjustments have been made to prior year EBITDA (and EBITDA to Members) to conform with current year presentations as follows:

	FY21 (Original) \$m	FB&A Reclassifications \$m	Funds Management & Lending Reclassifications \$m	Other Reclassifications \$m	FY21 (Reclassified) \$m
Revenue	269.8	0.1	1.1	1.7	272.7
EBITDA	50.9	0.1	(5.9)	1.7	46.8
Dividend income	0.7	-	(0.1)	(0.6)	-
Net interest expense	(6.9)	-	6.0	-	(0.9)
Depreciation	(2.5)	-	-	-	(2.5)
Amortisation	(8.8)	-	-	-	(8.8)
Share of results from associates	1.2	(0.1)	-	(1.1)	-
NPBT	34.6	-	-	-	34.6

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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

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Acquisition history (continued)

Date	Company	Activity	Acquirer	Interest acquired	Price	Consideration
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
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	Centrepoint 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	24.0% ¹	\$9.3m	17% cash / 83% equity
Nov-21	PCG	Acquisition of minority interests	COG	30.1% ²	\$14.7m	17% cash / 83% equity
Jan-22	PCG	Acquisition of minority interests	COG	0.1% ²	\$-	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	\$3.0m	100% cash
May-22	Earlypay	Debtor finance provider	COG	3.2% ⁴	\$5.0m	100% cash
Jul-22	Chevron Equipment Finance	Finance broker (QLD)	QPF	70%	\$7.0m	40% equity / 60% debt

At 30 June 2022 COG owned:

1. 75.0% of Westlawn Finance Limited
2. 100.0% of Platform Consolidated Group Pty Limited
3. 59.8% of Linx Group Holdings Pty Limited
4. 19.66% of Earlypay Limited

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
PCG Group	14.7	(6.5)	8.2	7.0
QPF Group	5.7	-	5.7	3.0
Linx Group	3.2	-	3.2	1.7
Westlawn Group	36.3	(5.1)	31.2	22.4
CFG	3.3	-	3.3	3.3
COG Parent	12.0	-	12.0	12.0
HAL Group	0.9	-	0.9	0.9
Total Cash	76.1	(11.6)	64.5	50.3

1. Cash and cash equivalents include restricted cash of \$11.6m (30 June 2021: \$10.5m). 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