

**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 2023**

Comparisons are to the period ended 31 December 2022 (unless specified for 30 June 2023)

	31 December 2023 \$'000	31 December 2022 \$'000	up/down	% movement
Revenue from continuing operations	239,482	164,324	up	46%
Net profit from continuing operations	14,868	12,795	up	16%
Net profit from continuing operations after tax, attributable to members	9,107	8,285	up	10%

	31 December 2023 cents	31 December 2022 cents
Earnings per share, attributable to members	4.76	4.39

	31 December 2023 \$'000	30 June 2023 \$'000
Net assets	207,537	214,470
Less: Intangible assets	(183,796)	(184,086)
Non-controlling interests	(50,285)	(50,554)
Right-of-use lease assets	(4,836)	(5,432)
Net tangible assets	(31,380)	(25,602)
NTA per share (cents)	(16.32)	(13.43)

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 2023 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 2023 \$'000	31 December 2022 \$'000
Dividends paid or provided during the period		
Interim 2024 fully franked ordinary dividend of 4.0 cents (2023: 3.7 cents) per fully paid ordinary share franked at the tax rate of 30% (2023: 30%)	7,703	6,912
Final 2023 fully franked ordinary dividend of 4.7 cents (2022: 4.8 cents) per fully paid ordinary share franked at the tax rate of 30% (2022: 30%)	8,961	9,028

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

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



Patrick Tuttle
Chairman
23 February 2024

COG Financial Services Limited and its controlled entities

ABN 58 100 854 788

Interim Financial Report

For the period ended 31 December 2023

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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 2023.

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 products.

OPERATING AND FINANCIAL REVIEW

The Board's 31 December 2023 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 2023 and 2022:

Period ended 31 December	Underlying ⁽¹⁾			Statutory		
	2023	2022 ⁽⁴⁾	Change %	2023	2022 ⁽⁴⁾	Change %
Revenue ⁽²⁾	237.8	163.9	45%	239.5	164.3	46%
Finance Broking & Aggregation	136.4	103.5	32%	136.6	103.6	32%
Novated Leasing	69.4	31.5	120%	70.0	31.5	122%
Asset Management & Lending	32.0	27.2	18%	32.7	27.4	19%
All Other / Intersegment	-	1.7	-100%	0.2	1.8	-89%
EBITDA	29.7	24.5	21%	29.3	24.7	19%
EBITDA after non-controlling interests (NCI)	18.8	15.8	19%	18.4	16.0	15%
Finance Broking & Aggregation	9.2	9.2	0%	9.0	9.2	-2%
Novated Leasing	6.3	2.2	186%	6.3	2.2	185%
Asset Management & Lending	5.9	8.9	-34%	5.9	8.9	-34%
All Other / Intersegment	(2.6)	(4.5)	-42%	(2.8)	(4.3)	-35%
Profit after tax attributable to NCI	5.8	4.6	26%	5.8	4.5	29%
Profit after tax and NCI	9.4	8.6	9%	9.1	8.3	10%
NPATA ⁽³⁾ after NCI	12.6	11.1	14%	12.3	10.8	14%

(1) On an underlying basis excluding profit on sale of assets (1H24 \$nil, 1H23 \$0.3m after tax), redundancy and restructuring costs (1H24 \$0.1m, 1H23 \$0.6m after tax) and transaction costs (1H24 \$0.2m, 1H23 \$0.1m after tax).

(2) Underlying revenue excludes interest income (1H24 \$1.7m, 1H23 \$0.4m). Share of results from associates previously reported as part of 'Revenue' has now been reported separately. Prior comparative information has been adjusted to conform with current period presentation.

(3) Excludes amortisation of acquired intangibles of (1H24: \$3.2m after tax attributable to members, 1H23: \$2.5m 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 2023:

- Underlying revenue was \$237,805k, an increase of 45% on the prior comparative period (pcp),
- Underlying earnings before interest, taxes, depreciation and amortisation (EBITDA) from core operations, and before minority interests, was \$29,698k, an increase of 21% on the pcp,
- Underlying profit after tax, attributable to members of the Group, was \$9,423k, an increase of 9% on the pcp,
- Underlying net profit after tax and amortisation of intangibles arising from business combinations (NPATA), attributable to members of the Group, was \$12,648k, an increase of 14% on the pcp.

Directors' Report (continued)

On 20 October 2023 the Company issued 1,463,193 fully paid ordinary shares totalling \$1,885k as part of the COG's Dividend Reinvestment Plan (DRP). On 18 September 2023 the Company issued 204,955 fully paid ordinary shares totalling \$284k as part of the Group's FY21, 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 respect of the new loan-backed employee share scheme (ESS) for FY24.

The Group's net asset position as at the end of the period was \$207.5m (30 June 2023: \$214.5m).

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 continued to grow with segment revenues for the period ended 31 December 2023 up 32% to \$136,450k (\$103,543k in the pcpc). EBITDA before minority interests was down 3% to \$14,466k (\$14,851k in the pcpc).

COG has established a nationwide distribution network, through its independent aggregation platform members and equity owned brokers and is a key and trusted advisor to the Australian small-to-medium enterprise (SME) sector. COG estimates it now accounts for approximately 21% of annual industry 'net assets financed' (NAF) settled by finance brokers for commercial equipment finance and holds a leading position as Australia's largest finance broker aggregation platform. In the first half of FY24, COG settled \$4.3b of NAF through its finance broking aggregation platforms, a 27% increase on the pcpc.

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).

Effective 1 July 2023, COG acquired an additional 1.47% equity interest in QPF Holdings Pty Ltd ("QPF"), taking COG's controlling interest in QPF from 57.27% to 58.74%.

Effective 31 July 2023, the Group acquired a 100% equity interest in United Financial Services Pty Ltd, United Financial Services Network Pty Ltd, United Financial Services (Qld) Pty Ltd (together 'UFS') and National Finance Choice Pty Ltd ('NFC') from McMillan Shakespeare via its subsidiary COG Aggregation Pty Ltd. NFC and UFS are long-established aggregation groups, operating primarily in the car and lifestyle asset market and representing 182 broker firms nationwide, writing approximately \$1 billion in volume per annum.

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 2023 of \$69,374k, up 120% on pcpc (\$31,522k in the pcpc). Revenues for the period are inclusive of the contribution from the Paywise acquisition of \$12,245k (\$nil in the pcpc). EBITDA before minority interests was up 261% to \$8,449k (\$2,340k in the pcpc).

The Novated Leasing segment continues to benefit from the FBT incentive for electric vehicles with 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.

Directors' Report (continued)

In addition to the above, effective 15 October 2023, an internal reorganisation occurred in relation to Beinformed Group Pty Ltd (Be Car Wise), a wholly owned subsidiary of Fleet Network Pty Limited (an entity that was a 78.10% owned subsidiary of Platform) whereby Be Car Wise acquired an additional 20% equity interest in Beinformed Group (VIC) Pty Ltd (Be Car Wise Victoria), taking Be Car Wise's controlling interest in Be Car Wise Victoria from 80% to 100%. As a result, Fleet Network issued 11,357 ordinary shares to the previous Be Car Wise Victoria minority shareholders. Platform now owns 74.59% of Fleet Network.

Asset Management & Lending (AM&L)

The Asset Management & Lending segment delivered revenues for the period ended 31 December 2023 of \$31,981k, up 18% on pcip (\$27,161k in the pcip). Revenues for the period are inclusive of organic growth contribution from Equity-One Mortgage Fund Limited (Equity-One) of \$2,680k. This revenue growth was partially offset by a lower revenue contribution from TL Commercial Finance Pty Limited (TLC) due to the transfer of that business to Westlawn and TLC's legacy book being in run-off. EBITDA before minority interests was down 20% to \$9,378k (\$11,796k in the pcip).

Westlawn has continued utilising its branch network for product distribution to accelerate Equity-One growth. Assets under management & Lending of \$854.8m are up 22% 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 FY24 totalled \$71.2m (\$59.2m in the pcip), an increase of 20% on the prior year, notwithstanding the impact of some supply chain constraints and interest rate rises have had on equipment finance during the period.

TLC is currently in run-off with the total lease and loan receivables of \$4.9m as at 31 December 2023 representing the present value of lease and loan instalments and related unguaranteed residual values expected to be received over the next two to three years. The run-off book continues to perform strongly and remains an active focus to ensure a maximised return is achieved.

The lending book continued to perform strongly, with the Expected Credit Loss (ECL) provision increasing slightly to 1.8% in December 2023 from 1.6% in June 2023.

COG continues to focus on the next steps in its strategy, being the expansion of its funds management and lending activities into mid-prime products for distribution through its finance broking network. COG has set a medium-term target of funding 20% of intermediated financing completed by its broking network from COG non-prime lending products. The implementation of this strategy is underway with significant progress made during the first half of FY24.

Other

Earlypay Limited

COG's Other segment includes the Group's share of Earlypay Limited (ASX: EPY) profit of \$320k (before tax) for the period ended 31 December 2023 (\$1,424k loss before tax in the pcip). COG owned 20.14% of the voting shares in EPY as at 31 December 2023.

Centrepont Alliance Limited

In November 2023 COG acquired 39,556,590 ordinary shares in Centrepont Alliance Limited (CAF), at a cost of \$13,054k. COG's investment in CAF represents a 19.99% interest in that company as at 31 December 2023. CAF is an ASX-listed company and is a leading provider of advice and business services to financial advice firms throughout Australia.

Directors' Report (continued)

Dividends

Since the year ended 30 June 2023, the Board declared a final dividend of \$8,961k (4.7 cps). This dividend was paid on 20 October 2023 out of the Company's profit reserve as at 30 June 2023 to all shareholders registered on the record date of 21 September 2023 and was fully franked. The ex-dividend date for entitlement was 20 September 2023. 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 2023, the Board declared a fully franked interim dividend of 4.0 cents per fully paid ordinary share (2022: 3.7 cps). The aggregate amount of the proposed dividend of \$7,703k will be paid on 12 April 2024 out of the Company's profits reserve at 31 December 2023. The Company's DRP will apply to the interim dividend.

Events subsequent to the end of the financial period

As disclosed in the notes to the financial statements, apart from the 1,145,000 fully paid ordinary shares issued on 5 February 2024 in respect of the new loan-backed employee share scheme and the interim dividend declared on 23 February 2024, 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.

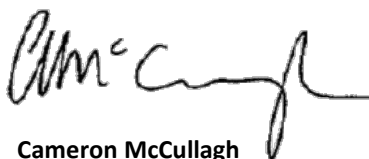
Rounding of amounts

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 23 February 2024.



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 2023, 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, 23 February 2024

Consolidated Statement of Comprehensive Income

For the period ended 31 December 2023

		31 December 2023 \$'000	31 December 2022 \$'000
	Notes		
Revenue from continuing operations	A2	239,482	164,324
Cost of sales		(61,070)	(37,878)
Commissions paid		(88,007)	(58,011)
Employee benefits expense		(38,004)	(28,421)
Administration expenses		(13,840)	(9,726)
Occupancy expenses		(1,141)	(899)
Finance costs		(1,221)	(591)
Funding costs (Asset Management & Lending)		(5,822)	(2,737)
Depreciation and amortisation		(8,795)	(6,864)
Acquisition-related expenses		(275)	(151)
Profit on disposal of assets		-	395
Other expenses		(686)	(464)
Share of results from associates		337	(1,369)
Profit before income tax		20,958	17,608
Income tax expense		(6,090)	(4,813)
Profit after tax for the period		14,868	12,795
Other comprehensive income:			
<i>Items that may be reclassified subsequently to the statement of profit or loss:</i>			
Changes in equity securities fair value, after tax		(1,246)	-
Total comprehensive income for the period		13,622	12,795
Profit after tax attributable to:			
Members of COG Financial Services Limited		9,107	8,285
Non-controlling interests		5,761	4,510
Total profit after tax for the period		14,868	12,795
Total comprehensive income attributable to:			
Members of COG Financial Services Limited		7,861	8,285
Non-controlling interests		5,761	4,510
Total comprehensive income for the period		13,622	12,795
Basic earnings per share from continuing operations, attributable to members (cents):		4.76	4.39
Diluted earnings per share from continuing operations, attributable to members (cents):		4.76	4.38

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 2023

		31 December 2023 \$'000	30 June 2023 \$'000
ASSETS	Notes		
Current			
Cash and cash equivalents	C4	107,618	101,796
Trade and other receivables		18,956	22,390
Contract assets		3,011	2,941
Financial assets - lease receivables		7,410	10,324
Financial assets - loans		50,473	64,929
Other financial assets		4,207	2,508
Inventories		315	530
Total current assets		191,990	205,418
Non-current			
Contract assets		8,610	8,292
Financial assets - lease receivables		14,786	15,951
Financial assets - loans		88,653	133,007
Other financial assets		29,396	17,556
Financial assets at fair value through other comprehensive income		203	203
Equity accounted associates	B2	25,487	13,919
Property, plant and equipment		9,345	9,132
Intangible assets		183,796	184,086
Right-of-use lease assets		4,836	5,432
Total non-current assets		365,112	387,578
Total assets		557,102	592,996
LIABILITIES			
Current			
Trade and other payables		31,600	34,932
Customer salary packaging liability		25,820	21,024
Interest bearing liabilities		189,225	204,063
Current tax liabilities		1,603	2,363
Provisions		7,966	8,775
Lease liabilities		1,484	1,774
Other liabilities		594	80
Total current liabilities		258,292	273,011
Non-current			
Trade and other payables		15,918	12,229
Interest bearing liabilities		57,156	73,564
Deferred tax liabilities		12,721	13,777
Lease liabilities		3,862	4,324
Provisions		1,616	1,621
Total non-current liabilities		91,273	105,515
Total liabilities		349,565	378,526
Net assets		207,537	214,470
EQUITY			
Share capital	B3.1	281,584	279,470
Accumulated losses		(117,793)	(117,793)
Reserves	B3.4	(6,539)	2,239
Non-controlling interests		50,285	50,554
Total equity		207,537	214,470

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 2023

	Notes	Share capital \$'000	Accumulated losses \$'000	Reserves \$'000	Non-controlling interests \$'000	Total Equity \$'000
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
Changes in equity securities fair value, after 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	B3.3	-	-	(8,971)	(8,270)	(17,241)
Issue of share capital		2,169	-	-	-	2,169
Costs of raising capital, net of tax		(55)	-	-	-	(55)
Balance at 31 December 2023	B3	281,584	(117,793)	(6,539)	50,285	207,537
Balance at 1 July 2022		275,512	(117,793)	13,227	36,669	207,615
Net profit for the period, after tax		-	-	8,285	4,510	12,795
Total comprehensive income for the period		-	-	8,285	4,510	12,795
Transactions with owners:						
Share based payment expense		-	-	117	-	117
Financial liability to acquire further interests in subsidiaries		-	-	(8,631)	-	(8,631)
Disposal of part interest in subsidiary		-	-	1,065	247	1,312
Non-controlling interest acquired		-	-	(262)	647	385
Non-controlling interest recognised through business combination		-	-	-	3,056	3,056
Non-controlling interest acquisition contribution		-	-	-	1,201	1,201
Dividends	B3.3	-	-	(9,028)	(4,370)	(13,398)
Issue of share capital		2,255	-	-	-	2,255
Costs of raising capital, net of tax		(52)	-	-	-	(52)
Balance at 31 December 2022	B3	277,715	(117,793)	4,773	41,960	206,655

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 2023

	31 December 2023 \$'000	31 December 2022 \$'000
Cash flows from operating activities		
Receipts from customers	272,270	183,479
Payments to suppliers and employees	(233,888)	(165,549)
Dividends received	138	327
Finance costs paid	(5,191)	(3,126)
Income taxes paid	(8,289)	(9,056)
Net cash inflow from operating activities	25,040	6,075
Cash flows from investing activities		
Net cash outflow on acquisitions, including cash acquired	(4,683)	(7,673)
Net cash outflow on investment in associate	(13,054)	-
Payments for deferred consideration	-	(29)
Payments for equipment - finance leases	(4,809)	(5,259)
Repayments of equipment – finance leases	9,069	19,217
Loans advanced	(66,425)	(53,858)
Repayments of loans	52,706	34,161
Proceeds from sale of loan receivables	23,350	-
Payments for property, plant and equipment	(2,143)	(844)
Proceeds from sale of property, plant and equipment	1,060	-
Payments for intangible assets	(237)	(619)
Payments for investments	(20,739)	(5,553)
Proceeds from sale of investments	8,922	6,716
Other loan repayments received	-	68
Net cash (outflow) from investing activities	(16,983)	(13,673)
Cash flows from financing activities		
Proceeds from issue of shares	2,169	2,068
Costs of raising capital	-	(52)
Proceeds from interest bearing liabilities	37,500	34,551
Repayments of interest bearing liabilities	(19,848)	(31,480)
Repayments of lease liabilities	(927)	(733)
Dividends paid	(8,971)	(9,028)
Dividends paid by subsidiaries to non-controlling interests	(8,270)	(4,370)
Non-controlling interests acquired	(3,888)	-
Non-controlling interest acquisition contribution	-	1,201
Net cash (outflow) from financing activities	(2,235)	(7,843)
Net increase / (decrease) in cash and cash equivalents	5,822	(15,441)
Cash and cash equivalents, beginning of the financial year	101,796	76,107
Cash and cash equivalents, end of the period	107,618	60,666
	C4	
Non-cash investing and financing activities:		
Scrip consideration issued for acquisitions of investments	-	-

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

Preface to the Notes to the Financial Statements

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

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

The financial statements have been approved and authorised for issue by the Board of Directors on 23 February 2024.

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 2023 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 2023 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 Cash Flows
- A1 Operating segments

Going concern

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

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

Preface to the Notes to the Financial Statements (continued)

As at 31 December 2023, the Group's current assets of \$191,990k are \$66,302k lower than current liabilities of \$258,292k 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 (formerly 'Funds Management and Lending')* activities are focused on the management of investment funds and providing financing arrangements to commercial customers for essential business assets; and
- *All Other / Intersegment* activities, which include: (i) equity investment of 20.14% and 19.99% in the associates Earlypay Limited and Centrepoint Alliance Limited, respectively, and (ii) corporate office function provided by the ultimate parent entity.

	Finance Broking and Aggregation	Novated Leasing ⁽¹⁾	Asset Management & Lending ⁽²⁾	All Other / Intersegment	Total
Period ended 31 December 2023	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue ⁽³⁾	136,450	69,374	31,981	-	237,805
Underlying EBITDA from core operations ⁽⁴⁾	14,466	8,449	9,378	(2,595)	29,698
Acquisition-related expenses	(179)	(17)	-	(152)	(348)
Redundancy and restructuring costs	-	-	-	(53)	(53)
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

	Finance Broking and Aggregation	Novated Leasing ⁽¹⁾	Asset Management & Lending ⁽²⁾	All Other / Intersegment	Total
Period ended 31 December 2022	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue ⁽³⁾	103,543	31,522	27,161	1,697	163,923
Underlying EBITDA from core operations ⁽⁴⁾	14,851	2,340	11,796	(4,449)	24,538
Profit on disposal of assets	-	-	-	395	395
Acquisition-related expenses	(30)	-	-	(121)	(151)
Redundancy and restructuring costs	-	-	-	(121)	(121)
Statutory EBITDA from core operations	14,821	2,340	11,796	(4,296)	24,661
Interest income					402
Finance costs					(591)
Depreciation and amortisation					(6,864)
Profit before tax					17,608
Income tax expense					(4,813)
Profit after tax					12,795
Non-controlling interests					(4,510)
Profit after tax, attributable to members					8,285

(1) Effective 1 July 2023, the Novated Leasing business (previously reported as part of the Finance Broking & Aggregation segment) is reported as a separate business segment. It is inclusive of the recently acquired novated leasing business Paywise as well as Fleet Network and Be Car Wise. Prior comparative information has been reclassified to conform with current period presentation.

(2) Asset Management & Lending (formerly 'Funds Management and Lending') includes Westlawn Finance Limited.

(3) Revenue excludes interest income (31 December 2023: \$1,677k, 31 December 2022: \$401k). Share of results from associates previously reported as part of 'Revenue' has now been reported separately. Prior comparative information has been adjusted to conform with current period presentation.

(4) Excludes non-recurring items.

A - Financial Performance (continued)

A2 REVENUE

	31 December 2023 \$'000	31 December 2022 \$'000
Commission, trail, fee and volume bonus income	150,180	106,327
Sale of goods	61,888	39,311
Finance lease income	3,134	4,883
Finance income - loans	9,246	7,594
Management fee income	3,208	1,659
Interest income	1,677	402
Dry hire income	221	123
Other operating revenue	9,928	4,025
	239,482	164,324

B - Group Structure

B1 BUSINESS COMBINATIONS

Key judgement - fair value of assets acquired

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

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

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

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

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

As previously disclosed in the 30 June 2023 Financial Report, during the financial year ended 30 June 2023 the Group executed the following acquisitions:

- effective 1 July 2022, QPF Holdings Pty Limited (QPF) (a 58.7% owned subsidiary of COG) acquired a 70% controlling interest in the asset finance broker Club Transport Finance Pty Limited (trading as Chevron Equipment Finance) (Chevron) for a total consideration of \$7,130k,
- effective 1 September 2022, Fleet Network Pty Limited (Fleet Network) (a 74.6% owned subsidiary of Platform) acquired the novated lease business known as Australian Car Packaging for a total cash consideration of \$215k (\$5k, net of cash acquired),
- effective 23 January 2023, QPF Insurance Pty Ltd (a 80% owned subsidiary of QPF) and Chevron (a 70% owned subsidiary of QPF) acquired each a 50% interest in the insurance broker Chevron Insurance Consultants Pty Ltd (Chevron Insurance) for a total cash consideration of \$398k (50% each) (\$240k, net of cash acquired), and
- effective 5 April 2023, Fleet Network Pty Limited (Fleet Network) acquired 100% of the shares in Howjack Holdings Pty Limited ('Howjack') for a total consideration of \$25,658k. Howjack is the sole shareholder of the novated lease and salary package company Paywise Pty Limited (collectively, 'Paywise'). The transaction was funded through the capitalisation of Fleet Network by contributions of \$14,997k from EML Group, \$15,098k from Platform (facilitated by the drawdown of the COG CBA facility of \$15,000k) and \$405k from a Fleet Network minority shareholder. EML Group is a partnership between Employers Mutual Limited (an Australian owned mutual) and ASWIG Management Pty Limited. Since 1910, the EML Group has provided a range of products encompassing workers' compensation, general insurance, and life insurance claims management. The rationale for the simultaneous acquisition and partial divestment transaction is to allow COG to expand its novated lease offering to also include salary packaging while simultaneously partnering with an established organisation to leverage their relationships in the provision of services to employers and their staff across the country. Platform now owns 74.6% of Fleet Network.

B - Group Structure (continued)

B1 BUSINESS COMBINATIONS

During the half year ended 31 December 2023 the Group executed the following acquisition:

- Effective 31 July 2023, the Group acquired an 100% equity interest in United Financial Services Pty Ltd, United Financial Services Network Pty Ltd, United Financial Services (Qld) Pty Ltd (together 'UFS') and National Finance Choice Pty Ltd ('NFC') from McMillan Shakespeare via its subsidiary COG Aggregation Pty Ltd for a total consideration of \$4,742k. NFC and UFS are long-established aggregation groups, operating primarily in the car and lifestyle asset market and representing 182 broker firms nationwide, writing approximately \$1 billion in volume per annum.

The values identified for the above acquisition as at the respective acquisition date are as follows:

	NFC / UFS ¹ \$'000
Purchase consideration	
Cash consideration	4,742
Less: Cash and cash equivalents acquired	(59)
	4,683
Fair value of net assets (liabilities) acquired	
Property, plant and equipment	5
Intangible assets	4,053
Trade and other receivables	1,493
Trade and other payables	(2,491)
Deferred tax liabilities	(863)
	2,197
To be recognised as goodwill	2,486

¹ Recognised as at 31 July 2023 on a provisional basis.

Acquisition values

For the acquisition outlined above:

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

B - Group Structure (continued)

B2 EQUITY ACCOUNTED ASSOCIATE

Earlypay Limited (EPY)

COG's investment in EPY represents a 20.14% interest in that company as at 31 December 2023. The carrying amount of equity-accounted investment in Earlypay Limited (EPY) has changed as follows in the half year ended 31 December 2023:

	31 December 2023 \$'000
Balance at the beginning of the period	13,150
Share of results from associates ⁽¹⁾	320
Balance at the end of the period ⁽²⁾	13,470

(1) Share of results from associates in the Consolidated Statement of Comprehensive Income includes share of results from other non-material associates of \$17k.

(2) Equity accounted associates in the Consolidated Statement of Financial Position includes investment in Centrepoint Alliance Limited of \$11,274k and investment in other non-material associates of \$743k.

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 (CAF)

In November 2023 COG acquired 39,556,590 ordinary shares in Centrepoint Alliance Limited (CAF), at a cost of \$13,054k. The Group made an irrevocable election on initial recognition and designated the investment in CAF at fair value through other comprehensive income (FVOCI).

On 12 December 2023, Peter Rollason, a non-executive director of COG, was appointed a non-executive director of CAF. COG's representation on the CAF Board, in combination with COG's voting rights in CAF, resulted in COG gaining significant influence in CAF, and has therefore adopted the equity method of accounting for its investment in CAF effective from 12 December 2023.

The carrying amount of the investment presented as FVOCI at the time of appointment of COG non-executive director to CAF was \$11,274k, and included fair value adjustment net loss of \$1,246k (post tax) recognised in the Equity securities at FVOCI reserve.

COG's investment in CAF represents a 19.99% interest in that company as at 31 December 2023. 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

	31 December 2023 \$'000	30 June 2023 \$'000	31 December 2023 No. of shares '000	30 June 2023 No. of shares '000
<i>Shares issued and fully paid</i>				
Balance at the beginning of the period	279,470	275,512	190,662	187,911
Shares issued under DRP ⁽¹⁾	1,885	3,728	1,463	2,545
Shares issued under LTI Plan ⁽²⁾	284	338	205	206
Costs of raising capital, net of tax	(55)	(108)	-	-
Closing balance at the end of the period	281,584	279,470	192,330	190,662

- (1) On 20 October 2023 the Company issued 1,463,193 fully paid ordinary shares totalling \$1,885k as part of the COG's Dividend Reinvestment Plan (DRP). On 18 April 2023 the Company issued 1,205,196 fully paid ordinary shares totalling \$1,660k as part of the COG's Dividend Reinvestment Plan (DRP). On 21 October 2022 the Company issued 1,340,099 fully paid ordinary shares totalling \$2,068k as part of the COG's Dividend Reinvestment Plan (DRP).
- (2) 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 Long-term incentive (LTI) plan for the CEO. On 3 March 2023 the Company issued 102,814 fully paid ordinary shares totalling \$150k and on 11 August 2022 the Company issued 102,814 fully paid ordinary shares totalling \$187k, both as part of the Group's FY21 Long-term incentive (LTI) plan for the CEO (refer Note B3.2).

B - Group Structure (continued)

B3 SHARE CAPITAL AND RESERVES

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	Expired/ Forfeited / Cancelled	Balance at 31 December 2023
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	-	-	58,642
Total				175,926	82,099	-	93,827
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	-	-	50,105
	Tranche 3	11 September 2023	30 June 2025	50,106	-	-	50,106
Total				150,316	20,042	-	130,274
Total				634,684	410,583	-	224,101

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.

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

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. No options have been granted over unissued shares during or since the end of the financial year.

B - Group Structure (continued)

B3 SHARE CAPITAL AND RESERVES

B3.2 SHARE BASED PAYMENTS

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. On 5 February 2024, the Company issued 1,145,000 fully paid ordinary shares totalling \$1,601k in respect of the new loan-backed employee share scheme (ESS) for FY24.

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.

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) and the respective service/vesting periods.

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

Employee expenses

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

Equity-settled share-based payment

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

Employee benefit liabilities

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

B3.3 DIVIDENDS

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

The Company has a Dividend Reinvestment Plan (DRP). The DRP rules are disclosed on the Company's website www.cogfs.com.au. Under the DRP, holders of ordinary shares can elect to have all or part of their dividend entitlements satisfied by the issue of new ordinary shares rather than being paid in cash. Shares issued under the DRP may be subject to a discount of up to 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 2023, the Board declared a final dividend of 4.7 cps (2022: 4.8 cps). The aggregate amount of the dividend was paid on 20 October 2023 out of the Company's profit reserve at 30 June 2023, and was 100% franked. COG issued 1,463,193 fully paid shares on 20 October 2023 under its DRP in respect of the FY23 final dividend.

B - Group Structure (continued)

B3 SHARE CAPITAL AND RESERVES

B3.3 DIVIDENDS

Dividends not recognised during the reporting period

For the period ended 31 December 2023, the Board declared an interim dividend of 4.0 cps (2022: 3.7 cps). The aggregate amount of the proposed dividend of \$7,703k will be paid on 12 April 2024 out of the Company's profits reserve at 31 December 2023, and will be 100% franked.

Franking credits

As at the end of the reporting period, \$17,327k of franking credits were available for subsequent financial periods based on a tax rate of 30% (30 June 2023: \$15,746k).

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

B3.4 RESERVES

The movement in reserves is as follows:

	Profits reserve \$'000	General reserve \$'000	Foreign currency translation reserve \$'000	Equity securities at FVOCI reserve \$'000	Revaluation reserve \$'000	Share based payments reserve \$'000	Transaction between owners' reserve \$'000	Non- controlling interests reserve \$'000	Total \$'000
Balance at 1 July 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)
Change in equity securities fair value, after 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)
Balance at 1 July 2022	44,235	(9,323)	(16)	95	230	306	579	(22,879)	13,227
Non-controlling interest acquired	-	-	-	-	-	-	-	(262)	(262)
Share-based payment expense	-	-	-	-	-	117	-	-	117
Financial liability to acquire further interest in subsidiaries	-	-	-	-	-	-	(8,631)	-	(8,631)
Disposal of part interest in subsidiary	1,563	-	-	-	-	-	(498)	-	1,065
Transfer to reserves (profit for the period)	8,285	-	-	-	-	-	-	-	8,285
Dividends paid	(9,028)	-	-	-	-	-	-	-	(9,028)
Balance at 31 December 2022	45,055	(9,323)	(16)	95	230	423	(8,550)	(23,141)	4,773

B - Group Structure (continued)

B3 SHARE CAPITAL AND RESERVES

B3.4 RESERVES

Reserves

Profits reserve

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

Foreign currency translation reserve

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

Revaluation reserve

The revaluation reserve relates to the revaluation of 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.

C - Other

C1 CONTINGENCIES AND COMMITMENTS

Commitments

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

- 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.

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

C - Other (continued)

C2 SUBSEQUENT EVENTS

Apart from the 1,145,000 fully paid ordinary shares issued on 5 February 2024 in respect of the new loan-backed employee share scheme (See Note B3.2) and the interim dividend declared on 23 February 2024 (see Note B3.3), no other matters or circumstances have occurred subsequent to period end that have significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

C3 NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

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

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the half-year ended 31 December 2023 and are not expected to have any significant impact for the full financial year ending 30 June 2024.

C4 CASH AND CASH EQUIVALENTS

	31 December 2023 \$'000	30 June 2023 \$'000
Restricted ⁽¹⁾	33,132	26,574
Unrestricted	74,486	75,222
	107,618	101,796

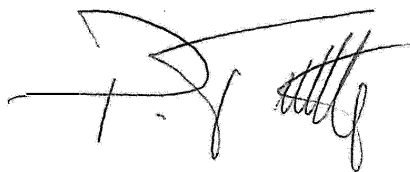
(1) **Restricted cash**

Cash and cash equivalents include restricted cash of \$33,132 k (30 June 2023: \$26,574k) which are funds held by the Group on behalf of its novated leasing business customers, and insurance broking trust accounts (representing the unpaid insurance premiums due to insurers and refunds due to customers) and are not available for general use.

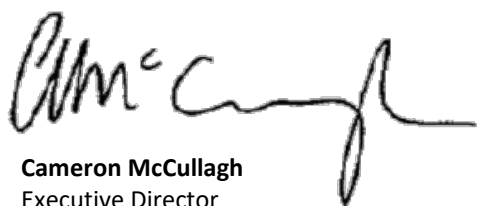
Directors' Declaration

1. In the opinion of the Directors of COG Financial Services Limited (the Company):
 - a) the consolidated financial statements and notes of the Company and its controlled entities (the Group), are in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the Group's financial position as at 31 December 2023 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

23 February 2024

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 2023, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

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

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

Responsibility of the directors for the financial report

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



Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 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', is written over a horizontal line.

Tim Aman

Director

Sydney, 23 February 2024

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

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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