

23 September 2022

ASX Market Announcements  
Australian Securities Exchange  
Level 14, Exchange Centre  
20 Bridge Street  
Sydney NSW 2000

**2022 Annual Report, Notice of Annual General Meeting and Proxy Form**

In accordance with the Listing Rules, SG Fleet Group Limited (ASX: SGF) advises that the 2022 Annual Report, Notice of Annual General Meeting and Proxy Form will be sent to shareholders today. Copies of the documents to be mailed are attached.

The Annual General Meeting will be held virtually on Tuesday, 25 October 2022, commencing at 3.00 pm AEDT. Shareholders can participate in the meeting using the online platform at <http://web.lumiagm.com/358032924> via a computer or mobile device. Relevant instructions are included in the Notice of Meeting.

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Onward



SG FLEET GROUP LIMITED  
ABN 40 167 554 574

**Annual Report 2022**



## OUR AMBITION

To be a trusted partner  
in shaping the future  
of sustainable mobility



## OUR PURPOSE

To solve our customers'  
mobility needs  
and aspirations

### ABOUT SG FLEET GROUP

**SG Fleet Group Limited is a leading provider of integrated mobility solutions, including fleet management, vehicle leasing and salary packaging services.**

We deliver highly efficient products and services to meet our customers' needs in a socially, environmentally and ethically responsible manner.

SG Fleet operates in Australia, New Zealand and the United Kingdom. The company employs over 1,100 staff worldwide and has approximately 270,000 vehicles under management. SG Fleet listed on the Australian Securities Exchange in March 2014.

The company has a unique position in the marketplace, built on the experience and product expertise of its team, its innovation capability, and a customer-centric approach to service delivery.

We actively contribute to the global discussion about the future of transport and shape the new mobility landscape in cooperation with all levels of government, as well as leading corporates. SG Fleet continuously evolves its highly advanced fleet management capabilities and flexible mobility solutions, and selectively invests in new technologies and business models that are changing the way we move.

In the 2022 financial year, the company acquired the Australian and New Zealand businesses of LeasePlan Corporation to create a highly compelling fleet management and leasing offering across the region. SG Fleet also continued to build its integrated mobility capabilities, investing in eBike solutions provider Zoomo and progressing the development of a number of new products and services by its Innovation Team.

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# A Year in Numbers

## FINANCIAL<sup>1</sup>

### NET REVENUE

↑ 58.0%



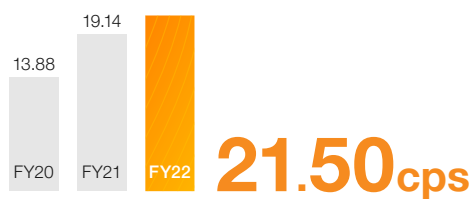
### NPAT (UNDERLYING)

↑ 39.3%



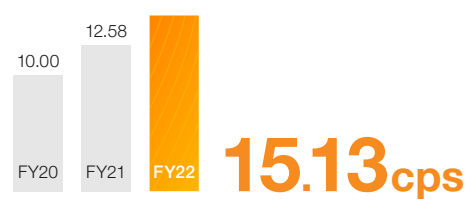
### EPS (UNDERLYING)

↑ 12.3%



### DIVIDEND

↑ 20.2%



## OPERATIONAL

### INCREASE IN NUMBER OF ZERO EMISSION VEHICLES MANAGED<sup>3</sup>



### VEHICLES UNDER MANAGEMENT<sup>2</sup>

~270,000

### REPAIRS MANAGED<sup>2</sup>

450,000+

### KILOMETRES TRAVELLED BY MANAGED FLEET<sup>3</sup>

3.2 billion+

### FUEL AND TOLL TRANSACTIONS PROCESSED<sup>3</sup>

10 million+

1. Includes acquired LeasePlan businesses contribution from 1/9/2021

2. Group

3. Australia

# LeasePlan

## ACQUISITION OF LEASEPLAN AUSTRALIA / NEW ZEALAND

On 1 September 2021, SG Fleet acquired the Australian and New Zealand businesses of international fleet management and leasing company LeasePlan Corporation NV.



LeasePlan ANZ has operated in the region for over 30 years. At the time of the acquisition, the business had six locations in Australia and three in New Zealand, employing approximately 430 staff and managing over 100,000 vehicles.

LeasePlan ANZ offers a products and services range similar to that of SG Fleet. Its customer base is diversified across a range of industries and the business has always been recognised for its strong service culture.

The acquisition included an international alliance agreement with LeasePlan Corporation NV to share business opportunities and exchange know-how, a unique advantage in the Australian and New Zealand markets.

### TRANSFORMING FLEET MANAGEMENT AND LEASING IN THE REGION

The bringing together of the SG Fleet and LeasePlan ANZ businesses has created an industry leader in fleet management and leasing across Australia and New Zealand. The merged entity employs over 1,100 staff and manages approximately 270,000 vehicles.

The businesses are combining expertise and strengths across different customer segments and product types, extending the depth and quality of SG Fleet's customer base and introducing new products and services to the business portfolio.



Our in-house Innovation Team has introduced recently launched products to the joint sales force and LeasePlan ANZ's existing offering has been made available to SG Fleet customers.

The increased scale created by the acquisition and the sharing of available processes and resources significantly improve our ability to compete for business and enhance the customer experience.

SG Fleet and LeasePlan ANZ staff have moved into shared offices. Cultural alignment between the two businesses is exceptionally strong, facilitating a best-of-breed approach that taps into the additional knowledge and expertise now available.

SG Fleet intends to grow the combined business and deliver a comprehensive suite of products and services, together with best-in-class service, to its customers across the region.

**“The bringing together of the SG Fleet and LeasePlan ANZ businesses has created an industry leader in fleet management and leasing across Australia and New Zealand.”**

# Innovation

## DRIVING DECARBONISATION

A customer survey conducted in 2022 by SG Fleet found that fleet managers identified decarbonisation as the single largest impact on the operation of corporate fleets. A significant proportion also reported setting sustainability objectives in their organisations. Not surprisingly, the advent of electric vehicles was seen as the most ground-breaking transport innovation and interest in low- or zero-emission propulsion has continued to grow at a rapid pace.

As a leader in the EV space, we are expanding our services from a pure focus on facilitating the introduction of EVs to a more holistic approach to decarbonisation of transport and the setting of emission reduction targets.

Our advice will incorporate recommendations on other vehicle characteristics influencing emission levels, such as tyres, while our expertise in driver training will allow us to promote trip planning and driving techniques that will help our customers achieve their environmental objectives. SG Fleet will also continue to develop light touch/low cost safety management and emission reduction solutions for non-fleet drivers.

To support the development of this industry-leading expertise, we are actively fostering the ‘future of mobility’ knowledge of our own people with the roll-out of an EV and charging e-learning module on our online training platform.

## ESTART EVOLVES

The expansion of our role and expertise in assisting our customers with their decarbonisation approach is also reflected in the continued evolution of our eStart EV transition solution.

In addition to the provision of the eStart service to a widening range of customer segments, including small and medium enterprises, it will evolve from a fleet management EV tool into a broader premium offering delivered by specialist consultants.



The next-generation eStart provides comprehensive facilitation of decision-making in the pursuit of any organisation’s broader sustainability ambitions. The service will offer a flexible menu of options and a tailor-made transition plan to solve our customers’ specific needs and aspirations.

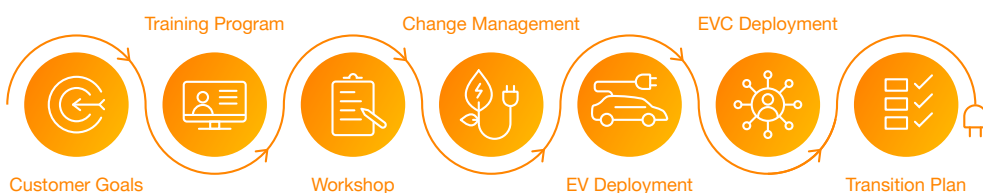
## ZOOMO

SG Fleet is rapidly evolving its products and services offering into a full Mobility-as-a-Service capability.

During the 2022 financial year, the company took a strategic stake in Zoomo, which is breaking new ground in the micro-mobility world with its eBike offering. Micro-mobility is seen as a sustainable and efficient solution for last mile delivery and personal transport. We will be introducing Zoomo as a viable mobility alternative to our corporate and government customers, as well as through our novated leasing channels. Together with the company’s asset management tool Bookingintelligence and the subscription services provided by Carly, Zoomo’s solutions will play an important part in how SG Fleet will shape the future of mobility.



**“Zoomo’s solutions will play an important part in how SG Fleet will shape the future of mobility.”**



# Sustainability statement



## KEY HIGHLIGHTS

### DEVELOPMENT OF Group ESG Strategy

SG Fleet's approach to long-term value creation for all of its stakeholders is driven by the principle that industry-leading environmental, social and governance behaviours should be integrated into daily business practices.

### CLIMATEACTIVE Carbon neutral certification<sup>1</sup>

The company established a **Sustainability Committee, governed by a Charter, in 2019. In 2021, SG Fleet issued its first Sustainability Statement.**

The 2022 Sustainability Statement outlines the relevant actions taken by the company during the 2022 financial year with respect to the ESG risks identified as material in the Group ESG Strategy.

### ISO 27001

INFORMATION  
SECURITY  
MANAGEMENT  
CERTIFICATION

## ESG STRATEGY DEVELOPMENT

SG Fleet determines its sustainability reporting categories by considering the nature of its business operations, which are predominantly the provision of services in an office-based environment.



During the 2022 financial year, we undertook an ESG Materiality Assessment to further optimise how we determine our key ESG risks, how we approach the management of these risks, and how we report on our risk management in the yearly Sustainability Statement.



1. Australian operations

## LEASEPLAN ACQUISITION

This process included the following steps:

- **Development of an initial risk universe**  
To ensure a comprehensive assessment of all possible ESG risks, SG Fleet developed a risk register based on the categorisation defined by the Global Reporting Initiative (GRI). A number of categories specific to the environment in the geographies in which we operate were added to these standards, as well as those linked to reporting requirements in these countries. The resulting risk register included 36 ESG categories.
- **Stakeholder materiality assessment**  
SG Fleet reached out to both internal and external stakeholders to gather data about the perceived importance of the 36 ESG risks to each stakeholder group and the impact of the management of these risks on stakeholders' assessment and decisions with respect to the company.
- **Reporting requirements**  
SG Fleet took into consideration risks related to specific reporting requirements, even if these risks would not normally be perceived as material from a stakeholder's perspective.

The findings of this process were recorded in a risk materiality matrix, which outlines the risks most relevant to our stakeholders and our business. In some instances, risks that would be deemed less material from the perspective of the company's business activities were identified as material from the perspective of certain external stakeholders and accordingly were retained as a key risk for the purpose of the ESG Strategy.

The ESG Strategy was reviewed and approved by SG Fleet Group Limited's Board after the end of the 2022 financial year. From the 2023 financial year onwards, a yearly Action Plan will be developed prior to the start of each financial reporting period. This Action Plan will detail the execution of the company's ESG risk management, in line with the ESG Strategy.

On 1 September 2021, SG Fleet acquired the Australian and New Zealand businesses of international fleet management and leasing company, LeasePlan Corporation NV.

As part of the integration of this acquisition, SG Fleet re-prioritised a number of ESG-related initiatives to harmonise the approach of the acquired entity with its own.

As a result, work on the initial certification for the ISO 20400 Sustainable Procurement and the ISO 26000 Social Responsibility standards was paused to focus on the introduction at group-level of ISO standards already present in parts of the combined business. This includes the ISO 14001 Environment Management and the ISO 45001 Health & Safety Management standards. The harmonisation process continues in the 2023 financial year.

The acquisition integration also led to the temporary pausing of a number of other ESG-related initiatives earmarked for the 2022 financial year, such as the exploration of recycled waste collection options and the introduction of indigenous education programs. These initiatives will be re-started in the 2023 financial year.

**“SG Fleet re-prioritised a number of ESG-related initiatives to harmonise the approach of the acquired entity with its own.”**





## ENVIRONMENT



**“The Australian operations of SG Fleet obtained ClimateActive certification as a carbon neutral organisation during the reported period.”**

# 22%

REDUCTION IN SCOPE 1 AND 2 EMISSIONS



**SG Fleet ensures its day-to-day operations minimise resource consumption, waste and emissions. In addition, we work with our customers, business partners and suppliers to assist them with their environmental impact reduction initiatives.**

SG Fleet’s ESG Materiality Assessment identified the following environmental risks as material to the company:

- Levels of emission impacting the environment

Risks that are perceived as relevant to the wider community, even if not directly material to SG Fleet due to the nature of its business, are:

- Other environmental risks, such as energy consumption levels and waste

### EMISSIONS

As an office-based services company, SG Fleet does not produce meaningful levels of CO<sub>2</sub> in its day-to-day business operations. The company only operates a small internal fleet of vehicles and the provision of its services does not generally require significant travel or transport. We view it as our duty to deploy our knowledge and help others reduce the impact of their transport activities and make a positive contribution to the environment.

SG Fleet continuously explores options to further cut emissions across Scope 1 and 2 and, where under the company’s control, Scope 3. In order to reduce the use of consumables, measures have been introduced to lower the amount of printing.

This resulted in a 57% reduction in paper usage, equivalent to ca. 7.4 tonnes of CO<sub>2</sub> emissions. Emission reduction efforts have also targeted excessive air travel, although during the reported period, the return of business activity post-COVID-19 led to an increase in air travel over the preceding year, adding 104 tonnes in CO<sub>2</sub> emissions. Road mileage by our staff (excluding commuting) was reduced by 5%, a reduction of CO<sub>2</sub> emissions by ca. 19 tonnes. Where motor travel is essential, we seek to increase the use of low- or zero-emission vehicles. Total Scope 1 and 2 emissions were reduced by 22% during the reported period. Total emissions per FTE related to fuel and energy usage, air travel, and paper consumption were reduced by 40%<sup>1</sup>.

With regards to customers, we offer the eStart Zero Emission Vehicle Transition Planning service, which plans and executes the transition from internal combustion to lower emission vehicles for our customers’ fleets. In the reported period, the number of electric vehicles in the managed fleet increased by 128%.

We also ask all our preferred suppliers to develop and submit their strategies and initiatives to reduce emissions.

The Australian operations of SG Fleet obtained ClimateActive certification as a carbon neutral organisation during the reported period.

#### Future Focus

SG Fleet aims to lower its GHG emission intensity ratio by putting in place additional initiatives to reduce overall emissions from company-owned resources, purchased energy and applicable Scope 3 categories.

We aim to increase the percentage of zero-emission vehicles in our own fleet and have put in place a group EV strategy to further promote take-up of zero emission vehicles amongst our customers as well as in the wider community.

Our goal is to help change behaviours across all of our stakeholder groups (customers, employees, business partners and suppliers) in terms of emissions awareness and mitigation.

1. All year-on-year comparisons exclude emissions and energy consumption data from the businesses acquired during the reported period



## ENERGY CONSUMPTION

SG Fleet's energy consumption is largely limited to the operation of its office and warehouse locations, including lighting, power sources, and heating. We are transitioning some of our office operations, such as lighting, to more energy-efficient solutions. In the reported period, the lighting transition process was completed, resulting in a 25% net reduction in energy consumption overall. We currently obtain 94% of our electricity from renewable, green resources. Where possible, the company explores opportunities with its landlords to further improve the sustainability of its office locations.



SG Fleet has an Environmental Impact and Performance Policy and holds ISO 14001 Environmental Management certification for parts of its business.

### Future Focus

SG Fleet aims to lower its energy intensity ratio by putting in place additional initiatives to reduce overall energy consumption, including the adoption of 'smart working' set-ups. Our objective is to obtain 100% of our electricity from renewable resources as the business grows.

SG Fleet will also move to a group-wide ISO 14001 certification.

## WASTE

SG Fleet does not produce meaningful quantities of waste for packaging or other purposes, but our aim is to further minimise waste generation in the conduct of our business. Where waste is generated, for example in the operation of offices, we explore opportunities to divert waste from disposal via the process of recycling triage.

### Future Focus

In cooperation with our employees, we will investigate options to further reduce waste generation and optimise our disposal process, particularly in the areas of paper, food and equipment disposal, and the use of water. SG Fleet will also cooperate with its suppliers to pursue similar objectives.

## OTHER ENVIRONMENTAL ASPECTS

While due to the nature of its business, SG Fleet does not utilise a meaningful amount of packaging materials or consume and discharge significant amounts of water, we do approach the management of any materials and water consumption as an integral part of our overall environmental approach. Accordingly, we continue our efforts to minimise associated impacts.

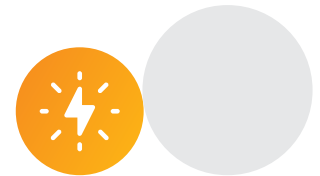
As an office-based business located in urban areas, SG Fleet's activities have a negligible direct impact on natural habitats.

### Future Focus

During the reporting period, SG Fleet explored the extent to which its suppliers are minimising their impact on the environment. This assessment identified a wide range of approaches of varying effectiveness. Moving forward, we intend to introduce minimum environmental standards for the selection and engagement of suppliers to promote impact reduction initiatives in our supply chain.

# 25%

REDUCTION IN ENERGY CONSUMPTION



**“Our objective is to obtain 100% of our electricity from renewable resources”**

## SOCIAL



**“We have introduced Wellness Days in addition to annual leave entitlements.”**

**SG Fleet respects and seeks to further the interests of its customers, its employees and the wider communities in which we operate. Our culture is one of trust, respect, care and responsibility, and we aim to apply this in all our interactions with every individual, as well as with community groups.**

SG Fleet’s ESG Materiality Assessment identified the following social risks as material to the company:

- Working conditions (employment) and training
- Diversity, non-discrimination, and equal opportunity
- Occupational health & safety
- Customer privacy and data security

Risks that are perceived as relevant to the wider community, even if not directly material to SG Fleet due to the nature of its business, are:

- Forced or compulsory labour in the company and its supply chain (Modern Slavery)
- Human rights
- Support of indigenous communities

### WORKING CONDITIONS

SG Fleet’s success as a business and its ability to deliver excellence in services and products to its customers relies on a motivated workforce. Providing a positive work environment and optimal work conditions is an essential component of our efforts to support our employees.

As part of SG Fleet’s recruitment process, vacancies are evaluated for their suitability for flexible work arrangements and for arrangements other than full time. Eligible employees are able to participate in a ‘Purchase Annual Leave’ program to assist with balancing family commitments. We have also introduced employer-funded parental leave, a sick-leave donation program, and Wellness Days in addition to annual leave entitlements.

#### Future Focus

SG Fleet will continue to implement strategies that support role and work flexibility, including the adoption of workplace arrangements and approaches that reflect a greater awareness of the social impacts of working conditions.

### OCCUPATIONAL HEALTH AND SAFETY

Safety in the workplace is of paramount importance to SG Fleet. We view a safe and welcoming environment as an essential prerequisite for the wellbeing and productivity of our employees.

In addition to providing our staff with a healthy work environment, we conduct regular e-training on a range of topics that can impact their wellbeing. These modules include sexual harassment prevention, work health and safety awareness, workplace bullying and occupational violence, and COVID-19 awareness. SG Fleet also has a Group Exposure Control Policy. In addition to risk mitigation education, we encourage our staff to proactively look after their physical and mental wellbeing. We provide access to a range of staff wellness benefits and activities.

SG Fleet holds ISO 45001 OH&S Management certification for parts of its business.

#### Future Focus

We intend to investigate other occupational health and safety aspects (with an increased focus on mental health), within the workplace and in support of our employees’ wellbeing outside the workplace and at home.

SG Fleet will move to a group-wide ISO 45001 certification.

## TRAINING

SG Fleet is committed to supporting the continued growth of its people. We have a reputation within the industry of developing the best available talent and expertise. Upskilling our staff is essential in order to retain our industry leadership position.

SG Fleet's staff are given access to internal and external development opportunities, such as training programs and courses. Mentoring arrangements are also in place for appropriate roles and functions. All staff receive regular performance and career development reviews.



### Future Focus

SG Fleet will investigate opportunities to extend the range of its current training structures, both in terms of training topics and the ability of staff to access training. We will also implement initiatives to optimise the onboarding and continued education process.

## DIVERSITY AND EQUAL OPPORTUNITY

SG Fleet's business success is built on the expertise of its people. We recognise the importance of being an inclusive employer and have a strong commitment to equal opportunity and diversity, with a focus on gender diversity. Diversity drives the company's ability to attract, retain and develop the best talent, create an engaged workforce, deliver the highest quality of service to customers, and achieve sustainable growth.

As at 30 June 2022, the company's workforce was made up of 46% women and 54% men.

SG Fleet complies fully with the *Workplace Gender Equality Act (2012)* and is a complying employer with the Workplace Gender Equality Agency. We conduct regular e-training on equal employment opportunity.

### Future Focus

SG Fleet continues to work towards a diverse workforce, including balanced gender representation at Board and Senior Management level. The company intends to widen its diversity focus to other areas, in addition to gender, and ensure that a more diverse representation also translates into actual inclusion of more diverse opinions.

## NON-DISCRIMINATION

We celebrate the diverse range of cultural backgrounds and experiences of our employees and provide a work environment that is free from discrimination. In addition, SG Fleet is committed to ensuring no discrimination occurs against customers, suppliers, and other stakeholders.

SG Fleet's Code of Conduct stipulates compliance with the letter and spirit of a full range of anti-discrimination laws to establish a workplace free from any kind of discrimination. The company conducts regular e-training on discrimination to reinforce awareness and correct behaviours.

### Future Focus

SG Fleet will continue to improve relevant education as well as enhance the necessary processes to identify and address related incidents. We will also investigate initiatives that will help break down perceptions that foster discrimination.

**“SG Fleet is a complying employer with the Workplace Gender Equality Agency.”**



## SOCIAL CONTINUED

### MODERN SLAVERY STATEMENT 2021



**“We are a proud member of Supply Nation, which aims to promote and support procurement through indigenous organisations and create a more inclusive economy, and we currently source a number of goods from these businesses.”**

### FORCED OR COMPULSORY LABOUR

SG Fleet does not tolerate any form of enslavement or exploitation and we are committed to ensuring measures are in place to minimise the risk of modern slavery in our business and in our supply chain. The company has voluntarily put in place a Modern Slavery Policy, which outlines our overall approach to combatting modern slavery. In the reporting period, this included a comprehensive survey of approximately 10,000 suppliers to identify any modern slavery risks, as well as the review of the modern slavery statements of our preferred suppliers. No significant risks, issues or causes of concern were identified through this process in the 2022 financial year.

SG Fleet issues Modern Slavery Statements overviewing its initiatives during the respective reporting periods in Australia (pursuant to the *Modern Slavery Act 2018 (Cth)*) and the United Kingdom (pursuant to the *Modern Slavery Act 2015 (UK)*).

#### Future Focus

SG Fleet intends to adopt a more robust supplier assessment methodology to optimise the process by which it identifies modern slavery risks, as well as how any identified risks are investigated and addressed.

In addition, SG Fleet will introduce an assessment of its suppliers' performance against a number of other social criteria, and, where possible, work with its suppliers to achieve better outcomes across a range of related aspects.

### HUMAN RIGHTS

As an office-based services company, SG Fleet's direct exposure to the risk of human rights infringement is limited. The company does however expect partners in its supply chain that are more likely to encounter human rights issues to take necessary measures to mitigate against this risk. Our Supplier Code of Conduct stipulates our expectations with regard to the conduct of suppliers in terms of modern slavery risks, the treatment of labour and human rights generally.

SG Fleet's approach to ensure responsible internal conduct with respect to human rights centres on the training of staff on related topics, such as modern slavery, non-discrimination, and diversity and equal opportunity.

#### Future Focus

SG Fleet will continue to investigate the need for additional human rights-related employee training. We also intend to introduce supplier selection criteria that take into account human rights management and behaviours of potential suppliers.

### INDIGENOUS COMMUNITIES

SG Fleet is committed to furthering wherever possible the cause of Aboriginal and Torres Strait Islander and other indigenous communities in the geographies in which it operates.

In addition to offering employment opportunities, the company actively supports indigenous business ventures. We are a proud member of Supply Nation, which aims to promote and support procurement through indigenous organisations and create a more inclusive economy, and we currently source a number of goods from these businesses. In the reported period, SG Fleet directed 2.0% of its spend<sup>1</sup> to indigenous organisations, up from 1.2% in 2019, the year in which the company joined Supply Nation.

#### Future Focus

SG Fleet is aiming to build the right perspective amongst its leadership and its people to work towards an effective and impactful Reconciliation Action Plan in the future. We will also put a greater emphasis on supporting indigenous businesses and employment where practical and viable.

1. Eligible spend

### CUSTOMER PRIVACY

To be able to create value for its customers and conduct its business in an efficient manner, SG Fleet needs to collect and process certain personal and business information. The way we collect, use and retain this information is governed by strict protocols and detailed processes. SG Fleet complies with all applicable privacy laws in each jurisdiction in which we operate and processes customer information in accordance with its privacy policies. Our Personal Data Protection Policy sets out how we protect the personal data we collect.

The awareness of the importance of customer privacy and the need for secure handling of data is reinforced at the individual employee level through regular staff updates and continuous training via our e-learning portal.

In the reported period, no incidences of loss of customer data were recorded.

The SG Fleet Group has ISO 27001 Information Security Management certification.



#### Future Focus

Further enhancements of SG Fleet’s relevant processes will be introduced as the cyber security environment continues to evolve. The company will also further enhance staff data security awareness.

### OTHER SOCIAL ASPECTS

SG Fleet interacts with local communities in Australia, New Zealand, and the UK as a significant employer and as a purchaser of goods and services. We firmly believe that we have a responsibility to the communities in which we operate, as well as people elsewhere, to give back and make a positive contribution in other areas wherever we can.

SG Fleet supports a number of initiatives across a wide range of areas. As a company, our community contribution comes in the form of financial support, and the provision of goods or vehicles.

Our people also contribute generously by collecting donations or by volunteering in their own communities or for charitable activities of their choice.

Wherever possible, we look to deploy our mobility expertise to the advantage of organisations or individuals who have limited access to transport or to support road safety initiatives.

During the 2022 financial year, we supported a wide range of initiatives, including NSW Wheelchair Sports and Wheelchair Rugby in Australia, the Northland Emergency Services and Auckland Rescue Helicopter Trusts in New Zealand, and local community Christmas initiatives in the UK.

#### NSW Wheelchair Sports and Wheelchair Rugby (Australia)

SG Fleet has been supporting NSW Wheelchair Sports for a number of years, providing vehicles to transport para-athletes and their equipment to and from events, including the marquee GIO Down Under 10K Race in Sydney on Australia Day.



#### Northland Emergency Services and Auckland Rescue Helicopter Trusts (New Zealand)

Northland Emergency Services Trust on-duty pilots and engineers use vehicles provided by SG Fleet to conduct their vital emergency rescue work.

We also provide the Auckland Rescue Helicopters Trust with a small fleet of essential vehicles, including two Rapid Response units, which allow the Trust to deliver emergency services both from the air and on the ground.



#### LOCAL COMMUNITY CHRISTMAS SUPPORT (UNITED KINGDOM)

In the UK, our people raised money for Cancer Research and The Alice Charity. We also collected gifts and food items for the Hobs Moat Community Café to help local families in need over the Christmas period.



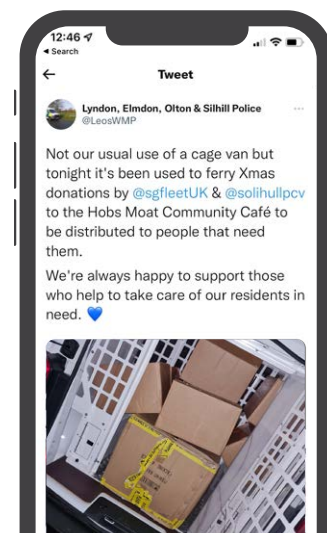
**WHEELCHAIR RUGBY AUSTRALIA**  
Photo Credit – Stephen Tremain



**NORTHLAND EMERGENCY SERVICES TRUST**



**LOCAL COMMUNITY CHRISTMAS SUPPORT**



## GOVERNANCE

**“We have a number of policies in place to instil and promote ethical behaviour across the organisation, as well as our supply chain.”**

**Across our organisation, we ensure we adopt responsible business practices and policies in all aspects of our operations.**

As a listed entity, SG Fleet Group Limited also reports against the ASX Corporate Governance Council’s Principles and Recommendations (4th Edition) via its Corporate Governance Statement. This statement describes the rules, systems and processes we have in place to manage our company and our operations in a responsible manner.

In addition to the requirements set out by the ASX Corporate Governance Council, we have a number of policies in place to instil and promote ethical behaviour across the organisation, as well as our supply chain. SG Fleet also ensures its people are aware and observant of these policies by conducting regular e-learning sessions.

SG Fleet’s ESG Materiality Assessment identified the following governance risks as material to the company:

- Business ethics and conduct
- (Presence of) whistle-blower policy
- Supply chain management
- Anti-corruption and bribery
- Anti-competitive behaviour
- Risk and crisis management

### BUSINESS ETHICS AND CONDUCT

Our people are expected to conduct themselves in a manner consistent with the company’s standards and in compliance with all relevant legislation. SG Fleet’s Code of Conduct outlines how we expect our representatives to behave and conduct business in the workplace on a range of issues. It includes legal compliance and guidelines on appropriate ethical standards.

#### Future Focus

SG Fleet will continue to review its Code of Conduct as required, further improve the processes in place to ensure adherence to the Code, including training, and optimise how it addresses any breaches.

### WHISTLE-BLOWER POLICY

SG Fleet is committed to ensuring that serious misconduct or malpractice is identified and addressed appropriately. We believe that the ability to raise related concerns is an important mechanism to ensure that the company functions efficiently and in accordance with its own principles of conduct.

SG Fleet has adopted a Whistle-blower Policy in accordance with the Corporations Act. The Whistle-blower Policy encourages whistle-blowers to raise concerns and reportable conduct, where there are reasonable grounds to support such action and to ensure that serious misconduct or malpractice is identified and addressed appropriately.

#### Future Focus

SG Fleet’s Audit, Risk and Compliance Committee will continue to review its Whistle-blower Policy annually, and further improve employee awareness of and access to the whistle-blower process.

### SUPPLY CHAIN MANAGEMENT

We view it as our responsibility to promote ethical behaviour not just within our business operations, but also at supplier level. SG Fleet takes great care in selecting suppliers of goods and services and we expect our suppliers to operate to recognised national and international standards, and appropriate codes of practice.



In order to do so, we have put in place a Supplier Code of Conduct and a Procurement Policy. These policies set out the requirements we expect from our suppliers in the areas of: ethical business practice, anti-competitive conduct, labour and human rights, work health and safety, environment, and confidentiality of information.

#### Future Focus

SG Fleet continuously explores opportunities to optimise its supply chain management process, including in terms of the expected qualifications and behaviours of suppliers.

The company intends to pursue ISO 20400 Sustainable Procurement certification in the future.

### ANTI-CORRUPTION AND BRIBERY

SG Fleet prohibits bribery and corruption in any form, whether direct or indirect, and in any country in which it operates. We have adopted an Anti-bribery and Corruption Policy, detailing our commitment to conducting business activities with integrity and ensuring measures are in place to prevent bribery and corruption. The company expects its employees to demonstrate honesty, integrity and fairness in all aspects of their business dealings and exercise a high standard of professionalism and ethical conduct in all their activities.

We promote employee awareness of and compliance with its policies against bribery and corruption through appropriate dissemination of our own procedures, policies and training programmes.

#### Future Focus

SG Fleet will continue to review its Anti-bribery and Corruption Policy as required, further improve the processes in place to ensure adherence to the Policy, including training, and optimise how it addresses any breaches.

### ANTI-COMPETITIVE BEHAVIOUR

The company aims to maintain its reputation of having a high standard of ethical behaviour in conducting business and to behave with integrity in all dealings with competitors and customers.

SG Fleet's Code of Conduct stipulates the behaviours required to meet its standards in terms of responsible business practices. We actively monitor for any breaches of the Code. In the reported period, no actions or issues occurred in respect of anti-competitive behaviour.

#### Future Focus

SG Fleet will continue to review its Code of Conduct as required, further improve the processes in place to ensure adherence to the Code, including training, and optimise how it addresses any breaches.

### RISK AND CRISIS MANAGEMENT

The presence of effective risk management structures and processes is essential for the continued conduct of SG Fleet's business operations. We maintain a combined Audit, Risk and Compliance Committee as a subcommittee of its Board, as well as a dedicated internal audit function.

The Committee reviews the company's risk management framework and internal control framework, while the internal audit function provides the Board and management with independent and objective assurance on the effectiveness of governance, risk management and internal control processes.

#### Future Focus

SG Fleet will continue to review its risk management approach and processes, in line with the evolving nature of its business and its operational environment.

### OTHER GOVERNANCE ASPECTS

Visit the Governance section of our Investor Centre to read our [Corporate Governance Statement](#), which covers a number of additional governance aspects.

### UN GLOBAL COMPACT

During the 2021 financial year, SG Fleet became a signatory to UN Global Compact, committing to its corporate responsibility initiative and its principles in the areas of human rights, labour, the environment and anti-corruption.

In the reported period, the company lodged its first UN Global Compact Communication on Progress report.

#### WE SUPPORT



**“The company aims to maintain its reputation of having a high standard of ethical behaviour in conducting business and to behave with integrity in all dealings with competitors and customers.”**



# Chairman's report



**“This year has witnessed a transformational event for your Company in the shape of the LeasePlan Australia and New Zealand acquisition.”**

## Dear Shareholder

I have the pleasure of presenting you with the SG Fleet Group Limited Annual Report for the year ended 30 June 2022.

The 2022 financial year started with major COVID-19 lockdowns in place in Australia and New Zealand. This did not stop your Company from making further progress across the board, helped by the resilience of our people and their remarkable ability to adjust the way we work and the way we service our customers. While COVID-19 may remain a feature of our world for years to come, as an organisation, we have demonstrated over the past two-and-a-half years that we always remain focused on what matters most to all of our stakeholders, creating value in a responsible manner.

The growth we achieved during the 2022 financial year is clear evidence of the value we continue to add for our customers. The resulting revenue and profit growth marks the second year of our progress since we faced the challenges of 2020. I am pleased to report that this allowed your Board to declare a combined 2022 financial year dividend of 15.13 cents per share, an increase of 20% over the prior year.

As foreshadowed in my previous report, this year has witnessed a transformational event for your Company in the shape of the LeasePlan Australia and New Zealand acquisition. The acquisition was completed on 1 September 2021 and has brought together two of the most highly regarded businesses in the region. That shared reputation has been reflected in the speed and efficiency with which the two groups of people have come together in terms of culture and service ethic.

The strength of our people has been a prominent feature of our progress in recent years and our ability to learn and improve in the face of many challenges has undoubtedly been boosted by the expertise of the LeasePlan team. Your Company's customers have responded very positively to our broadened offering of products and services as well as to the service enhancements we have been able to implement.

This has resulted in exceptional customer win and retention rates and greater penetration of our products in existing accounts. We are constantly adding to the range of solutions we provide and our innovation team again made good progress with the development of products that will shape the fleet management and leasing industry for years to come. Combined with selective investments, such as the one in eBike micro-mobility provider Zoomo this year, this will fundamentally enhance your Company's capability as a mobility-as-a-service provider.

The 2022 financial year has also been a period during which electric vehicles, or EVs, gained more prominence in the public debate. While our UK business already has considerable exposure to zero-emission vehicles, EVs have until now remained a relatively rare sight on Australian and New Zealand roads. Your Company has played a leading role in recent years in the facilitation of fleet transitions to low- and zero-emission vehicles and recent government initiatives will undoubtedly lead to a further increase in demand for our EV expertise, both from companies and from individuals planning to salary package an EV.

Many organisations come to us for assistance with the objective of decarbonising their transport requirements. We believe we must lead in this regard and our involvement does not stop with the provision of our expertise in this area. As a responsible corporate citizen, we believe industry-leading environmental, social and governance (ESG) behaviours should be integrated into our daily business practices. During the 2022 financial year, your Company developed an ESG strategy that will shape the way we approach the management of ESG areas that are material to our business. Shareholders can read about our progress against this objective in our annual Sustainability Statement.

Your Company has a clear vision for the future. We continue to monitor the market environment, improve our efficiency, innovate to lead, look for every opportunity to excel further in how we serve our customers, and, of course, integrate the acquired LeasePlan business to further strengthen our competitive position. In the 2022 financial year, we set a clear path to achieve all of these objectives and maintain our momentum as a profitable, growing organisation. I look forward on reporting to you on our progress in future years.

My thanks go to everyone at SG Fleet. Our management team and our people have demonstrated that our achievements in previous years were built on lasting fundamentals, which will continue to underpin our position as an industry leader. I would also like to thank the Directors of the Board for their efforts in guiding your Company. Most importantly, I thank you, our Shareholders, for your continued support as we take full advantage of the opportunities we created this year.

**Andrew Reitzer**  
**CHAIRMAN**

15 August 2022  
Sydney

## CEO's report



**“It was pleasing to see that we were able to accelerate the progress made in the previous financial year. This demonstrates that the Company is operating efficiently and consistently achieving its goals.”**

### Dear Shareholder

I am pleased to report on the financial performance of SG Fleet Group Limited for the year ended 30 June 2022.

My review of this financial year will refer for comparison to the financial figures for the year ended 30 June 2021. Where appropriate, reference will be made to the organic performance of the Company, excluding contributions from the acquired LeasePlan ANZ business. It should be noted that the Company introduced a number of changes to its financial disclosures at the 2022 half year results to provide investors with additional insight into its performance. Detailed financial data can be found in the full annual report.

### PERIOD-ON-PERIOD PROGRESS CONTINUES DESPITE EXCEPTIONAL ENVIRONMENT

The operational environment in the 2022 financial year continued to produce unusual challenges, in the form of manufacturing and supply chain disruption, labour pressures, and the way we conduct business interactions. In that context, it was pleasing to see that we were able to accelerate the progress made in the previous financial year. This demonstrates that the Company is operating efficiently and consistently achieving its goals.

All of our businesses maintained the momentum built up in previous periods. The Corporate channel continued to grow its customer book, while in the Novated channel, we saw continued growth in enquiry levels throughout the period. Both channels again faced supply constraints and while this benefited used vehicle values, the inability to deliver meant that the beneficial impact of the growing order book will continue to spill into subsequent periods.

The 2022 financial year results include ten months of contribution from the LeasePlan ANZ business, which was acquired on 1 September 2021. Its performance has exceeded our expectations. The acquisition integration process has run exceptionally well, with teams coming together quickly in the pursuit of growth for the combined business.

The ability to tap into new expertise and the significantly improved scale of our business are already yielding benefits from a competitive positioning point of view. They also support the Company's ability to achieve cost and efficiency improvements, including from a procurement perspective.

With innovation coming through steadily and the companies in which we have invested in recent years growing their business, upsell of products and services also progressed significantly. Not surprisingly given recent developments, interest in electric vehicles and our EV expertise picked up further and the Company is actively innovating to further enhance its competitive advantage in that space.

The further progress we made during the 2022 financial year and the strong contribution from the LeasePlan ANZ business resulted in a further significant uptick in the Company's financial performance. Total net revenue for the full financial year was \$313.0 million, up 58.0% on the previous year. Net profit after tax for the reported period was \$60.7 million, up 39.0% on the previous year. Underlying net profit after tax, which excludes \$11.2 million in costs related to the LeasePlan ANZ acquisition, was \$71.9 million, a 39.4% improvement on the 2021 financial year. Underlying earnings per share amounted to 21.50 cents, up 12.4% on the previous corresponding period.

In both half year periods, results were impacted by the shortage of new vehicles, which in turn elevated used vehicle pricing to unprecedented levels. The supply shortage also meant that customers were forced to extend their leases, resulting in fewer vehicles returning for disposal. Because of the continued growth in demand, the shortages triggered a material increase in the order pipeline, in both the Corporate and the Novated channels.

On an organic basis, in other words, excluding the impact of the LeasePlan ANZ acquisition, net rental and finance income grew by 64.6%, driven by the increased number of vehicles in inertia, which was in turn caused by the lack of new vehicle stock. The Company's total net rental and finance income was \$62.7 million, compared to \$16.1 million in the previous financial year. Net mobility services revenue for SG Fleet reduced by 2.3%, however, including LeasePlan ANZ, this revenue category was up 29.8% to \$87.1 million. Net additional products and services revenue grew by 2.0%, primarily as a result of the growth in novated deliveries. Including the \$13.8 million contribution from LeasePlan ANZ, total revenue for this category was \$47.5 million. Finance commission reduced by 11.9% on the previous corresponding period. This was primarily the result of a reduction in principal & agency-funded new vehicle deliveries.

**“By accessing the expertise of the combined business, we have been able to adopt a best-of-breed approach and this has been paying dividends across the board.”**

Consistent with previous periods, end of lease income benefitted materially from the used vehicle market conditions. However, in the reported period, operating lease disposal volumes were 27% lower than in the 2021 financial year due to the increase in the number of extensions and vehicles in inertia. Nevertheless, the Company was still able to deliver organic growth in end of lease income of 23.9%. Total net vehicle risk income, including a \$24.6 million contribution from LeasePlan ANZ, was \$91.2 million, up 63.4% on the previous year. Operating expenses increased materially, to \$170.2 million, as a result of the LeasePlan ANZ acquisition, higher employee costs in comparison with the COVID-19 lockdown periods, and an increase in technology costs in connection with the development of software-as-a-service solutions, which previously would have been capitalised.

**SIGNIFICANT NEW BUSINESS ACTIVITY IN CORPORATE CHANNEL**

There was little change in the operating environment of the Corporate channel and competitive activity remained mostly rational throughout the year. Similarly, the improving performance of the channel was a continuation of the momentum built in previous periods.

Despite some COVID-19-related disruptions, our business development teams took full advantage of in-person and virtual contact opportunities to pursue the continuous stream of new opportunities arising. A significant number of new corporate, or tool-of-trade, accounts were signed up in the reported period. Tender win rates remained stable at a high level. Cash flow management continues to be a major focus of our customers and this generated sale and leaseback opportunities from both new and existing customers. In the existing customer book, retention levels were very strong, with some contract extensions including longer contract terms and a wider range of services.

Greater customer penetration was a feature of the 2022 financial year, with strong interest in the Company's BookingIntelligence asset booking system, the DingGo repairer platform service, Inspect365 and driver safety products. An ever-increasing environmental focus also drove interest in all potential decarbonisation avenues, including electric vehicles. The customers added as part of the LeasePlan ANZ acquisition also responded well to the SG Fleet product set and our innovation initiatives.

**IMPROVED CUSTOMER ENGAGEMENT SUPPORTS CONTINUED STRONG NOVATED DEMAND**

The operating environment of the Novated channel continued to feel the occasional impact of COVID-19 at the start of the financial year, but, supported by high employment rates in Australia, customer enquiries steadily grew to their highest levels in almost four years. However, the supply situation meant that delivering vehicles against the orders received was still a challenge.

An impressive number of new employer accounts were signed up during the period, giving the Novated channel access to a significantly larger pool of eligible employees. Progress at employer and driver level was helped by extending best-practice lead generation and employee engagement methodologies into the teams servicing existing LeasePlan customers. Significant potential was also identified in terms of accessory upsell to existing LeasePlan drivers.

**NEW ZEALAND ACTIVITY REBOUND DRIVES NEW OPPORTUNITIES**

Early in the 2022 financial year, the continued lockdown measures in New Zealand clearly impacted the operating environment. Since then, tender activity has recovered strongly and new business opportunities continued to emerge. There has been a particular focus on mobility technology and electric vehicles in this market. Competition for available business was largely rational. However, supply issues remained throughout the period, affecting our ability to deliver on the growing order book.

The New Zealand business continued to be successful with converting accounts from managed-only to funded, including via sale and leasebacks. Similar opportunities were also identified in the existing LeasePlan book. The business was very successful in retaining existing corporate and government customers and adding new business in a number of industries. Progress in the SME segment was particularly pleasing. As was the case in Australia, the LeasePlan customer base in New Zealand responded well to the SG Fleet product set and innovation.

**UK POST-LOCKDOWN PROGRESS CONTINUES**

The UK business entered the 2022 financial year further down the COVID-19 recovery path, with most of the workforce returning to the office at the beginning of the period. The number of new business opportunities and resulting orders continued to grow, which in turn inevitably led to further growth in the business' order pipeline. The supply situation in the UK worsened during the second half, with most makes and models having extremely lengthy lead times.

Customer win rates remained high across both the tool-of-trade and consumer channels. A particular highlight was the conversion of managed-only customers to funding, as well as the introduction of our consumer products to existing tool-of-trade customers.

Low emission vehicles, vans, and the Novalease salary sacrifice product were areas of particular growth for the business. By the second half, electric vehicles accounted for more than a third of deliveries. Within the existing book, further penetration was achieved by introducing additional products and services to our customers.

**LEASEPLAN ANZ ACQUISITION DELIVERS SIGNIFICANT BENEFITS**

The integration of the LeasePlan ANZ business from the date of acquisition on 1 September 2021 has confirmed all synergy expectations. By accessing the expertise of the combined business, we have been able to adopt a best-of-breed approach and this has been paying dividends across the board. Operationally, the Company saw a clear impact from the integration work done to-date and this improved its efficiency and competitive positioning.

**“The combined business really started hitting its stride and I look forward to maintaining that momentum and accessing the full potential of our strengthened market position in future periods.”**

Rapid progress has been made with the integration since September. Initial phases of the process were rolled out during the reported period with the introduction of common premises and shared services and the start of the implementation of a group-wide products and services structure. The operational integration progressed well and continues as I write to you.

The Company has been able to take advantage of its greater scale and has realised the synergies expected at this time. Initial benefits of its enhanced scale were also extracted in terms of operational efficiency, revised procurement arrangements, and enhanced automation and digitisation.

The sharing of available processes and resources significantly improved our ability to compete for business as well as service existing customers across the book. LeasePlan ANZ customers were introduced to the SG Fleet product set and the Company's innovation capability and their reception continues to be very positive. Take-up of newly available products has been very strong, leading to a further improvement in customer satisfaction. This in turn supported acquisition, retention and penetration of accounts.

### EXPANDING RANGE OF MOBILITY AND EV SERVICES

Innovation and the broadening of the Company's products and services offering towards higher value-add are some of the key drivers of revenue growth and their importance will only grow in the future. During the 2022 financial year, the Company expanded its range of mobility services with an investment in eBike solutions provider Zoomo, and further developed its electric vehicles and EV-related services expertise. Together with the Bookingintelligence asset booking tool and the subscription services provided by Carly, Zoomo's solutions will play an important part in how we will shape the future of mobility.

A feature of the reported period was the rapid acceleration of interest in low- and zero-emission vehicles, in line with a greater focus on the management of environmental risks across the globe. The Company has gathered considerable expertise with electric vehicles in the UK and has deployed that unique knowledge to customer acclaim in all its geographies. Penetration of EVs in corporate fleets increased steadily during the year, while interest in the Novated channel accelerated more rapidly. We successfully deployed our expertise and our relationships with manufacturers and charging providers to cater to this emerging demand.

The greater environmental focus amongst corporates and governments also drove interest in the Company's eStart solution, with customers increasingly requesting assistance with their fleet emission management efforts. During the period, we evolved eStart into an integrated approach to decarbonisation of transport and the setting of emission reduction targets. An initial trial of this product received very positive feedback.

The Company's investment in micro-mobility provider Zoomo is in line with its strategy to invest in know-how and expertise in areas that help us build a comprehensive and multi-modal Mobility-as-a-Service solution. During the second half of the financial year, we worked with Zoomo to develop a value proposition for both the corporate and novated channels, which will be rolled out in the 2023 financial year.

### A STRENGTHENED MARKET POSITION

The Company has emerged stronger from a challenging macro environment. Despite the continued impact of the supply disruption on our ability to turn strong order growth into revenue, the 2022 financial year has again been a period of strong progress. The Australian Corporate channel continued to build its customer book and widen its products and services range, and the Novated channel saw further growth in demand. In New Zealand, business activity rebounded after a period of strict lockdowns and, in the UK, we continued to go from strength to strength.

The integration of the LeasePlan ANZ business, which performed better than anticipated during the period, progressed very well. The Company took advantage of the positive results of bringing two exceptional organisations together and the combined business is delivering strongly on the potential that the acquisition created. These outcomes will become more impactful as the integration progresses.

Our innovation efforts continue in order to play a leading role in the new mobility environment. Selective investments and the further expansion of our EV solutions range during the year perfectly place the Company to deploy its industry-leading expertise as corporate customers and novated drivers increasingly move towards more efficient and environmentally-sound transport solutions.

We continue to maintain the strong momentum in our businesses, and at the same time we are managing the extraction of the exciting benefits we are reaping from the LeasePlan ANZ acquisition, including revenue opportunities and the contribution it will make to our overall drive to improve cost efficiencies. As the 2022 financial year progressed, the combined business really started hitting its stride and I look forward to maintaining that momentum and accessing the full potential of our strengthened market position in future periods.

My sincere thanks and appreciation go to my Executive team and my colleagues across the Group. In a year that brought two great businesses together, we remained focused on delivering the best service to our customers and creating a positive work environment for our people. The combination of these strengths has firmly placed us in a unique position in our industry and I would like to thank you, our shareholders, for supporting us as we continue on our journey to improve the value we create for all of our stakeholders.



**Robbie Blau**  
CEO

15 August 2022  
Sydney

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# Directors' report

30 June 2022

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of SG Fleet Group Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2022.

## DIRECTORS

The following persons were Directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Andrew Reitzer (Chairman)

Robert (Robbie) Blau

Cheryl Bart AO

Peter Mountford

Edwin Jankelowitz

Kevin Wundram

Tex Gunning (appointed on 1 September 2021)

Graham Maloney (resigned on 6 April 2022)

Colin Brown (alternate for Peter Mountford)

Details of the Directors are set out in the section 'Information on Directors' below.

## PRINCIPAL ACTIVITIES

During the financial year, the principal continuing activities of the Group consisted of motor vehicle fleet management, vehicle leasing, short-term hire, consumer vehicle finance and salary packaging services.

## DIVIDENDS

Dividends paid during the financial year were as follows:

	<b>CONSOLIDATED</b>	
	<b>2022</b>	2021
	<b>\$'000</b>	\$'000
Final dividend for the year ended 30 June 2021 of 5.393 cents per ordinary share paid on 9 September 2021 (2021: Final dividend for the year ended 30 June 2020 of 3.053 cents)	<b>16,039</b>	8,004
Interim dividend for the year ended 30 June 2022 of 8.318 cents per share paid on 10 March 2022 (2021: Interim dividend for the year ended 30 June 2021 of 7.192 cents)	<b>28,446</b>	18,855
	<b>44,485</b>	26,859

On 15 August 2022, the Directors declared a fully franked final dividend for the year ended 30 June 2022 of 6.811 cents per ordinary share, to be paid on 8 September 2022 to eligible shareholders on the register on 25 August 2022. This equates to a total estimated distribution of \$23,293,000, based on the number of ordinary shares on issue as at 30 June 2022. The financial effect of dividends declared after the reporting date are not reflected in the 30 June 2022 financial statements and will be recognised in subsequent financial reports.

# Directors' report

30 June 2022

## REVIEW OF OPERATIONS

The profit for the Group after providing for income tax amounted to \$60,732,000 (30 June 2021: \$43,705,000).

The fleet size of the Group as at 30 June 2022 was 267,867 (30 June 2021: 138,797).

Refer to Chairman's report and Chief Executive Officer's report for further commentary on the review of operations.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 1 September 2021, the Group acquired 100% of the ordinary shares in LeasePlan Australia Limited and LeasePlan New Zealand Limited. The acquisition consideration of \$626,003,000 was settled by way of cash consideration of \$273,000,000 and scrip consideration valued at \$129,307,000. In addition to the acquisition consideration, as part of the transaction, excess cash in the statement of financial position and capital invested in the Lease Portfolio totalling \$223,696,000 was repaid to LeasePlan Corporation bringing the total amount transferred to \$626,003,000.

There were no other significant changes in the state of affairs of the Group during the financial year.

## MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Apart from the dividend declared as discussed above, no other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

## LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Likely developments in the operations of the Group and the expected results of those operations are contained in the Chairman's report and Chief Executive Officer's report.

## ENVIRONMENTAL REGULATION

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

## INFORMATION ON DIRECTORS

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<b>Name:</b>	<b>Andrew Reitzer</b>
<b>Title:</b>	Independent Non-Executive Director and Chairman
<b>Qualifications:</b>	Bachelor of Commerce and a Master of Business Leadership from the University of South Africa
<b>Experience and expertise:</b>	Andrew has over 40 years of global experience in both the retail and wholesale industry. He has served as the Chief Executive Officer ('CEO') of Metcash Limited between 1998 and 2013. Prior to his appointment as CEO of Metcash, Andrew held various management roles at Metro Cash & Carry Limited and was appointed to lead the establishment of Metro's operations in Israel and Russia and served as the Group Operations Director.
<b>Other current directorships:</b>	None
<b>Former directorships (last 3 years):</b>	Non-executive Chairman of Webcentral Group Limited (ASX: WCG) – resigned on 10 November 2020 and Non-executive Chairman of Amaysim Australia Limited (ASX: AYS) – delisted on 6 April 2021
<b>Special responsibilities:</b>	Chairman of the Nomination and Remuneration Committee and Chairman of the Innovation and Technology Committee
<b>Interests in shares:</b>	94,461 ordinary shares in the Company

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<b>Name:</b>	<b>Robert (Robbie) Blau</b>
<b>Title:</b>	Executive Director and Chief Executive Officer ('CEO')
<b>Qualifications:</b>	Bachelor of Commerce (Accounting and Law), Bachelor of Laws (Cum Laude) from the University of the Witwatersrand, Higher Diploma in Tax Law from Johannesburg University
<b>Experience and expertise:</b>	Robbie was appointed CEO of SG Fleet in July 2006 and has significant experience in the fleet management and leasing industry. Robbie has overall responsibility for the strategic development of the Group and manages its relationships with financial services partners. Previously, Robbie was Managing Director of Nucleus Corporate Finance in South Africa, which he founded in 1999. During his time at Nucleus Corporate Finance, Robbie advised South African listed entity Super Group Limited on corporate advisory and strategic projects. He also spent a year working with the Operations Director of South African Breweries Limited and practised as a commercial attorney for five years at Werksmans Attorneys in South Africa.
<b>Other current directorships:</b>	Carly Holdings Limited (ASX: CL8)
<b>Former directorships (last 3 years):</b>	None
<b>Special responsibilities:</b>	Member of the Innovation and Technology Committee
<b>Interests in shares:</b>	7,862,588 ordinary shares in the Company
<b>Interests in options:</b>	2,050,061 options over ordinary shares in the Company
<b>Interests in rights:</b>	179,535 performance rights over ordinary shares in the Company

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<b>Name:</b>	<b>Cheryl Bart AO</b>
<b>Title:</b>	Independent Non-Executive Director
<b>Qualifications:</b>	Bachelor of Commerce and Bachelor of Laws from the University of New South Wales, Fellow of the Australian Institute of Company Directors
<b>Experience and expertise:</b>	Cheryl is a qualified lawyer and company director with experience across industries including financial services, utilities, energy, renewable energy, television and film. Cheryl previously worked as a lawyer specialising in Banking and Finance at Mallesons Stephen Jaques (now King & Wood Mallesons). Cheryl is currently a director of Shaw Australia Pty Ltd, Chairman of Tilt Renewables and Chairman of TEDxSydney. Cheryl is past Chairman of ANZ Trustees Ltd, the Environment Protection Authority of South Australia, the South Australian Film Corporation, Adelaide Film Festival and the Foundation for Alcohol Research and Education ('FARE'). She is the 31st person in the world to complete The Explorer's Grand Slam, and is a Patron of SportsConnect. Cheryl has also previously been a director of Football Federation Australia, ME Bank, The Prince's Trust Australia, Australian Himalayan Foundation and Invictus Games Sydney 2018.
<b>Other current directorships:</b>	Audio Pixels Holdings Limited (ASX: AKP)
<b>Former directorships (last 3 years):</b>	None
<b>Special responsibilities:</b>	Member of the Audit, Risk and Compliance Committee, member of the Nomination and Remuneration Committee and member of the Innovation and Technology Committee
<b>Interests in shares:</b>	30,665 ordinary shares in the Company

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# Directors' report

30 June 2022

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<b>Name:</b>	<b>Peter Mountford</b>
<b>Title:</b>	Non-Executive Director
<b>Qualifications:</b>	Bachelor of Commerce and Bachelor of Accountancy from the University of the Witwatersrand, Chartered Accountant, Higher Diploma in Taxation from the University of Witwatersrand and MBA (With Distinction) from Warwick University
<b>Experience and expertise:</b>	Peter is the nominee for Super Group Limited, has over 25 years of senior management experience and since 2009 has served as the CEO of Super Group Limited. Prior to becoming the CEO of Super Group Limited, he served as the Managing Director of Super Group's Logistics and Transport division and later its Supply Chain division. Peter's experience also includes six years as the CEO of Imperial Holdings Limited's Consumer Logistics division and as Managing Director of South African Breweries Limited's Diversified Beverages. He is currently a Director and vice Chairman of The Road Freight Association in South Africa and Bluefin Investments Limited (Mauritius).
<b>Other current directorships:</b>	Super Group Limited (JSE: SPG)
<b>Former directorships (last 3 years):</b>	None
<b>Special responsibilities:</b>	Member of the Audit, Risk and Compliance Committee and member of the Nomination and Remuneration Committee
<b>Interests in shares:</b>	580,000 ordinary shares in the Company

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<b>Name:</b>	<b>Edwin Jankelowitz</b>
<b>Title:</b>	Non-Executive Director
<b>Qualifications:</b>	Bachelor of Commerce from the University of the Witwatersrand, Chartered Accountant (South Africa)
<b>Experience and expertise:</b>	Edwin has spent over 40 years in corporate offices and has been Chairman of a number of listed companies. He was a member of the Income Tax Special Court in South Africa for 20 years. Prior to joining the Group, Edwin was Finance Director of Metcash Trading Limited and Metcash Limited from May 1998 to January 2011, and a Non-Executive Director of the company until August 2015. Edwin held the positions of Finance Director, Managing Director and then Chairman at Caxton Limited from 1983 to 1997. Edwin was a consultant in business management and tax between 1980 and 1983. Edwin was with Adcock Ingram Ltd from 1967 to 1979 in the Head Office and was promoted over time to Group Company Secretary and then Finance Director.
<b>Other current directorships:</b>	None
<b>Former directorships (last 3 years):</b>	None
<b>Special responsibilities:</b>	Chairman of the Audit, Risk and Compliance Committee (effective from 6 April 2022)
<b>Interests in shares:</b>	23,000 ordinary shares in the Company

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<b>Name:</b>	<b>Kevin Wundram</b>
<b>Title:</b>	Executive Director, Chief Financial Officer ('CFO') and Head of Risk
<b>Qualifications:</b>	Bachelor of Commerce from the University of the Witwatersrand, Honours Bachelor of Accounting Science degree from the University of South Africa, Chartered Accountant
<b>Experience and expertise:</b>	Kevin has been CFO of SG Fleet Group since July 2006 and has significant experience in the fleet management and leasing industry. He is responsible for the effective management of the finance, treasury, risk and corporate governance functions across the Group. Prior to joining the Group, Kevin was responsible for special projects at Super Group Limited, including the execution of acquisitions, disposals and due diligence. Kevin was also a member of the management committees of the Automotive Parts, Commercial Dealerships and Supply Chain Divisions. Prior to joining Super Group, Kevin worked in the audit and corporate finance divisions of KPMG South Africa for six years.
<b>Other current directorships:</b>	Alternative Director for Robbie Blau at Carly Holdings Limited (ASX: CL8)
<b>Former directorships (last 3 years):</b>	None
<b>Special responsibilities:</b>	Member of the Innovation and Technology Committee
<b>Interests in shares:</b>	803,713 ordinary shares in the Company
<b>Interests in options:</b>	768,773 options over ordinary shares in the Company
<b>Interests in rights:</b>	67,326 performance rights over ordinary shares in the Company

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<b>Name:</b>	<b>Tex Gunning (appointed on 1 September 2021)</b>
<b>Title:</b>	Non-Executive Director
<b>Experience and expertise:</b>	Tex is an Economics graduate of Erasmus University and since 2016 is the Chief Executive Officer and Chairman of the Managing Board of LeasePlan. Previously, he served on the supervisory board of TNT express from 2011-2013 to subsequently become the CEO of TNT Express between 2013 and 2016 which was later sold to Fedex in 2016. Tex has also served as CEO of Vedior between 2007 and 2008 after which the company was sold to Randstad. Subsequently he lead for 5 years the merger of the ICI paint division with Akzo paint, restructuring and selling the US business to PPG. Tex has 25 years of experience with Unilever, of which 7 years as President East Asia Pacific. Tex currently serves as a supervisory board member of various entities including Erasmus University Trustfonds, The Nexus Institute and World Life Fund Netherlands. He is also chairman of the Board of The Amsterdam Canal festival and the World Economic Forum Climate Sector Leader Auto.
<b>Other current directorships:</b>	None
<b>Former directorships (last 3 years):</b>	None
<b>Special responsibilities:</b>	None
<b>Interests in shares:</b>	None

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# Directors' report

30 June 2022

<b>Name:</b>	<b>Colin Brown</b>
<b>Title:</b>	Alternate Director for Peter Mountford
<b>Qualifications:</b>	Bachelor of Accounting Science degree from the University of South Africa ('UNISA'), Honours Bachelor of Accounting Science degree from UNISA, Certificate in the Theory of Accounting from UNISA, Chartered Accountant (South Africa), Master in Business Leadership degree from the UNISA School of Business Leadership
<b>Experience and expertise:</b>	Colin provided support services to Super Group Limited's treasury activities in Johannesburg from June 2009 to February 2010, and was appointed to the Super Group Limited's board as CFO in February 2010. Prior to that, Colin was CFO and a member of the board of Celcom Group Limited, a business in the mobile phone industry and previously listed on the Alternative Exchange ('AltX') of the Johannesburg Stock Exchange ('JSE'). Colin has also held the Financial Director position at Electronic Data Systems ('EDS') Africa Limited and Fujitsu Services South Africa, both multi-national companies in the information technology services industry and Bluefin Investments Limited (Mauritius).
<b>Other current directorships:</b>	Super Group Limited (JSE: SPG)
<b>Former directorships (last 3 years):</b>	None
<b>Special responsibilities:</b>	Alternative director and member of the Audit, Risk and Compliance Committee for Peter Mountford
<b>Interests in shares:</b>	122,639 ordinary shares in the Company

'Other current directorships' set out above are current directorships for listed entities only and exclude directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and exclude directorships of all other types of entities, unless otherwise stated.

## COMPANY SECRETARY

Tawanda Mutengwa (Bachelor of Laws (with distinction), University of Witwatersrand, Master of Laws, UNSW, AGIA) has held the role of company secretary since 10 December 2019. Tawanda first practised law at Bowman Gilfillan in South Africa before taking on legal, governance and secretariat roles at Macquarie Bank, Chubb Insurance, Elanor Investors and most recently at PwC Australia.

## MEETINGS OF DIRECTORS

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2022, and the number of meetings attended by each Director were:

	BOARD OF DIRECTORS		AUDIT, RISK AND COMPLIANCE COMMITTEE		NOMINATION AND REMUNERATION COMMITTEE	
	Attended	Held	Attended	Held	Attended	Held
Andrew Reitzer	8	8	–	–	6	6
Robbie Blau	8	8	–	–	–	–
Cheryl Bart AO	7	8	4	4	5	6
Peter Mountford	8	8	4	4	6	6
Edwin Jankelowitz	7	8	4	4	–	–
Kevin Wundram	8	8	–	–	–	–
Tex Gunning	7	7	–	–	–	–
Graham Maloney	4	4	3	3	–	–

### INNOVATIONS AND TECHNOLOGY COMMITTEE

	Attended	Held
Andrew Reitzer	2	2
Robbie Blau	2	2
Cheryl Bart AO	2	2
Kevin Wundram	2	2

Held: represents the number of meetings held during the time the Director held office or was a member of the relevant committee.

Colin Brown did not attend any meetings in his capacity as an Alternate Director during the financial year.

### REMUNERATION REPORT (AUDITED)

The remuneration report, which has been audited, details the Key Management Personnel ('KMP') remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to KMP

#### PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and conforms to market best practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage/alignment of executive compensation; and
- transparency.

The main role of the Nomination and Remuneration Committee ('NRC') is to assist the Board in fulfilling its corporate governance responsibilities and to review and make recommendations in relation to the remuneration arrangements for its Directors and executives. The NRC comprises two independent Non-Executive Directors and one Non-Executive Director and meets regularly throughout the financial year. The CEO and CFO attend certain committee meetings by invitation, where management input is required. The CEO and CFO are not present during any discussions related to their own remuneration arrangements.

The performance of the Group depends on the quality of its Directors and executives. The remuneration philosophy is to attract, motivate and retain high performing, quality executives.

The remuneration framework has been structured to be market competitive and complementary to the reward strategy of the Group.

The reward framework is designed to align executive reward to shareholders' interests. The Board has considered that it should seek to enhance shareholders' interests by:

- having economic profit as a key component of plan design;
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracting and retaining high calibre executives.

# Directors' report

30 June 2022

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience;
- reflecting competitive reward for the achievement of strategic objectives and contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of Non-Executive Directors and executive remunerations are separate.

## Non-Executive Directors' remuneration

Fees and payments to Non-Executive Directors reflect the demands that are made on, and the responsibilities of, these Directors. Non-Executive Directors' fees and payments are reviewed annually by the NRC. The NRC may, from time to time, receive advice from independent remuneration consultants to ensure Non-Executive Directors' fees and payments are appropriate and in line with the market. The Chairman's fees are determined independently to the fees of other Non-Executive Directors based on comparative roles in the external market. The Chairman is not present at any discussions relating to determination of his own remuneration. Non-Executive Directors do not receive retirement benefits, share options or other cash incentives.

The remuneration of Non-Executive Directors consists of Directors' fees and committee fees. The Chairman of the Board attends all committee meetings but does not receive committee fees in respect of his role as Chairman or member of any committee.

ASX listing rules require the aggregate Non-Executive Directors remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 12 February 2014, where the shareholders approved the aggregate remuneration be fixed at a maximum of \$1,000,000 per annum.

Non-Executive Director fees (Directors' fees and committee fees) (inclusive of superannuation) are summarised as follows:

Name – Position	Fees per annum
Andrew Reitzer – Independent Non-Executive Chairman	\$210,958
Cheryl Bart AO – Independent Non-Executive Director	\$123,938
Peter Mountford – Non-Executive Director	\$123,375
Edwin Jankelowitz – Independent Non-Executive Director	\$138,600
Tex Gunning – Non-Executive Director	\$100,000

## Executive remuneration

The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base salary and non-monetary benefits;
- short-term performance incentives;
- share-based payments; and
- other remuneration, such as superannuation and long service leave.

The combination of these comprise the executive's total remuneration.

Total Fixed Remuneration ('TFR') consisting of base salary, annual leave, superannuation and non-monetary benefits, is reviewed annually by the NRC, based on individual performance and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Group and provides additional value to the executive.

## SHORT-TERM INCENTIVES

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. The STI program has a non-financial component and a financial component.

### NON-FINANCIAL COMPONENT OF STI

The non-financial component comprises 20% of the STI and the financial component 80%.

An individual performance gateway applies in relation to the award of the STI. For an executive to receive payment under the STI program, their performance must be assessed as being fully satisfactory. This includes their individual contribution to the Group's organisational culture and demonstrating and upholding the shared values that underpin the Group's purpose and ambition.

Upon successfully passing through the performance gateway, in order to earn the non-financial component of their STI, the Executive is appraised according to the achievement of key performance indicators (KPI's) as well as the achievement of key strategic initiatives. KPI's include productivity and product profitability measures. Key Strategic Initiatives are defined annually as part of the Group's strategic planning and each year an assessment is made of the achievements against the initiatives set twelve months before. Strategic Initiatives include for example, new product development, significant technology and business systems development, innovation, customer wins and internal efficiency initiatives.

### GROUP PERFORMANCE AND LINK TO REMUNERATION – FINANCIAL COMPONENT OF STI

At the beginning of each year, the NRC sets the growth target for the business units and for the Group as a whole for the purpose of the STI. A minimum profit growth gateway of 60% of the target growth rate applies in order for an executive to be entitled to the financial component of the STI.

The performance condition for the financial component of the STI is based on the annual growth rate ('CAGR') of the Group's earnings per share ('EPS'). EPS is determined by dividing the Company's NPAT ('net profit after tax') by the weighted average number of ordinary shares on issue during the financial year. The growth achieved for the year, and the achievement against the performance conditions for the purpose of the STI is determined by the Board in its absolute discretion, having regard to any matters that it considers relevant. To determine EPS for the purposes of the STI, the Board typically exercises its discretion to adjust the EPS for the impact of non-recurring or significant transactions.

The STI is subject to a 12 month payment deferral in equity in respect of 25% of amount determined as payable.

## LONG-TERM INCENTIVES

Long-term incentives ('LTI') are typically granted annually to KMP ('Participants') in order to align remuneration with the creation of shareholder value over the long term. LTI include long service leave and share-based payments.

LTI awards to Participants are made under the Equity Incentive Plan ('EIP') and are currently delivered in the form of share options and performance rights ('LTI Instruments'). The number of LTI Instruments granted is based on a fixed percentage of the relevant Participant's TFR and is issued to the Participant at no cost.

LTI Instruments currently granted to KMP typically vest over a three year period although from time to time the Board may approve a two year vesting period when deemed appropriate (the 'Performance Period').

The 2020 LTI offer will be assessed over a Performance Period of 1 July 2020 to 30 June 2022 with vesting to occur in August 2022 if the performance conditions are met.

The 2021 LTI offer will be assessed over a Performance Period of 1 July 2020 to 30 June 2023 with vesting to occur in August 2023 if the performance conditions are met.

The 2020 LTI and 2021 LTI to the Executive Directors were approved by the shareholder's at the Annual General Meeting held on 27 October 2020. The 2020 LTI and 2021 LTI were granted to KMP other than the Executive Directors on 25 November 2019 and 28 October 2020 respectively.

The 2022 LTI offer will be assessed over a Performance Period of 1 July 2021 to 30 June 2024 with vesting to occur in August 2024 if the performance conditions are met.

### GROUP PERFORMANCE AND LINK TO REMUNERATION – LTI

The performance conditions for the LTI Instruments are based on the compound annual growth rate ('CAGR') of the Group's earnings per share ('EPS'). EPS was selected as the performance condition for the LTI since it is a measure of economic profit and is a key driver of the share price which is a key component in delivering sustained growth in shareholder wealth.

The CAGR, and the achievement against the performance conditions for the purpose of the LTI is determined by the Board in its absolute discretion, having regard to any matters that it considers relevant. To determine the EPS CAGR for the purposes of the LTI, the Board typically exercises its discretion to adjust the EPS for the impact of non-recurring or significant transactions.

The Performance Period and applicable performance conditions for any future LTI opportunities will be determined by the Board and specified in the relevant offer document.

# Directors' report

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For the current LTI offers, the percentage of options that vest and become exercisable, if any, is determined by reference to the vesting schedule, summarised as follows:

CAGR of EPS over the Performance Period for 2020 and 2021 LTI	% of options that become exercisable
Less than 3%	Nil
3% (Threshold performance)	60%
Between 3% and 7%	Straight-line pro-rata vesting between 60% and 100%
7% or above (Stretch performance)	100%

CAGR of EPS over the Performance Period for 2022 LTI	% of options that become exercisable
Less than 4.8%	Nil
4.8% (Threshold performance)	60%
Between 4.8% and 11.2%	Straight-line pro-rata vesting between 60% and 100%
11.2% or above (Stretch performance)	100%

Any LTI Instruments that remain unvested at the end of the Performance Period will lapse immediately. The Participant is entitled to receive one share for each right that vests. The Participant is entitled to receive one share for each option that vests and is exercised. The Participant must exercise any vested options within 3 years of vesting. After 3 years, any unexercised options will lapse. The Board may make an equivalent cash payment in lieu of providing shares to the participant. Any cash payment is at the Group's discretion only. The Board may determine to implement a cashless exercise arrangement under which, in lieu of paying cash, the Board may permit a participant to pay the exercise price by forfeiting some of the vested options or forgoing some of the shares that would otherwise be allocated to the participant on exercise.

The LTI Instruments do not carry dividends or voting rights prior to vesting and exercise. Participants must not sell, transfer, encumber, hedge or otherwise deal with the options.

The EIP provides the Board with broad 'clawback' powers if, amongst other things, the Participant has: acted fraudulently or dishonestly, engaged in gross misconduct or has acted in a manner that has brought the Group into disrepute; or there is a material financial misstatement; or the Group is required or entitled under law or Company policy to reclaim remuneration from the Participant; or the Participant's entitlements vest as a result of fraud, dishonesty or breach of obligations of any other person and the Board is of the opinion that the incentives would not have otherwise vested.

If the Participant ceases employment for cause, the unvested LTI Instruments automatically lapse unless the Board determines otherwise. In other circumstances, the LTI Instruments will remain on issue with a broad discretion for the Board to vest or lapse some or all of the LTI Instruments. The Board will ordinarily lapse LTI Instruments in the case of resignation.

Where there may be a change of control event, the Board has the discretion to accelerate vesting of some or all of the LTI Instruments and the Board will notify the Participant of the date on which any vested but unexercised options will expire. Where only some of the LTI Instruments are vested on a change of control event, the remainder of the LTI Instruments will immediately lapse.

The EIP also provides flexibility for the Group to grant, subject to the terms of individual offers, restricted shares.

## USE OF REMUNERATION CONSULTANTS

During the financial year 30 June 2021, the Group engaged Egan Associates to perform a remuneration benchmarking review for Executive Directors and other KMP. The benchmarking review report was issued during the 2022 financial year and was part of the NRC and Board review and deliberation. Based on the recommendations of the review, the NRC approved increases in the remuneration of the Executive Directors and other KMP in recognition of their additional responsibilities arising out of the LeasePlan acquisition. The effective date of these remuneration adjustments was 1 January 2022. Egan Associates was paid \$30,780 for the services. There was no remuneration consultants appointed for review of Non-Executive Directors remuneration.

An agreed set of protocols were put in place to ensure that the remuneration recommendations would be free from undue influence from KMP. These protocols include requiring that the consultant not communicate with affected key management personnel without a member of the NRC being present, and that the consultant not provide any information relating to the outcome of the engagement with the affected KMP. The Board is also required to make inquiries of the consultant's processes at the conclusion of the engagement to ensure that they are satisfied that any recommendations made have been free from undue influence. The Board is satisfied that these protocols were followed and as such there was no undue influence.

## VOTING AND COMMENTS MADE AT THE COMPANY'S 2021 ANNUAL GENERAL MEETING ('AGM')

At the 2021 AGM, the shareholders voted to approve the adoption of the remuneration report for the year ended 30 June 2021. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

## DETAILS OF REMUNERATION

### AMOUNTS OF REMUNERATION

Details of the remuneration of the KMP of the Group are set out in the following tables.

The KMP of the Group consisted of the Directors of SG Fleet Group Limited and the following persons:

- Andy Mulcaster – Managing Director, Australia
- Geoff Tipene – Managing Director, New Zealand
- Peter Davenport – Managing Director, United Kingdom

2022	SHORT-TERM BENEFITS				POST-EMPLOYMENT BENEFITS	LONG-TERM BENEFITS	SHARE-BASED PAYMENTS	Total
	Cash salary and fees	Deferred bonus from previous year	Current year bonus	Non-monetary	Super-annuation	Leave benefits	Equity-settled	
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Non-Executive Directors:</b>								
Andrew Reitzer (Chairman)	188,738	–	–	–	18,872	–	–	207,610
Cheryl Bart AO	110,884	–	–	–	11,087	–	–	121,971
Graham Maloney*	97,500	–	–	–	–	–	–	97,500
Peter Mountford	121,417	–	–	–	–	–	–	121,417
Edwin Jankelowitz	108,935	–	–	–	10,888	–	–	119,823
Tex Gunning**	83,333	–	–	–	–	–	–	83,333
<b>Executive Directors:</b>								
Robbie Blau (CEO)	1,098,791	348,619	863,255	–	23,568	74,951	836,300	3,245,484
Kevin Wundram (CFO)	546,315	136,872	317,059	–	23,568	41,137	313,612	1,378,563
<b>Other KMP:</b>								
Andy Mulcaster	473,677	102,213	226,800	–	23,568	36,868	165,388	1,028,514
Geoff Tipene***	287,419	57,814	126,965	22,429	8,654	–	101,497	604,778
Peter Davenport***	342,654	22,877	145,608	2,315	–	1,861	108,186	623,501
	3,459,663	668,395	1,679,687	24,744	120,205	154,817	1,524,983	7,632,494

\* Represents remuneration paid until resignation on 6 April 2022.

\*\* Represents remuneration paid from appointment on 1 September 2021.

\*\*\* Total remuneration in local currency paid to Geoff Tipene amounts to NZ\$644,118. Total remuneration in local currency paid to Peter Davenport amounts to £339,591.



# Directors' report

30 June 2022

	SHORT-TERM BENEFITS			Non-monetary \$	POST-EMPLOYMENT BENEFITS	LONG-TERM BENEFITS	SHARE-BASED PAYMENTS	Total \$
	Cash salary and fees \$	Deferred bonus from previous year \$	Current year bonus \$		Super-annuation \$	Leave benefits \$	Equity-settled \$	
<b>2021</b>								
<b>Non-Executive Directors:</b>								
Andrew Reitzer (Chairman)	182,652	–	–	–	17,352	–	–	200,004
Cheryl Bart AO	107,308	–	–	–	10,194	–	–	117,502
Graham Maloney	120,000	–	–	–	–	–	–	120,000
Peter Mountford	117,502	–	–	–	–	–	–	117,502
Edwin Jankelowitz	100,459	–	–	–	9,544	–	–	110,003
<b>Executive Directors:</b>								
Robbie Blau (CEO)	1,043,629	(23,917)	781,365	–	21,694	25,244	641,739	2,489,754
Kevin Wundram (CFO)	510,984	(13,046)	279,551	–	21,694	12,092	240,652	1,051,927
<b>Other KMP:</b>								
Andy Mulcaster	430,070	4	189,787	–	21,694	9,584	55,109	706,248
Geoff Tipene*	269,907	3	116,314	29,183	8,097	–	34,004	457,508
Peter Davenport*	300,866	400	133,188	2,013	–	11,363	35,988	483,818
	3,183,377	(36,556)	1,500,205	31,196	110,269	58,283	1,007,492	5,854,266

\* Total remuneration in local currency paid to Geoff Tipene amounts to NZ\$490,573. Total remuneration in local currency paid to Peter Davenport amounts to £267,987.

Colin Brown (Alternate Director) received no remuneration during the year ended 30 June 2022 and 30 June 2021.

Non-Executive Directors' salaries are 100% fixed. The fixed proportion and the proportion of remuneration linked to performance of Executive Directors and KMP are as follows:

Name	FIXED REMUNERATION		AT RISK – STI		AT RISK – LTI	
	2022	2021	2022	2021	2022	2021
<b>Executive Directors:</b>						
Robbie Blau	37%	44%	37%	30%	26%	26%
Kevin Wundram	44%	52%	33%	25%	23%	23%
<b>Other KMP:</b>						
Andy Mulcaster	52%	65%	32%	27%	16%	8%
Geoff Tipene	52%	68%	31%	25%	17%	7%
Peter Davenport	56%	65%	27%	28%	17%	7%

The proportion of the cash bonus paid/payable or forfeited is as follows:

Name	CASH BONUS PAID/ PAYABLE		CASH BONUS FORFEITED	
	2022	2021	2022	2021
<b>Executive Directors:</b>				
Robbie Blau	98%	74%	2%	26%
Kevin Wundram	70%	53%	30%	47%
<b>Other KMP:</b>				
Andy Mulcaster	56%	42%	44%	58%
Geoff Tipene	56%	42%	44%	58%
Peter Davenport	56%	43%	44%	57%

# Directors' report

30 June 2022

## SERVICE AGREEMENTS

KMP are employed under individual employment agreements. The agreements are continuous (i.e. not of a fixed duration) unless otherwise stated. These agreements provide for a total compensation including a base salary, superannuation contribution and incentive arrangements; variable notice and termination provisions; provisions for redundancy.

Details of these agreements are provided below:

### ROBBIE BLAU – CEO

- Total fixed remuneration ('TFR') of \$1,174,497 per annum, which includes base salary, statutory superannuation contributions and any salary sacrifice arrangements
- Participate in the STI with a maximum STI opportunity of 98% of TFR
- Participate in the LTI with a maximum LTI opportunity of 60% of TFR

### KEVIN WUNDRAM – CFO

- TFR of \$603,922 per annum, which includes base salary, statutory superannuation contributions and any salary sacrifice arrangements
- Participate in the STI with a maximum STI opportunity of 70% of TFR
- Participate in the LTI with a maximum LTI opportunity of 45% of TFR

### OTHER KMP

- Other KMP have employment agreements setting out the terms and conditions of their employment. The agreements are not of a fixed duration
- Total compensation inclusive of a base salary and statutory superannuation contributions and any salary sacrifice arrangements
- Eligibility to participate in the STI with a maximum STI Opportunity of 56% of TFR
- Eligibility to participate in the LTI with a maximum LTI Opportunity of 30% of TFR

### TERMS OF STI PAYMENTS:

STI payments are granted to Executive Directors based on specific financial targets and an appraisal of the executive's performance and KPI's.

The growth achieved for the year, and the achievement against the performance conditions for the purpose of the STI is determined by the Board in its absolute discretion, having regard to any matters that it considers relevant. To determine EPS for the purposes of the STI, the Board typically exercises its discretion to adjust the EPS for the impact of non-recurring or significant transactions.

The STI determined annually for each of the above KMP is subject to a 12 month payment deferral in equity in respect of 25% of the amount determined as payable.

### TERMS OF TERMINATION:

In general the contract is terminated by providing 4 weeks' notice by the Company and 3 months' notice by the KMP. The KMP have no entitlement to termination payments in the event of removal for misconduct.

## SHARE-BASED COMPENSATION

### ISSUE OF SHARES

There were no shares issued to Directors and other KMP during the year ended 30 June 2022 as a result of the exercise of options as part of compensation (2021: Nil).

### OPTION HOLDING

The number of options over ordinary shares in the Company held during the financial year and at the date of this report by each Director, members of the KMP and other employees of the Group, including their personally related parties, is set out below:

Options over ordinary shares	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year	Expired/ forfeited after 30/06/2022	Vesting after 30/06/2022	Balance at the Directors' report date
Robbie Blau	2,653,020	723,551	–	–	3,376,571	–	(1,326,510)	2,050,061
Kevin Wundram	994,882	271,332	–	–	1,266,214	–	(497,441)	768,773
Andy Mulcaster	472,288	168,750	–	–	641,038	–	(191,038)	450,000
Geoff Tipene	290,526	103,197	–	–	393,723	–	(116,984)	276,739
Peter Davenport	310,322	108,468	–	–	418,790	–	(126,657)	292,133
Total Directors and other KMP	4,721,038	1,375,298	–	–	6,096,336	–	(2,258,630)	3,837,706
Non-KMP	1,299,593	389,730	–	–	1,689,323	(148,585)	(377,716)	1,163,022
<b>Total options</b>	<b>6,020,631</b>	<b>1,765,028</b>	<b>–</b>	<b>–</b>	<b>7,785,659</b>	<b>(148,585)</b>	<b>(2,636,346)</b>	<b>5,000,728</b>

### OPTIONS:

The terms and conditions of each grant of options over ordinary shares affecting remuneration of Directors, KMP and other employees in this financial year or future reporting years are as follows:

Grant date	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year	Expired/ forfeited after 30/06/2022	Vesting after 30/06/2022	Balance at the Directors' report date
25/11/2019 (a)	960,980	–	–	–	960,980	(148,585)	(812,395)	–
28/10/2020 (b)	1,823,951	–	–	–	1,823,951	–	(1,823,951)	–
28/10/2020 (c)	3,235,700	–	–	–	3,235,700	–	–	3,235,700
26/10/2021 (d)	–	1,765,028	–	–	1,765,028	–	–	1,765,028
	<b>6,020,631</b>	<b>1,765,028</b>	<b>–</b>	<b>–</b>	<b>7,785,659</b>	<b>(148,585)</b>	<b>(2,636,346)</b>	<b>5,000,728</b>

Grant date of options	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
25/11/2019 (a)	15/08/2022	14/08/2025	\$2.35	\$0.70
28/10/2020 (b)	15/08/2022	14/08/2025	\$1.68	\$0.45
28/10/2020 (c)	14/08/2023	13/08/2026	\$1.68	\$0.46
26/10/2021 (d)	12/08/2024	11/08/2027	\$2.93	\$0.60

Options granted carry no dividend or voting rights and can be exercised only once the vesting conditions have been met until their expiry date. The share option plan is subject to a service condition and a performance condition. The performance condition is based on the compound annual growth rate ('CAGR') of the Group's earnings per share.

# Directors' report

30 June 2022

## PERFORMANCE RIGHTS HOLDING:

The number of performance rights over ordinary shares in the Company held during the financial year and at the date of this report by each Director, members of the KMP and other employees of the Group, including their personally related parties, is set out below:

Performance rights over ordinary shares (LTI)	Balance at the start of the year	Granted	Vested	Expired/ forfeited/ other	Balance at the end of the year	Expired/ forfeited after 30/06/2022	Vesting after 30/06/2022	Balance at the Directors' report date
Robbie Blau	222,904	64,186	–	–	287,090	–	(107,555)	179,535
Kevin Wundram	83,589	24,070	–	–	107,659	–	(40,333)	67,326
Andy Mulcaster	40,452	14,970	–	–	55,422	–	(15,995)	39,427
Geoff Tipene	24,886	9,155	–	–	34,041	–	(9,795)	24,246
Peter Davenport	26,576	9,622	–	–	36,198	–	(10,605)	25,593
Total Directors and other KMP	398,407	122,003	–	–	520,410	–	(184,283)	336,127
Non-KMP	1,470,591	612,787	–	–	2,083,378	(53,354)	(501,167)	1,528,857
<b>Total rights (LTI)</b>	<b>1,868,998</b>	<b>734,790</b>	<b>–</b>	<b>–</b>	<b>2,603,788</b>	<b>(53,354)</b>	<b>(685,450)</b>	<b>1,864,984</b>

Performance rights over ordinary shares (STI)	Balance at the start of the year	Granted	Vested	Expired/ forfeited/ other	Balance at the end of the year	Expired/ forfeited after 30/06/2022	Vesting after 30/06/2022	Balance at the Directors' report date
Robbie Blau	–	80,145	–	–	80,145	–	(80,145)	–
Kevin Wundram	–	28,615	–	–	28,615	–	(28,615)	–
Andy Mulcaster	–	19,414	–	–	19,414	–	(19,414)	–
Geoff Tipene	–	12,753	–	–	12,753	–	(12,753)	–
Peter Davenport	–	14,335	–	–	14,335	–	(14,335)	–
Total Directors and other KMP	–	155,262	–	–	155,262	–	(155,262)	–
Non-KMP	–	247,207	–	–	247,207	(26,024)	(221,183)	–
<b>Total rights (STI)</b>	<b>–</b>	<b>402,469</b>	<b>–</b>	<b>–</b>	<b>402,469</b>	<b>(26,024)</b>	<b>(376,445)</b>	<b>–</b>

## PERFORMANCE RIGHTS

The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of Directors, KMP and other employees in this financial year or future reporting years are as follows:

Grant date	Balance at the start of the year	Granted	Vested	Expired/ forfeited/ other	Balance at the end of the year	Expired/ forfeited after 30/06/2022	Vesting after 30/06/2022	Balance at the Directors' report date
<b>LTI</b>								
25/11/2019 (e)	590,916	–	–	–	590,916	(53,354)	(537,562)	–
28/10/2020 (f)	147,888	–	–	–	147,888	–	(147,888)	–
28/10/2020 (g)	1,130,194	–	–	–	1,130,194	–	–	1,130,194
26/10/2021 (h)	–	734,790	–	–	734,790	–	–	734,790
Total rights (LTI)	1,868,998	734,790	–	–	2,603,788	(53,354)	(685,450)	1,864,984
<b>STI</b>								
08/09/2021 (i)	–	402,469	–	–	402,469	(26,024)	(376,445)	–

Grant date of rights	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per right at grant date
25/11/2019 (e)	15/08/2022	N/A	\$0.00	\$2.46
28/10/2020 (f)	15/08/2022	N/A	\$0.00	\$1.55
28/10/2020 (g)	14/08/2023	N/A	\$0.00	\$1.47
26/10/2021 (h)	12/08/2024	N/A	\$0.00	\$2.33
08/09/2021 (i)	01/07/2022	N/A	\$0.00	\$2.95

Performance rights granted carry no dividend or voting rights and will vest when the performance conditions have been met. The performance rights are subject to a service condition and a performance condition. The performance condition is based on the compound annual growth rate of the Group's earnings per share.

# Directors' report

30 June 2022

## ADDITIONAL INFORMATION

The earnings of the Group for the five years to 30 June 2022 are summarised below:

	2022 \$'000	2021 \$'000	2020 \$'000	2019 \$'000	2018 \$'000
Revenue	886,771	482,080	452,896	509,722	515,207
Profit after income tax	60,732	43,705	36,381	60,462	67,455
Dividends paid	44,485	26,859	43,159	47,035	46,440

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2022	2021	2020	2019	2018
Share price at financial year end (\$)	2.15	3.00	1.60	2.95	3.70
Basic earnings per share (cents per share)	18.16	16.22	13.88	23.20	26.30

## ADDITIONAL DISCLOSURES RELATING TO KMP

### SHAREHOLDING

The number of shares in the Company held during the financial year by each Director and other members of KMP of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Other*	Balance at the end of the year
<b>Ordinary shares</b>					
Andrew Reitzer	94,461	–	–	–	94,461
Cheryl Bart AO	30,665	–	–	–	30,665
Graham Maloney*	31,487	–	–	(31,487)	–
Peter Mountford	580,000	–	–	–	580,000
Edwin Jankelowitz	22,688	–	312	–	23,000
Tex Gunning	–	–	–	–	–
Colin Brown	122,639	–	–	–	122,639
Robbie Blau	7,862,588	–	–	–	7,862,588
Kevin Wundram	803,713	–	–	–	803,713
Andy Mulcaster	617,618	–	–	–	617,618
Geoff Tipene	6,525	–	–	–	6,525
Peter Davenport	360,074	–	–	–	360,074
	<b>10,532,458</b>	<b>–</b>	<b>312</b>	<b>(31,487)</b>	<b>10,501,283</b>

\* Other represents 31,487 shares held at resignation date.

**This concludes the remuneration report, which has been audited.**

### SHARES UNDER OPTION

Unissued ordinary shares of SG Fleet Group Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
28/10/2020	13/08/2026	\$1.68	3,235,700
26/10/2021	11/08/2027	\$2.93	1,765,028
			<b>5,000,728</b>

### SHARES UNDER PERFORMANCE RIGHTS

Unissued ordinary shares of SG Fleet Group Limited under performance rights at the date of this report are as follows:

Grant date	Vesting date	Number under rights
28/10/2020	14/08/2023	1,130,194
26/10/2021	12/08/2024	734,790
		<b>1,864,984</b>

### SHARES ISSUED ON THE EXERCISE OF OPTIONS

There were no ordinary shares of SG Fleet Group Limited issued on the exercise of options during the year ended 30 June 2022 and up to the date of this report.

### SHARES ISSUED ON THE EXERCISE OF PERFORMANCE RIGHTS

There were no ordinary shares of SG Fleet Group Limited issued on the exercise of performance rights during the year ended 30 June 2022 and up to the date of this report.



# Directors' report

30 June 2022

## MATERIAL BUSINESS RISKS

The Board approves the Group's Risk Management Policy and Risk Appetite. This provides a strong foundation from which the Group can successfully deliver on its strategic priorities. The Group's Risk Management Policy and Risk Appetite Statement guide management to proactively identify, monitor and manage the existing and emerging material risks that could impact the Group. Risk-aware decision making is embedded within the Group's key processes.

The following table sets out the material business risks, in no particular order and excluding generic risks, that could adversely affect the Group's future business, operations and financial prospects.

Risk description	Risk Mitigation
<p><b>Vehicle residual values</b></p> <p>The Group may inaccurately predict future market movements in used vehicle values. Used vehicle values are currently materially inflated due to disruptions in new vehicle supply. The Group expects used vehicle values to normalise at some point, which will cause a reduction in vehicle risk income. The timing of this normalisation is uncertain.</p>	<ul style="list-style-type: none"> <li>– The Group uses advanced statistical modelling underpinned by extensive data and overlaid with deep industry expertise to set vehicle residual values.</li> <li>– Multiple residual value risk mitigation strategies are employed during the life of the lease, including lease restructures and extensions.</li> <li>– Contractual incentives are in place with customers to align interests in optimising residual value performance.</li> <li>– The Group's disposal model assists in achieving above-market end-of-lease disposal results.</li> <li>– When new vehicle supply is restored, income on new vehicle deliveries will increase, which will to some extent offset the decline in vehicle risk income.</li> </ul>
<p><b>New vehicle supply</b></p> <p>The Group is dependent on a predictable and reliable new vehicle supply chain in order to deliver vehicles and originate leases within a reasonable timeframe from the date the customer places an order. The current disruption to new vehicle supply limits the Group's ability to do so, which adversely impacts customer satisfaction and revenue generation. In a time of rising interest rates, extended delays in new vehicle deliveries can adversely impact the profitability of some of the Group's products.</p>	<ul style="list-style-type: none"> <li>– New vehicle order lead-times have been adjusted to account for the supply chain disruptions.</li> <li>– The Group frequently engages with manufacturers and dealers on the status of production lines and shipping.</li> <li>– Additional resources and technology have been deployed to keep customers informed at regular intervals of the status of their deliveries.</li> </ul>
<p><b>People</b></p> <p>The Group's performance is largely dependent on its ability to attract and retain talent. Loss of key personnel could adversely affect financial performance and business growth. The current tight labour market conditions make recruitment and retention more difficult than is ordinarily the case. In addition, remuneration costs are increasing materially.</p>	<ul style="list-style-type: none"> <li>– Competitive remuneration structures to attract, motivate and retain talent.</li> <li>– Succession planning to develop or attract talent for sustainable growth.</li> <li>– Employee engagement surveys to identify areas for improvement and support retention.</li> <li>– Performance management processes to help identify, develop and grow talent in line with the Group's values.</li> <li>– The planned development of a comprehensive employee value proposition.</li> <li>– Increased focus on individual, manager and leadership development.</li> </ul>
<p><b>Economic conditions</b></p> <p>In the current inflationary environment, the Group is exposed to the risk that it is unable to pass cost increases on to customers thereby adversely impacting profitability. The rising interest rate environment may adversely impact consumer sentiment and the demand for leasing.</p>	<ul style="list-style-type: none"> <li>– Robust controls are in place to manage headcount growth and remuneration adjustments.</li> <li>– An operating model review is being conducted to identify optimisation opportunities.</li> <li>– Pricing is reviewed periodically.</li> <li>– A deal committee structure is in place to set pricing for new customer opportunities.</li> </ul>

## Risk description

### Credit

Historically, the majority of the Group's funding for its lease portfolio was provided under principal & agency funding arrangements in terms of which credit risk is borne by the underlying financier rather than the Group. The introduction of securitisation funding, combined with the acquisition of the LeasePlan ANZ business, means that the Group now has a material credit risk exposure in its own right.

### Funding

The Group's operations are dependent on having access to competitively priced funding for lease portfolio assets. This funding is secured using two primary funding models, principal & agency and securitisation warehouses. A loss of access to funding or a material change to the terms of our funding could adversely affect the Group's ability to attract or retain customers. The Group's securitisation warehouses typically have two-year terms. At the expiration date, the Group is exposed to the risk that financiers may not have the appetite to extend the facility. If this occurs, the facility will enter an orderly amortisation phase, but no new business could be originated under the relevant facility. The Group is also exposed to the risk that the funding cost of the securitisation warehouses increases at the point of facility extension. An increase in funding costs would impact the profitability of the back-book as well as the ability to originate new leases at competitive pricing.

### Integration project execution

The Group is undertaking a large-scale, multi-year, integration of the LeasePlan acquisition. This project includes an organisational restructure and multiple system migrations. Delays or failures in the execution of this project could adversely impact the Group's operations and the achievement of synergy targets.

### Regulatory

Demand for novated leases is driven by the tax concessions available to lessees under existing fringe benefits tax ('FBT') legislation. Changes to the FBT legislation may adversely impact the attractiveness of novated leasing, which would impact the profitability of the Group's novated leasing channel.

### Cyber security/data privacy

A successful cyber-attack could compromise the technology platforms used by the Group and could result in the exfiltration and loss of information or breach of data privacy laws and/or customer agreements.

## Risk Mitigation

- The Group has an experienced credit team that operates within a robust credit policy and delegated lending authority framework.
  - The credit policy, and any changes thereto, are approved by the panel of financiers.
  - Appropriate segregation of duties is in place, both within the business and on the credit committee.
  - Annual reviews are performed on corporate customers.
  - Robust credit decisioning systems are in place.
  - Comprehensive portfolio parameter limits are in place together with monthly monitoring and reporting.
- 
- The Group has a diversified funding structure, with multiple funding partners.
  - Interest rate risk is hedged in accordance with the contractual maturity of the underlying leases.
  - The Group is consolidating its operations onto a single ERP system, which will allow originations to be funded using a variety of funding models and financiers.
- 
- The integration project is overseen by a Steering Committee that meets fortnightly. The Steering Committee monitors progress and makes key decisions in relation to the integration.
  - Sub-committees are in place to manage each detailed integration stream.
  - Robust project management processes are in place for all system migration processes.
  - Appropriate budgets are in place to adequately resource each project.
- 
- The Group has diversified its lease portfolio to reduce the proportion of novated leases.
  - The Group invests in product development to increase the leasing value proposition beyond the tax concessions.
  - The company is a member of the National Automotive Leasing and Salary Packaging Association (NALSPA), which is a body formed to communicate the economic benefits of existing FBT policy settings.
- 
- A security operations centre is in place that actively monitors the Group's logical environment for malicious activity 24/7/365.
  - Robust Infosec and data privacy policies and processes are in place in line with international cybersecurity standards.
  - Regular penetration testing, vulnerability management controls and patching of all critical IT assets are in place.
  - Training in data privacy and security is conducted on a recurring basis.

# Directors' report

30 June 2022

## INDEMNITY AND INSURANCE OF OFFICERS

The Company has indemnified the Directors, executives and employees of the Company for costs incurred, in their capacity as a director, executive or employee, for which they may be held personally liable, except where there is a lack of good faith.

The Company's subsidiary, SG Fleet Australia Pty Limited on behalf of the Company paid a premium in respect of a contract to insure the Directors and executives of the Company and of any related bodies corporates defined in the insurance policy, against a liability to the extent permitted by the Corporations Act 2001.

## INDEMNITY AND INSURANCE OF AUDITOR

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor. The Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

## PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

## NON-AUDIT SERVICES

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 34 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in note 34 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermines the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing economic risks and rewards.

## OFFICERS OF THE COMPANY WHO ARE FORMER PARTNERS OF KPMG

There are no officers of the Company who are former partners of KPMG.

## ROUNDING OF AMOUNTS

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

## AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 immediately follows this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors



**Andrew Reitzer**  
Chairman

15 August 2022  
Sydney



**Robbie Blau**  
Chief Executive Officer

# Auditor's independence declaration



## Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of SG Fleet Group Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of SG Fleet Group Limited for the financial year ended 30 June 2022 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten version of the KPMG logo in blue ink, appearing as 'KPMG' with a stylized graphic to the left.

A handwritten signature in blue ink that reads 'Rachel Milum'.

KPMG

Rachel Milum

Partner

Sydney

15 August 2022

# Statement of profit or loss

For the year ended 30 June 2022

	Note	CONSOLIDATED	
		2022 \$'000	2021 \$'000
<b>Revenue</b>	5	<b>886,121</b>	481,580
Interest revenue calculated using the effective interest method		650	500
<b>Total revenue</b>		<b>886,771</b>	482,080
<b>Expenses</b>			
Mobility services cost of sale		(19,376)	(17,262)
Vehicle risk cost of sale		(284,111)	(199,264)
Additional product and services cost of sale		(35,635)	(27,040)
Rental and finance cost of sale		(11,545)	(11,093)
Other direct costs		(12,675)	(10,541)
Depreciation and amortisation	6	(202,611)	(32,899)
Impairment of intangible assets	6	(55)	–
Finance costs	6	(52,410)	(11,551)
Employee benefits expense		(136,442)	(80,942)
Occupancy costs		(3,515)	(2,439)
Technology and communication costs		(22,318)	(10,947)
Other expenses		(16,946)	(14,560)
<b>Total expenses</b>		<b>(797,639)</b>	(418,538)
<b>Profit before income tax expense</b>		<b>89,132</b>	63,542
Income tax expense	7	(28,400)	(19,837)
<b>Profit after income tax expense for the year attributable to the owners of SG Fleet Group Limited</b>		<b>60,732</b>	43,705
		<b>Cents</b>	Cents
Basic earnings per share	43	<b>18.16</b>	16.22
Diluted earnings per share	43	<b>17.99</b>	16.17

The above statement of profit or loss should be read in conjunction with the accompanying notes.

# Statement of other comprehensive income

For the year ended 30 June 2022

	<b>CONSOLIDATED</b>	
	2022	2021
	\$'000	\$'000
<b>Profit after income tax expense for the year attributable to the owners of SG Fleet Group Limited</b>	<b>60,732</b>	43,705
<b>Other comprehensive income</b>		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Foreign currency translation difference for foreign operations	<b>(8,816)</b>	1,277
Effective portion of changes in fair value of cash flow hedges, net of tax	<b>32,193</b>	2,271
Other comprehensive income for the year, net of tax	<b>23,377</b>	3,548
<b>Total comprehensive income for the year attributable to the owners of SG Fleet Group Limited</b>	<b>84,109</b>	47,253

The above statement of other comprehensive income should be read in conjunction with the accompanying notes.

# Statement of financial position

As at 30 June 2022

	Note	CONSOLIDATED	
		2022 \$'000	2021 \$'000
<b>Assets</b>			
Cash and cash equivalents	8	61,613	201,605
Restricted cash	9	168,820	29,512
Finance lease, trade and other receivables	10	623,221	66,303
Inventories	11	48,496	10,719
Derivative financial instruments	12	44,094	–
Prepayments	13	20,982	7,522
Investments in financial assets at fair value through profit or loss	14	6,556	2,627
Leased motor vehicle assets	15	967,019	94,176
Property, plant and equipment	16	8,443	5,461
Intangibles	17	630,965	401,006
Right-of-use assets	18	27,846	8,690
Income tax refund due	7	5,675	–
Deferred tax	7	–	4,328
<b>Total assets</b>		<b>2,613,730</b>	<b>831,949</b>
<b>Liabilities</b>			
Trade and other payables	19	199,596	100,793
Derivative financial instruments	20	688	1,877
Employee benefits	21	22,809	10,967
Provisions	22	23,418	13,691
Lease portfolio borrowings	23	1,199,266	65,041
Borrowings	24	292,392	124,519
Lease liabilities – right-of-use assets	25	27,319	9,015
Vehicle maintenance funds	26	190,805	82,542
Contract liabilities	27	62,341	40,617
Income tax	7	–	4,701
Deferred tax	7	44,697	–
<b>Total liabilities</b>		<b>2,063,331</b>	<b>453,763</b>
<b>Net assets</b>		<b>550,399</b>	<b>378,186</b>
<b>Equity</b>			
Issued capital	28	505,968	376,661
Reserves	29	(90,113)	(116,772)
Retained profits		134,544	118,297
<b>Total equity</b>		<b>550,399</b>	<b>378,186</b>

The above statement of financial position should be read in conjunction with the accompanying notes.

# Statement of changes in equity

For the year ended 30 June 2022

<b>Consolidated</b>	<b>Issued capital \$'000</b>	<b>Reserves \$'000</b>	<b>Retained profits \$'000</b>	<b>Total equity \$'000</b>
Balance at 1 July 2020	291,370	(122,581)	101,451	270,240
Profit after income tax expense for the year	–	–	43,705	43,705
Other comprehensive income for the year, net of tax	–	3,548	–	3,548
Total comprehensive income for the year	–	3,548	43,705	47,253
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 28)	85,291	–	–	85,291
Share-based payments (note 44)	–	2,321	–	2,321
Other changes	–	(60)	–	(60)
Dividends paid (note 30)	–	–	(26,859)	(26,859)
Balance at 30 June 2021	<b>376,661</b>	<b>(116,772)</b>	<b>118,297</b>	<b>378,186</b>

<b>Consolidated</b>	<b>Issued capital \$'000</b>	<b>Reserves \$'000</b>	<b>Retained profits \$'000</b>	<b>Total equity \$'000</b>
Balance at 1 July 2021	376,661	(116,772)	118,297	378,186
Profit after income tax expense for the year	–	–	60,732	60,732
Other comprehensive income for the year, net of tax	–	23,377	–	23,377
Total comprehensive income for the year	–	23,377	60,732	84,109
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 28)	129,307	–	–	129,307
Share-based payments (note 44)	–	3,282	–	3,282
Dividends paid (note 30)	–	–	(44,485)	(44,485)
Balance at 30 June 2022	<b>505,968</b>	<b>(90,113)</b>	<b>134,544</b>	<b>550,399</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes.



# Statement of cash flows

For the year ended 30 June 2022

	Note	CONSOLIDATED	
		2022 \$'000	2021 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		982,803	532,624
Payments to suppliers and employees (inclusive of GST)		(654,340)	(387,012)
Interest received		650	500
Interest and other finance costs paid		(46,981)	(11,551)
Income taxes paid		(52,106)	(19,039)
Net cash from operating activities	42	230,026	115,522
<b>Cash flows from investing activities</b>			
Payment for purchase of subsidiary, net of cash acquired	41	(455,812)	–
Payment for investments		(4,863)	(2,746)
Proceeds from disposal of lease portfolio assets	15	299,607	28,520
Acquisition of lease portfolio assets	15	(483,512)	(73,316)
Payments for property, plant and equipment	16	(4,015)	(3,980)
Proceeds from disposal of property, plant and equipment		616	161
Payments for intangibles	17	(4,244)	(3,397)
Net cash used in investing activities		(652,223)	(54,758)
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	28	–	86,329
Share issue transaction costs		–	(1,483)
Proceeds from borrowings	42	1,837,871	53,581
Repayment of borrowings	42	(1,352,077)	(47,906)
Repayment of lease liabilities – right-of-use assets	42	(6,546)	(4,696)
Other payments		–	(60)
Borrowing costs paid		(11,444)	–
Dividends paid	30	(44,485)	(26,859)
Net cash from financing activities		423,319	58,906
Net increase in cash and cash equivalents		1,122	119,670
Cash and cash equivalents at the beginning of the financial year		231,117	111,115
Effects of exchange rate changes on cash and cash equivalents		(1,806)	332
Cash and cash equivalents at the end of the financial year	8,9	230,433	231,117

The above statement of cash flows should be read in conjunction with the accompanying notes.

# Notes to the financial statements

30 June 2022

## NOTE 1. GENERAL INFORMATION

The financial statements cover SG Fleet Group Limited as a Group consisting of SG Fleet Group Limited (the 'Company' or 'parent entity') and the subsidiaries it controlled at the end of, or during, the year (the 'Group'). The financial statements are presented in Australian Dollars, which is SG Fleet Group Limited's functional and presentation currency.

SG Fleet Group Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 2, Building 3  
20 Bridge Street  
Pymble NSW 2073

During the financial year, the principal continuing activities of the Group consisted of motor vehicle fleet management, vehicle leasing, short term hire, consumer vehicle finance and salary packaging services.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 15 August 2022. The Directors have the power to amend and reissue the financial statements.

## NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 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 ('AASB') 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.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### BASIS OF PREPARATION

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

### Historical cost convention

The financial statements have been prepared under the historical cost convention, except for certain financial instruments measured at fair value through profit or loss.

### Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

### PARENT ENTITY INFORMATION

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 38.

### PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of SG Fleet Group Limited as at 30 June 2022 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Group has control at the end of, or during the year. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of common control subsidiaries is accounted for using the common control method. The acquisition of other subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

# Notes to the financial statements

30 June 2022

## NOTE 2. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### OPERATING SEGMENTS

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM are responsible for the allocation of resources to operating segments and assessing their performance.

### FOREIGN CURRENCY TRANSLATION

The financial statements are presented in Australian Dollars, which is SG Fleet Group Limited's functional and presentation currency.

### Foreign currency transactions

Foreign currency transactions are translated into the entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

### Foreign operations

The assets and liabilities of foreign operations are translated into Australian Dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian Dollars using the average exchange rates, which approximate the rate at the date of the transaction, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

### REVENUE RECOGNITION

Revenue is recognised when it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

### Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as a contract liability.

### Mobility services income

Mobility services revenue includes the products and services required to keep a vehicle on the road in a safe and compliant manner. This revenue category includes income from registering and insuring the vehicle, providing assistance in the event of a break-down or accident, telematics and safety inspections. It also includes income from car-share bookings. This is an annuity income stream which is primarily driven by the funded fleet size and brought to account over time due to continuous performance obligations received by customers over the term of the lease.

### Additional products and services

Additional products and services revenue is generated by products that are not typically related to keeping the vehicle on the road and mobile. This revenue category includes products such as accessories, redundancy protection, Trade Advantage and rebates. This income stream is largely transactional in nature and the key driver is the volume of funded deliveries coupled with penetration rates. Revenue from the sale of additional products and services is recognised when it is received or when the right to receive payment is established and the performance obligation has been satisfied. Specifically, upfront establishment fees levied to the customer to establish the contract for the services to be provided for the term of the contract, are recognised over the term of the contract. Revenue related to the waiver of the lessee's wear and tear obligations is recognised at the point in time, being at the end of the lease term.

### Finance commission

Finance commission is the income earned on leased vehicles funded off balance sheet. This income stream is largely transactional in nature, has no direct costs and the key driver is the volume of funded deliveries. Introductory commissions earned are recognised in profit or loss in full at a point in time, being in the month in which the finance is introduced to the relevant financier. Trailing commissions earned for the collection and distribution of ongoing customer rentals to the financier are recognised over time.

### Vehicle risk income

Income earned after the expiry of the lease is recognised when it is received or when the performance obligation, being the sale of vehicle, transferring the risk and reward to the end buyer, has been satisfied and the right to receive payment is established. The gross selling price of the vehicle is recognised as vehicle risk income and the value of the vehicle at the end of the lease period payable to the financier, is recognised as vehicle risk cost of sale.

### Rental and finance income

Rental and finance income is the income earned on leased vehicles funded on the balance sheet. Rental income is generated by operating lease vehicles, short-term rental vehicles as well as subscription vehicles. Finance Income is generated by finance lease vehicles. The cost of sale related to this income stream is operating lease depreciation, direct interest and short-term hire costs. This is an annuity income stream, and the key driver of this income stream is the size of the on balance sheet funded fleet. Rental and finance income is recognised overtime over the lease term.

### Other income

Other income is recognised when it is received or when the right to receive payment is established.

### Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

### INCOME TAX

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities, and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

SG Fleet Group Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

### CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### FINANCE, TRADE AND OTHER RECEIVABLES

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

For finance lease and contract purchase agreements see the 'Leases – Group as lessor' accounting policy.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

### INVENTORIES

End-of-term operating lease assets are stated at the lower of cost and net realisable value. Cost comprises purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the lower of (i) estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale and (ii) cost less residual value provision.

# Notes to the financial statements

30 June 2022

## NOTE 2. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

The Group has elected to adopt the general hedge accounting model in AASB 9. This requires the Group to ensure that hedge accounting relationships are aligned with its risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness. Where derivative instruments do not qualify for hedge accounting, changes in the fair value are recognised immediately in profit or loss.

### Cash flow hedges

Cash flow hedges are used to cover the Group's exposure to variability in cash flows that is attributable to particular risks associated with a recognised asset or liability or a firm commitment which could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income through the hedging reserve in equity, whilst the ineffective portion is recognised in profit or loss. Amounts taken to equity are transferred out of equity and included in the measurement of the hedged transaction when the forecast transaction occurs.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were classified in equity are immediately reclassified to profit or loss.

### PROPERTY, PLANT AND EQUIPMENT

Plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Leasehold improvements	five years
Computer hardware and office equipment	three to eight years
Motor vehicles	four years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

For leased motor vehicles see the 'Leases – Group as lessor – leased motor vehicles assets' accounting policy.

### LEASES

#### Group as lessee

At inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, and the Group obtains substantially all the economic benefits of the use of the assets.

The Group has elected to apply the practical expedient to account for each lease component and any non-lease components as a single lease component.

#### Right-of-use assets

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of lease incentives received, any initial direct costs incurred, and an estimate of costs required for dismantling and removing the underlying asset, site restoral and asset restoral. Right-of-use assets are subsequently measured applying a cost model such that the asset is depreciated and impaired as required or adjusted for any remeasurement of the lease liability.

Where the lease transfers ownership of the asset to the lessee by the end of the lease term, or if the cost of the asset reflects that the lessee will exercise a purchase option, the lessee shall depreciate the right-of-use asset to the end of the asset's useful life, otherwise, the assets are depreciated to the earlier of the end of their useful lives or the lease term using the straight-line method as this most closely reflects the expected pattern of consumption of the future economic benefits.

The lease term represents the non-cancellable period of the lease and includes periods covered by an option to extend if the Group is reasonably certain to exercise that option. Lease terms shall only be revised if there is a change in the non-cancellable period or there is a reassessment upon a significant event or a change in circumstances that is both within the control of the lessee and affects whether or not the lessee is reasonably certain to exercise an option. Lease terms range from 1 to 14 years. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

### Lease liabilities – right-of-use assets

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments comprise fixed lease payments less incentives receivable, variable lease payments, residual value guarantees payable, exercise price of purchase options where exercise is reasonably certain, and any anticipated termination penalties made over the expected term of the lease which includes optional periods where option exercise is considered reasonably certain. Variable lease payments include those dependent upon an index, interest rate or market but are included only using the index or rate existing at commencement date.

The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred. Variable lease payments include rent concessions in the form of rent forgiveness or a waiver as a direct consequence of the Coronavirus (COVID-19) pandemic and which relate to payments originally due on or before 30 June 2021.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change in lease term such as if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or to the profit or loss to the extent that the carrying amount has been reduced to zero. Interest on the lease liability and variable lease payments not included in the measurement of the lease liability are recognised in profit or loss.

The Group has elected to apply the practical expedient not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

### Group as lessor

A lease is classified as a finance lease if it transfers all the risks and rewards incidental to ownership of the assets.

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

Amounts due from customers under finance leases and contract purchase agreements are recorded as receivables. Finance and contract purchase receivables are initially recognised at an amount equal to the present value of the minimum instalment payments receivable plus the present value of any unguaranteed residual value expected to accrue at the end of the contract term. Interest income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the contracts.

### Group as lessor – leased motor vehicle assets

Full maintenance lease assets are stated at historical cost less accumulated depreciation. The cost of full maintenance lease assets includes the purchase cost including non-refundable purchase taxes and other expenditure that is directly attributable to the acquisition of the assets to bring the assets held-for-use in the lease asset portfolio to working condition for the intended use.

The depreciable amount of the asset is depreciated over its estimated useful life of two to five years on a straight-line basis.

Lease rentals receivable and payable on operating leases are recognised in profit or loss in periodic amounts over the effective lease term on a straight line basis.

### INTANGIBLE ASSETS

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method of amortisation and the useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

### Goodwill

Where an entity or operation is acquired in a business combination, that is not a common control transaction, the identifiable net assets acquired are measured at fair value. The excess of the fair value of the cost of the acquisition over the fair value of the identifiable net assets acquired is brought to account as goodwill. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

### Customer contracts

The customer contracts acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite useful lives of ten years.

### Software

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite useful lives of between two and eight years.

# Notes to the financial statements

30 June 2022

## NOTE 2. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### IMPAIRMENT OF NON-FINANCIAL ASSETS

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

### TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

### CONTRACT LIABILITIES

Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

### BORROWINGS

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

### MAINTENANCE DEFERRED INCOME LIABILITY

Maintenance income is recognised for each performance obligation at the point in time when the service is provided and the obligation is completed. Maintenance costs are expensed when incurred.

### FINANCE COSTS

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

### PROVISIONS

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

### Residual values

The Group has entered into various agreements with its financiers that govern the transfer of the residual value risk inherent in operating lease assets from the financier to the Group at the end of the underlying lease agreement. These agreements include put/call options, sale direction deeds and guaranteed buyback arrangements. The residual value provision is created on an onerous pool basis to cover future shortfalls on the disposal of these vehicles. Assets are grouped into homogenous groups which are then analysed further into maturity pools. A provision is raised for a maturity pool if the forecast loss on disposal of the assets in the pool exceeds the future fee income that the pool will generate between the reporting date and the maturity date. Maturity pools in a net profit position are not offset against maturity pools in a net loss position.

### EMPLOYEE BENEFITS

#### Short-term employee benefits

Employee benefits expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

#### Other long-term employee benefits

The liability for employee benefits not expected to be settled within 12 months of the reporting date is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date based on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

#### Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

### Share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award are treated as if they were a modification.

### FAIR VALUE MEASUREMENT

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

### VEHICLE MAINTENANCE FUNDS

Vehicle maintenance funds represents amounts collected from customers for vehicles under management, with such amounts subsequently used for payments for ongoing vehicle maintenance expenses such as fuel, service cost, registration and other charges. Any unused amounts at the end of the lease period are refunded to the customers.

### ISSUED CAPITAL

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### DIVIDENDS

Dividends are recognised when declared during the financial year and are no longer at the discretion of the Company.



# Notes to the financial statements

30 June 2022

## NOTE 2. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### BUSINESS COMBINATIONS

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

### EARNINGS PER SHARE

#### Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of SG Fleet Group Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

#### Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

### COMPARATIVES

Comparatives in the financial report have been realigned to the current period presentation. For clearer presentation, the Group has reclassified \$1,322,000 prepaid borrowing costs under liabilities within borrowings compared to the 30 June 2021 presentation under prepaid assets. The Group has realigned/reclassified the revenue and expense categories disclosed in note 5 and the statement of profit or loss due to the LeasePlan acquisition. There has been no effect on the comparative period results, net assets or equity due to the reclassification.

### ROUNDING OF AMOUNTS

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

### NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET MANDATORY OR EARLY ADOPTED

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2022. The adoption of these Accounting Standards and Interpretations is not expected to have any significant impact on the Group's financial statements.

### NOTE 3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

#### CORONAVIRUS (COVID-19) PANDEMIC

The Group has applied significant critical judgements in the preparation of the financial statements, incorporating the Board's best estimates of the foreseeable impact of COVID-19 on the Group's statement of profit or loss and other comprehensive income and statement of financial position. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates.

#### REVENUE FROM MOBILITY SERVICES

As discussed in note 2, the Group estimates the mobility services income to be recognised for each performance obligation at a point in time when the service is provided and the obligation fulfilled. These calculations require the use of assumptions, including an estimation of the profit margin to be achieved over the life of the contract for each performance obligation.

#### GOODWILL

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units, to which goodwill belongs, have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows. Refer to note 17 for further information.

#### RESIDUAL VALUES

As discussed in note 2, the Group has entered into various agreements with its financiers relating to residual value risk inherent in operating lease assets being transferred to the Group at the end of the underlying lease agreement. A provision is raised where the forecast loss on disposal of the assets in the pool exceeds the expected future fee income that the pool will generate. The expected future income is estimated based on past experience and likely market conditions at the time of disposal of the assets.

#### INCOME TAX

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

### NOTE 4. OPERATING SEGMENTS

#### IDENTIFICATION OF REPORTABLE OPERATING SEGMENTS

The Group is organised into geographic operating segments: Australia, New Zealand, United Kingdom and Corporate. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information regarding products and services are detailed in note 5.

#### INTERSEGMENT RECEIVABLES, PAYABLES AND LOANS

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

#### MAJOR CUSTOMERS

There are no major customers that contributed more than 10% of revenue to the Group.

# Notes to the financial statements

30 June 2022

## NOTE 4. OPERATING SEGMENTS CONTINUED

### OPERATING SEGMENT INFORMATION

Consolidated – 2022	Australia \$'000	New Zealand \$'000	United Kingdom \$'000	Corporate \$'000	Total \$'000
<b>Revenue</b>					
Revenue from contracts with customers	480,685	61,176	59,508	–	601,369
Rental and finance income	187,762	60,790	36,200	–	284,752
Total sales revenue	668,447	121,966	95,708	–	886,121
Interest income	333	291	26	–	650
<b>Total revenue</b>	<b>668,780</b>	<b>122,257</b>	<b>95,734</b>	<b>–</b>	<b>886,771</b>
<b>EBITDA</b>					
Depreciation and amortisation	(139,713)	(45,841)	(17,057)	–	(202,611)
Impairment of assets	(55)	–	–	–	(55)
Finance costs	(39,235)	(10,084)	(3,091)	–	(52,410)
<b>Profit/(loss) before income tax expense</b>	<b>72,398</b>	<b>11,753</b>	<b>10,575</b>	<b>(5,594)</b>	<b>89,132</b>
Income tax expense					(28,400)
<b>Profit after income tax expense</b>					<b>60,732</b>
<b>Assets</b>					
Segment assets	2,083,931	352,992	176,807	–	2,613,730
<b>Total assets</b>					<b>2,613,730</b>
<b>Liabilities</b>					
Segment liabilities	1,675,983	258,607	128,741	–	2,063,331
<b>Total liabilities</b>					<b>2,063,331</b>

Consolidated – 2021	Australia \$'000	New Zealand \$'000	United Kingdom \$'000	Corporate \$'000	Total \$'000
<b>Revenue</b>					
Revenue from contracts with customers	345,822	10,173	79,624	–	435,619
Rental and finance income	12,277	3,094	30,590	–	45,961
Total sales revenue	358,099	13,267	110,214	–	481,580
Interest income	497	2	1	–	500
<b>Total revenue</b>	<b>358,596</b>	<b>13,269</b>	<b>110,215</b>	<b>–</b>	<b>482,080</b>
<b>EBITDA</b>					
Depreciation and amortisation	(15,566)	(2,587)	(14,746)	–	(32,899)
Finance costs	(8,003)	(1,081)	(2,467)	–	(11,551)
<b>Profit/(loss) before income tax expense</b>	<b>58,890</b>	<b>735</b>	<b>10,040</b>	<b>(6,123)</b>	<b>63,542</b>
Income tax expense					(19,837)
<b>Profit after income tax expense</b>					<b>43,705</b>
<b>Assets</b>					
Segment assets	647,988	17,233	166,728	–	831,949
<b>Total assets</b>					<b>831,949</b>
<b>Liabilities</b>					
Segment liabilities	324,507	11,696	117,560	–	453,763

Consolidated – 2021	Australia \$'000	New Zealand \$'000	United Kingdom \$'000	Corporate \$'000	Total \$'000
<b>Total liabilities</b>					453,763

## NOTE 5. REVENUE

	CONSOLIDATED	
	2022 \$'000	2021 \$'000
<b>Revenue from contracts with customers</b>		
Mobility services income	106,500	84,393
Additional products and services	83,124	60,007
Finance commission	31,832	36,113
Vehicle risk income	375,333	254,984
Other income	4,580	122
	<b>601,369</b>	435,619
<b>Other revenue</b>		
Rental and finance income	284,752	45,961
Revenue	<b>886,121</b>	481,580

## DISAGGREGATION OF REVENUE

The disaggregation of revenue from contracts with customers is as follows:

	CONSOLIDATED	
	2022 \$'000	2021 \$'000
<b>Timing of revenue recognition</b>		
Revenue transferred at a point in time – upfront	58,715	58,983
Revenue transferred over time	182,142	131,349
Revenue transferred at a point in time – end of life	360,512	245,287
	<b>601,369</b>	435,619

Revenue from external customers by geographic regions is set out in note 4 operating segments.

# Notes to the financial statements

30 June 2022

## NOTE 6. EXPENSES

	<b>CONSOLIDATED</b>	
	2022	2021
	\$'000	\$'000
Profit before income tax includes the following specific expenses:		
<b>Depreciation</b>		
Leasehold improvements	112	58
Computer hardware and office equipment	1,950	1,412
Motor vehicles	624	186
Leased motor vehicle assets	175,515	16,326
Right-of-use assets	7,697	5,071
Total depreciation	185,898	23,053
<b>Amortisation</b>		
Customer contracts	12,616	5,796
Software	4,097	4,050
Total amortisation	16,713	9,846
Total depreciation and amortisation	202,611	32,899
<b>Impairment</b>		
Intangibles – customer contracts	55	–
<b>Finance costs</b>		
External borrowing costs for corporate debt	12,243	5,270
External borrowing costs for lease portfolio	37,456	4,772
Net interest paid or payable on interest rate swap contracts	2,362	–
Cash flow hedge ineffectiveness	(288)	991
Net foreign exchange (gains)/losses	(162)	21
Interest on lease liabilities – right-of-use assets	711	433
Interest on lease make good	88	64
Total finance costs	52,410	11,551
<b>Net fair value loss</b>		
Net fair value loss on investments	934	1,861
<b>Superannuation expense</b>		
Defined contribution superannuation expense	10,138	5,398

**NOTE 7. INCOME TAX**

	<b>CONSOLIDATED</b>	
	2022 \$'000	2021 \$'000
<b>Income tax expense</b>		
Current tax	32,825	23,354
Deferred tax – origination and reversal of temporary differences	(4,425)	(3,517)
Aggregate income tax expense	28,400	19,837
Deferred tax included in income tax expense comprises:		
Increase in deferred tax assets	(4,425)	(3,517)
<b>Numerical reconciliation of income tax expense and tax at the statutory rate</b>		
Profit before income tax expense	89,132	63,542
Tax at the statutory tax rate of 30%	26,740	19,063
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Entertainment expenses	53	7
Non-deductible expenses	2,493	2,265
	29,286	21,335
Difference in overseas tax rates	(1,398)	(1,119)
Adjustment recognised for prior periods	734	(331)
Assessed loss	(222)	(48)
Income tax expense	28,400	19,837

	<b>CONSOLIDATED</b>	
	2022 \$'000	2021 \$'000
<b>Amounts charged directly to equity</b>		
Deferred tax assets	13,084	587
<b>Tax losses not recognised</b>		
Unused tax losses for which no deferred tax asset has been recognised	11,483	10,134
Potential tax benefit at statutory tax rates	2,871	2,534

The above potential tax benefit for tax losses and temporary differences, relating to United Kingdom, has not been recognised in the statement of financial position.

# Notes to the financial statements

30 June 2022

## NOTE 7. INCOME TAX CONTINUED

	<b>CONSOLIDATED</b>	
	2022 \$'000	2021 \$'000
<b>Deferred tax asset/(liability)</b>		
Deferred tax asset/(liability) comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Allowance for expected credit losses	1,647	355
Contract liabilities	7,315	4,907
Employee benefits	6,825	3,286
Accrued expenses	4,677	2,849
Provisions	4,205	3,469
Property, plant and equipment	(25,861)	(3,281)
Prepayments	(5,536)	(1,701)
Intangibles	(27,942)	(7,236)
	<b>(34,670)</b>	2,648
Amounts recognised in equity:		
Transaction costs on share issue	-	345
Derivative financial instruments	(10,027)	1,335
	<b>(10,027)</b>	1,680
Deferred tax asset/(liability)	<b>(44,697)</b>	4,328
Amount expected to be recovered after more than 12 months	-	4,328
Amount expected to be settled after more than 12 months	<b>(44,697)</b>	-
	<b>(44,697)</b>	4,328
Movements:		
Opening balance	4,328	1,435
Credited to profit or loss	4,425	3,517
Charged to equity	(13,084)	(587)
Additions through business combinations (note 41)	(41,203)	-
Exchange differences	837	(37)
<b>Closing balance</b>	<b>(44,697)</b>	4,328

	CONSOLIDATED	
	2022 \$'000	2021 \$'000
<b>Income tax refund due</b>		
Income tax refund due	5,675	–
<b>Amount expected to be recovered within 12 months</b>	<b>5,675</b>	–

	CONSOLIDATED	
	2022 \$'000	2021 \$'000
<b>Provision for income tax</b>		
Provision for income tax	–	4,701
<b>Amount expected to be settled within 12 months</b>	<b>–</b>	<b>4,701</b>

#### NOTE 8. CASH AND CASH EQUIVALENTS

	CONSOLIDATED	
	2022 \$'000	2021 \$'000
Cash at bank	61,613	201,605
<b>Amount expected to be recovered within 12 months</b>	<b>61,613</b>	<b>201,605</b>

#### NOTE 9. RESTRICTED CASH

	CONSOLIDATED	
	2022 \$'000	2021 \$'000
Secured deposits	27,388	28,723
Securitisation collection and capital accounts	11,185	405
Securitisation reserves	130,247	384
	<b>168,820</b>	<b>29,512</b>
<b>Amount expected to be recovered within 12 months</b>	<b>168,820</b>	<b>29,512</b>

Secured deposits represent bank account balances held as security as required under certain lease portfolio funding and insurance agreements. Cash held in bank accounts within the securitisation warehouses can only be used to service the obligations of the warehouse in accordance with the transaction agreements. These restricted balances are not available as free cash for the purpose of operations of the Group.



# Notes to the financial statements

30 June 2022

## NOTE 10. FINANCE LEASE, TRADE AND OTHER RECEIVABLES

	CONSOLIDATED	
	2022 \$'000	2021 \$'000
Trade receivables	173,672	67,033
Less: Allowance for expected credit losses	(1,218)	(783)
	172,454	66,250
Finance lease receivables	451,938	53
Less: Allowance for expected credit losses	(1,171)	–
	450,767	53
	623,221	66,303
Amount expected to be recovered within 12 months	340,262	66,303
Amount expected to be recovered after more than 12 months	282,959	–
	623,221	66,303

### ALLOWANCE FOR EXPECTED CREDIT LOSSES

The Group has recognised a loss of \$1,626,000 (2021: reversal of credit loss \$69,000) in profit or loss in respect of the expected credit losses for the year ended 30 June 2022.

The ageing of the receivables and allowance for expected credit losses using the simplified method is provided for above are as follows:

Consolidated	EXPECTED CREDIT LOSS RATE		CARRYING AMOUNT		ALLOWANCE FOR EXPECTED CREDIT LOSSES	
	2022	2021	2022	2021	2022	2021
	%	%	\$'000	\$'000	\$'000	\$'000
Not overdue	0.19%	–	613,818	53,103	1,166	–
0 to 30 days overdue	–	–	8,438	12,286	–	–
30 to 60 days overdue	38.30%	39.25%	2,028	649	777	255
60 to 90 days overdue	36.20%	39.40%	644	188	233	74
90 to 120 days overdue	49.10%	53.08%	143	177	70	94
Over 120 days overdue	26.50%	52.72%	539	683	143	360
			625,610	67,086	2,389	783

Movements in the allowance for expected credit losses are as follows:

	CONSOLIDATED	
	2022 \$'000	2021 \$'000
Opening balance	783	838
Additional provisions recognised	1,626	–
Unused amounts reversed	–	(69)
Exchange difference in foreign subsidiary	(20)	14
<b>Closing balance</b>	<b>2,389</b>	<b>783</b>

**NOTE 11. INVENTORIES**

	<b>CONSOLIDATED</b>	
	2022 \$'000	2021 \$'000
End-of-term operating lease assets held for disposal	48,511	10,968
Less: Provision for impairment	(15)	(249)
	<b>48,496</b>	10,719
<b>Amount expected to be recovered within 12 months</b>	<b>48,496</b>	10,719

**NOTE 12. DERIVATIVE FINANCIAL INSTRUMENTS**

	<b>CONSOLIDATED</b>	
	2022 \$'000	2021 \$'000
Interest rate swap contracts – cash flow hedges	44,094	–
Amount expected to be recovered after more than 12 months	44,094	–

Refer to note 32 for further information on fair value measurement.

**NOTE 13. PREPAYMENTS**

	<b>CONSOLIDATED</b>	
	2022 \$'000	2021 \$'000
Prepayments	20,982	7,522
Amount expected to be recovered within 12 months	20,982	7,522

**NOTE 14. INVESTMENTS IN FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<b>CONSOLIDATED</b>	
	2022 \$'000	2021 \$'000
Investments in listed equity securities	648	1,297
Investments in other companies	5,908	1,330
	<b>6,556</b>	2,627
<b>Amount expected to be recovered after more than 12 months</b>	<b>6,556</b>	2,627

Refer to note 32 for further information on fair value measurement.

# Notes to the financial statements

30 June 2022

## NOTE 15. LEASED MOTOR VEHICLE ASSETS

	CONSOLIDATED	
	2022 \$'000	2021 \$'000
Lease portfolio assets – at cost	1,033,549	121,718
Less: Accumulated depreciation	(66,266)	(27,116)
Less: Impairment	(264)	(426)
	<b>967,019</b>	94,176
Amount expected to be recovered within 12 months	<b>387,386</b>	9,350
Amount expected to be recovered after more than 12 months	<b>579,633</b>	84,826
	<b>967,019</b>	94,176

## RECONCILIATIONS

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Leased assets \$'000
Balance at 1 July 2020	64,115
Additions	73,316
Disposals	(28,520)
Revaluation decrements	(212)
Exchange differences	1,803
Depreciation expense	(16,326)
Balance at 30 June 2021	94,176
Additions	483,512
Additions through business combinations (note 41)	883,626
Disposals	(299,607)
Revaluation decrements	2
Exchange differences	(19,117)
Impairment	(58)
Depreciation expense	(175,515)
<b>Balance at 30 June 2022</b>	<b>967,019</b>

**NOTE 16. PROPERTY, PLANT AND EQUIPMENT**

	<b>CONSOLIDATED</b>	
	<b>2022</b>	2021
	<b>\$'000</b>	\$'000
Leasehold improvements – at cost	<b>1,564</b>	966
Less: Accumulated depreciation	<b>(991)</b>	(569)
	<b>573</b>	397
Computer hardware and office equipment – at cost	<b>11,266</b>	8,528
Less: Accumulated depreciation	<b>(7,015)</b>	(5,379)
	<b>4,251</b>	3,149
Motor vehicles – at cost	<b>4,023</b>	2,235
Less: Accumulated depreciation	<b>(404)</b>	(320)
	<b>3,619</b>	1,915
	<b>8,443</b>	5,461
<b>Amount expected to be recovered after more than 12 months</b>	<b>8,443</b>	5,461

**RECONCILIATIONS**

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

<b>Consolidated</b>	Leasehold improvements \$'000	Computer hardware and office equipment \$'000	Motor vehicles \$'000	Total \$'000
Balance at 1 July 2020	408	2,331	428	3,167
Additions	37	2,225	1,718	3,980
Disposals	–	–	(80)	(80)
Exchange differences	10	5	35	50
Depreciation expense	(58)	(1,412)	(186)	(1,656)
Balance at 30 June 2021	397	3,149	1,915	5,461
Additions	299	2,120	1,596	4,015
Additions through business combinations (note 41)	5	1,135	1,299	2,439
Disposals	–	(181)	(435)	(616)
Exchange differences	(16)	(22)	(132)	(170)
Depreciation expense	(112)	(1,950)	(624)	(2,686)
<b>Balance at 30 June 2022</b>	<b>573</b>	<b>4,251</b>	<b>3,619</b>	<b>8,443</b>

# Notes to the financial statements

30 June 2022

## NOTE 17. INTANGIBLES

	CONSOLIDATED	
	2022 \$'000	2021 \$'000
Goodwill – at cost	519,547	357,880
Customer contracts – at cost	140,424	60,012
Less: Accumulated amortisation	(44,708)	(32,493)
Less: Accumulated impairment	(125)	(70)
	95,591	27,449
Software – at cost	29,070	25,605
Less: Accumulated amortisation	(13,243)	(9,928)
	15,827	15,677
	630,965	401,006
<b>Amount expected to be recovered after more than 12 months</b>	<b>630,965</b>	<b>401,006</b>

## RECONCILIATIONS

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Goodwill \$'000	Customer contracts \$'000	Software \$'000	Total \$'000
Balance at 1 July 2020	356,465	33,029	16,328	405,822
Additions	–	–	3,397	3,397
Exchange differences	1,415	216	2	1,633
Amortisation expense	–	(5,796)	(4,050)	(9,846)
Balance at 30 June 2021	357,880	27,449	15,677	401,006
Additions	–	–	4,244	4,244
Additions through business combinations (note 41)	165,732	81,878	21	247,631
Disposals	–	–	(12)	(12)
Exchange differences	(4,065)	(1,065)	(6)	(5,136)
Impairment of assets	–	(55)	–	(55)
Amortisation expense	–	(12,616)	(4,097)	(16,713)
<b>Balance at 30 June 2022</b>	<b>519,547</b>	<b>95,591</b>	<b>15,827</b>	<b>630,965</b>

Goodwill acquired through business combinations have been allocated to the following cash-generating units ('CGUs'):

	CONSOLIDATED	
	2022 \$'000	2021 \$'000
Australian CGU	441,493	305,771
United Kingdom CGU	49,852	52,109
New Zealand CGU	28,202	–
<b>Total</b>	<b>519,547</b>	<b>357,880</b>

### IMPAIRMENT TESTING FOR GOODWILL

The impairment test was based on a value-in-use approach. The recoverable amount was determined to be higher than the carrying amount and therefore no impairment loss was recognised. Value-in-use was determined by discounting the future cash flows based on the following key assumptions:

- Cash flows were projected based on actual operating results and the four-year business plan. Cash flow beyond Year 4 was projected at a growth rate of 0% (2021: 0%) for the three CGUs;
- Revenue growth was projected at 7.1% (2021: 6.2%) per annum for the Australian CGU, 8.3% (2021: 5.9%) per annum for the United Kingdom CGU and 8.1% (2021: Nil) per annum for the New Zealand CGU;
- Direct costs were forecast based on the margins historically achieved by the business;
- Overheads were forecast based on current levels adjusted for inflationary increases; and
- The Company's pre-tax weighted average cost of capital was applied in determining the recoverable amount. The discount rate of 9.29% (2021: 8.24%) was used for the Australian CGU, 7.29% (2021: 6.19%) for the United Kingdom CGU and 9.01% (2021: Nil) for the New Zealand CGU.

The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external and internal data sources.

### SENSITIVITY ANALYSIS

Management estimates that any reasonable changes in the key assumptions would not have a significant impact on the value-in-use of intangible assets and goodwill that would require the assets to be impaired.

### NOTE 18. RIGHT-OF-USE ASSETS

	<b>CONSOLIDATED</b>	
	2022 \$'000	2021 \$'000
Right-of-use assets – at cost	49,589	23,744
Less: Accumulated depreciation	(21,743)	(15,054)
	<b>27,846</b>	8,690
<b>Amount expected to be recovered after more than 12 months</b>	<b>27,846</b>	8,690

The Group leases office premises under agreements of between 3 to 10 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The Group also leases motor vehicles and equipment under agreements of between 1 to 5 years.

### RECONCILIATION

Reconciliation of the written down values at the beginning and end of the current financial year are set out below:

<b>Consolidated</b>	Office premises \$'000	Motor vehicles \$'000	Others \$'000	Total \$'000
Balance at 1 July 2020	11,289	693	137	12,119
Additions	1,099	461	–	1,560
Disposals	–	(12)	–	(12)
Exchange differences	92	2	–	94
Depreciation expense	(4,367)	(610)	(94)	(5,071)
Balance at 30 June 2021	8,113	534	43	8,690
Additions	13,511	256	305	14,072
Additions through business combinations (note 41)	12,920	–	38	12,958
Exchange differences	(176)	(1)	–	(177)
Depreciation expense	(7,234)	(393)	(70)	(7,697)
<b>Balance at 30 June 2022</b>	<b>27,134</b>	<b>396</b>	<b>316</b>	<b>27,846</b>

# Notes to the financial statements

30 June 2022

## NOTE 18. RIGHT-OF-USE ASSETS CONTINUED

For other AASB 16 lease-related disclosures refer to the following:

- note 6 for details of interest on lease liabilities and other lease expenses;
- note 25 and note 42 for details of lease liabilities at the beginning and end of the reporting period;
- note 31 for the maturity analysis of lease liabilities; and
- consolidated statement of cash flows for repayment of lease liabilities.

## NOTE 19. TRADE AND OTHER PAYABLES

	CONSOLIDATED	
	2022 \$'000	2021 \$'000
Trade payables	178,958	83,869
Accrued expenses	20,638	16,924
	<b>199,596</b>	100,793
<b>Amount expected to be settled within 12 months</b>	<b>199,596</b>	100,793

Refer to note 31 for further information on financial instruments.

Trade payables include residual values payable to financiers, which are secured by the underlying operating lease asset and security deposits of \$27,632,000 (2021: \$28,741,000).

## NOTE 20. DERIVATIVE FINANCIAL INSTRUMENTS

	CONSOLIDATED	
	2022 \$'000	2021 \$'000
Interest rate swap contracts – cash flow hedges	688	1,877
Amount expected to be settled after more than 12 months	688	1,877

Refer to note 31 for further information on financial instruments. Refer to note 32 for further information on fair value measurement.

## NOTE 21. EMPLOYEE BENEFITS

	CONSOLIDATED	
	2022 \$'000	2021 \$'000
Annual leave	11,606	5,251
Long service leave	11,203	5,716
	<b>22,809</b>	10,967
Amount expected to be settled within 12 months	21,472	10,012
Amount expected to be settled after more than 12 months	1,337	955
	<b>22,809</b>	10,967

## NOTE 22. PROVISIONS

	CONSOLIDATED	
	2022 \$'000	2021 \$'000
Lease make good	4,785	1,105
Residual value risk	11,492	11,686
Other provisions	7,141	900
	<b>23,418</b>	13,691
Amount expected to be settled within 12 months	11,177	5,564
Amount expected to be settled after more than 12 months	12,241	8,127
	<b>23,418</b>	13,691

### LEASE MAKE GOOD

The provision represents the present value of the estimated costs to make good the premises leased by the Group at the end of the respective lease terms.

### RESIDUAL VALUE RISK PROVISION

The provision is to recognise the future liability relating to residual value exposures as described in note 2 and note 3. The Group has entered into agreements with its lease portfolio financiers under which the residual value risk inherent in operating leases is transferred from the financier of the asset to the Group at the end of the lease. Under these agreements, at the end of the contractual lease term for each vehicle, the Group is obliged to pay the guaranteed residual value amount to the financier. The Group then sells the vehicles and realises a profit or loss on sale. Secured deposits have been issued to lease portfolio financiers as security for these obligations. An amount of \$11,492,000 (30 June 2021: \$11,686,000) has been recognised as a residual value provision, calculated on an onerous pool basis, to cover potential shortfalls on the disposal of these vehicles.

### OTHER PROVISIONS

The provision represents the potential loss arising from overdrawn vehicle running cost accounts in relation to novated leases.

### MOVEMENTS IN PROVISIONS

Movements in the provision during the current financial period is set out below:

	Lease make good \$'000	Residual value risk \$'000	Other provision \$'000
<b>Consolidated – 2022</b>			
Carrying amount at the start of the year	1,105	11,686	900
Additional provisions recognised	2,115	–	–
Additions through business combinations (note 41)	1,729	–	6,419
Exchange differences	(32)	(71)	(90)
Unused amounts reversed	(132)	(123)	(88)
<b>Carrying amount at the end of the year</b>	<b>4,785</b>	<b>11,492</b>	<b>7,141</b>



# Notes to the financial statements

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## NOTE 23. LEASE PORTFOLIO BORROWINGS

	CONSOLIDATED	
	2022 \$'000	2021 \$'000
Lease portfolio borrowings – non-securitised	65,193	64,241
Lease portfolio borrowings – securitised	1,134,073	800
	<b>1,199,266</b>	65,041
Amount expected to be settled within 12 months	443,495	17,162
Amount expected to be settled after more than 12 months	755,771	47,879
	<b>1,199,266</b>	65,041

Refer to note 31 for further information on financial instruments.

### LEASE PORTFOLIO BORROWINGS – NON-SECURITISED

The lease portfolio borrowings are secured by the underlying funded assets and lease agreements, together with secured deposits. These facilities are interest-bearing and are repaid monthly in accordance with the contractual amortisation schedule of the underlying assets.

### LEASE PORTFOLIO BORROWINGS – SECURITISED

During the previous financial year, the Group established a \$100 million limited recourse securitisation warehouse trust with commitments from external financiers totalling \$92.5 million.

During the current financial year, as part of the LeasePlan acquisition, the Group established additional limited recourse securitisation warehouse trusts to bring the total commitments from external financiers in relation to securitisation warehouse trusts to \$1,361 million as at 30 June 2022. All amounts owing to parties to the warehouse are secured by fixed and floating charges over all assets of the warehouse, including cash balances, lease receivables and related leased motor vehicles. The financiers to the warehouse have no recourse to the Group, other than in relation to their responsibilities as originator and servicer of assets to the warehouse. As at 30 June 2022, the Group had utilised \$1,134 million of securitised lease portfolio borrowings.

## NOTE 24. BORROWINGS

	CONSOLIDATED	
	2022 \$'000	2021 \$'000
Bank loans	299,723	125,841
Capitalised borrowing costs	(7,331)	(1,322)
	<b>292,392</b>	124,519
<b>Amount expected to be settled after more than 12 months</b>	<b>292,392</b>	124,519

Refer to note 31 for further information on financial instruments.

**TOTAL SECURED LIABILITIES**

The total secured liabilities are as follows:

	<b>CONSOLIDATED</b>	
	<b>2022</b>	2021
	<b>\$'000</b>	\$'000
Bank loans	<b>299,723</b>	125,841
Lease portfolio borrowings – non-securitised (note 23)	<b>65,193</b>	64,241
Lease portfolio borrowings – securitised (note 23)	<b>1,134,073</b>	800
	<b>1,498,989</b>	190,882

**CORPORATE BORROWINGS**

During the financial year, the Group increased its bank loans and ancillary facility limit by \$175 million to \$300 million as at 30 June 2022. The facility is secured by fixed and floating charges over the assets of the Group as well as composite guarantees and indemnities issued by the Group and certain subsidiaries of the Group. The interest comprises a base rate plus a variable margin and all loans are repayable in full on the maturity date being 31 August 2024.

**FINANCING ARRANGEMENTS**

The Group has access to the following lines of credit:

	<b>CONSOLIDATED</b>	
	<b>2022</b>	2021
	<b>\$'000</b>	\$'000
<b>Total facilities</b>		
Corporate borrowings	<b>356,721</b>	186,572
Lease portfolio borrowings – non-securitised	<b>197,838</b>	87,029
Lease portfolio borrowings – securitised	<b>1,360,552</b>	92,500
	<b>1,915,111</b>	366,101
<b>Used at the reporting date</b>		
Corporate borrowings	<b>313,244</b>	137,602
Lease portfolio borrowings – non-securitised	<b>65,193</b>	64,241
Lease portfolio borrowings – securitised	<b>1,134,073</b>	800
	<b>1,512,510</b>	202,643
<b>Unused at the reporting date</b>		
Corporate borrowings	<b>43,477</b>	48,970
Lease portfolio borrowings – non-securitised	<b>132,645</b>	22,788
Lease portfolio borrowings – securitised	<b>226,479</b>	91,700
	<b>402,601</b>	163,458

# Notes to the financial statements

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## NOTE 25. LEASE LIABILITIES – RIGHT-OF-USE ASSETS

	CONSOLIDATED	
	2022 \$'000	2021 \$'000
Lease liabilities – right-of-use assets	27,319	9,015
Amount expected to be settled within 12 months	7,134	3,592
Amount expected to be settled after more than 12 months	20,185	5,423
	<b>27,319</b>	<b>9,015</b>

## NOTE 26. VEHICLE MAINTENANCE FUNDS

	CONSOLIDATED	
	2022 \$'000	2021 \$'000
Vehicle maintenance funds	190,805	82,542
Amount expected to be settled within 12 months	89,172	27,729
Amount expected to be settled after more than 12 months	101,633	54,813
	<b>190,805</b>	<b>82,542</b>

## NOTE 27. CONTRACT LIABILITIES

	CONSOLIDATED	
	2022 \$'000	2021 \$'000
Contract liabilities	62,341	40,617
Amount expected to be settled within 12 months	38,071	21,124
Amount expected to be settled after more than 12 months	24,270	19,493
	<b>62,341</b>	<b>40,617</b>

### Reconciliation

Reconciliation at the beginning and end of the current and previous financial year are set out below:

Opening balance	40,617	37,905
Additions through business combinations (note 41)	43,320	–
Transfer to revenue – included in the opening balance	(56,639)	(18,822)
Increase in cash received excluding amounts recognised as revenue during the year	35,043	21,534
<b>Closing balance</b>	<b>62,341</b>	<b>40,617</b>

**NOTE 28. ISSUED CAPITAL**

	<b>CONSOLIDATED</b>			
	<b>2022</b> Shares	2021 Shares	<b>2022</b> \$'000	2021 \$'000
Ordinary shares – fully paid	<b>341,984,920</b>	297,396,370	<b>505,968</b>	376,661

**MOVEMENTS IN ORDINARY SHARE CAPITAL**

<b>Details</b>	Date	Shares	Issue price	\$'000
Balance	1 July 2020	262,159,900		291,370
Shares issued	13 April 2021	29,247,880	\$2.45	71,657
Shares issued	30 April 2021	5,988,590	\$2.45	14,672
Share issue transaction costs, net of tax		–		(1,038)
Balance	30 June 2021	297,396,370		376,661
Shares issued on acquisition of LeasePlan ANZ (refer note 41)	1 September 2021	44,588,550	\$2.90	129,307
<b>Balance</b>	30 June 2022	<b>341,984,920</b>		<b>505,968</b>

**ORDINARY SHARES**

Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the Company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

**SHARE BUY-BACK**

There is no current on-market share buy-back.

**CAPITAL RISK MANAGEMENT**

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital. The Group monitors capital on the basis of its gearing ratio. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

The Group is subject to certain financing arrangements covenants and meeting these are given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from 30 June 2021.

# Notes to the financial statements

30 June 2022

## NOTE 29. RESERVES

	CONSOLIDATED	
	2022 \$'000	2021 \$'000
Foreign currency reserve	(8,554)	262
Hedging reserve – cash flow hedges	31,697	(496)
Share-based payments reserve	5,902	2,620
Capital reserve	(119,158)	(119,158)
	<b>(90,113)</b>	<b>(116,772)</b>

### FOREIGN CURRENCY RESERVE

The reserve is used to recognise exchange differences arising from translation of the financial statements of foreign operations to Australian Dollars.

### HEDGING RESERVE – CASH FLOW HEDGES

The reserve is used to recognise the effective portion of the gain or loss of cash flow hedge instruments determined to be an effective hedge.

### SHARE-BASED PAYMENTS RESERVE

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

### CAPITAL RESERVE

The reserve is used to recognise contributions from or to SG Fleet Group Limited and its controlled subsidiaries by shareholders.

### MOVEMENTS IN RESERVES

Movements in each class of reserve during the current and previous financial year are set out below:

	Foreign currency \$'000	Cash flow hedge \$'000	Share-based payments \$'000	Capital \$'000	Total \$'000
<b>Consolidated</b>					
Balance at 1 July 2020	(1,015)	(2,767)	359	(119,158)	(122,581)
Foreign currency translation	1,277	–	–	–	1,277
Share-based payments	–	–	2,321	–	2,321
Movement in hedges – gross	–	3,203	–	–	3,203
Deferred tax	–	(932)	–	–	(932)
Other changes	–	–	(60)	–	(60)
Balance at 30 June 2021	262	(496)	2,620	(119,158)	(116,772)
Foreign currency translation	(8,816)	–	–	–	(8,816)
Share-based payments	–	–	3,282	–	3,282
Movement in hedges – gross	–	45,277	–	–	45,277
Deferred tax	–	(13,084)	–	–	(13,084)
<b>Balance at 30 June 2022</b>	<b>(8,554)</b>	<b>31,697</b>	<b>5,902</b>	<b>(119,158)</b>	<b>(90,113)</b>

## NOTE 30. DIVIDENDS

### DIVIDENDS

Dividends paid during the financial year were as follows:

	CONSOLIDATED	
	2022 \$'000	2021 \$'000
Final dividend for the year ended 30 June 2021 of 5.393 cents per ordinary share paid on 9 September 2021 (2021: Final dividend for the year ended 30 June 2020 of 3.053 cents)	16,039	8,004
Interim dividend for the year ended 30 June 2022 of 8.318 cents per share paid on 10 March 2022 (2021: Interim dividend for the year ended 30 June 2021 of 7.192 cents)	28,446	18,855
	<b>44,485</b>	26,859

On 15 August 2022, the Directors declared a fully franked final dividend for the year ended 30 June 2022 of 6.811 cents per ordinary share, to be paid on 8 September 2022 to eligible shareholders on the register on 25 August 2022. This equates to a total estimated distribution of \$23,293,000, based on the number of ordinary shares on issue as at 30 June 2022. The financial effect of dividends declared after the reporting date are not reflected in the 30 June 2022 financial statements and will be recognised in subsequent financial reports.

### FRANKING CREDITS

	CONSOLIDATED	
	2022 \$'000	2021 \$'000
Franking credits available for subsequent financial years based on a tax rate of 30%	80,312	59,104

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

The franking credits above excludes exempting credits.

# Notes to the financial statements

30 June 2022

## NOTE 31. FINANCIAL INSTRUMENTS

### FINANCIAL RISK MANAGEMENT OBJECTIVES

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

The Board has overall responsibility for the establishment and oversight of the risk management framework. The Audit, Risk and Compliance Committee, a sub-committee of the Board, has responsibility for managing risk. The Committee reports to the Board on its activities.

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

### MARKET RISK

#### Foreign currency risk

The Group is not exposed to any significant foreign currency risk, except for translation of financial assets and liabilities of foreign subsidiaries into the presentation currency.

#### Price risk

The Group is not exposed to any significant price risk.

#### Interest rate risk

The Group's main interest rate risk arises from its borrowings and cash at the bank, both of which carry variable rates of interest. The Group policy is to ensure that at least 60% of Group corporate borrowings are hedged into a fixed rate for the term of the borrowing (unless approved by the Board). Non-securitised lease portfolio borrowings (other than where used to fund leases in inertia or informal extension) are required to be hedged using an amortising swap profile that reflects the expected repayment profile of the borrowings. Securitisation borrowings are similarly required to be hedged using an amortising swap profile that reflects the expected repayment profile of the borrowings, in compliance with parameters agreed with the financiers to the securitisation.

As at the reporting date, the Group had the following variable rate bank accounts and other facilities after impact of hedging instruments:

	2022 Balance \$'000	2021 Balance \$'000
<b>Consolidated</b>		
Cash at bank	61,613	201,605
Securitisation accounts	141,432	789
Secured deposits	27,388	28,723
Bank loans	(55,000)	(25,168)
<b>Net exposure to cash flow interest rate risk</b>	<b>175,433</b>	<b>205,949</b>

An official increase/decrease in interest rates of 200 (2021: 50) basis points would have a favourable/adverse effect on profit before tax and equity of \$3,509,000 (2021: \$1,030,000) per annum. The percentage change is based on the expected volatility of interest rates using market data and analyst's forecasts.

#### Derivatives interest rate swap

The Group has entered into interest rate swap contracts with the following notional/principal values as at 30 June 2022:

- \$324,722,000 (2021: \$106,696,000) of bullet swaps maturing in September 2024 with a weighted average fixed rate of 1.02% (2021: 1.91%) in respect of corporate debt borrowings;
- \$2,895,000 of amortising swaps with tenors of up to 3 years and a weighted average fixed rate of 0.79% in relation to non-securitisation borrowings; and
- \$1,174,357,000 of amortising swaps with tenors of up to 5 years and a weighted average fixed rate of 1.31%, in relation to securitisation trusts.

**CREDIT RISK**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

**LIQUIDITY RISK**

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable. Typically, the Group ensures that it has sufficient cash or facilities on demand to meet expected operational expenses for a period of 90 days, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

**Financing arrangements**

Refer to note 24 for details of unused borrowing facilities at the reporting date.

**Remaining contractual maturities**

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.



# Notes to the financial statements

30 June 2022

## NOTE 31. FINANCIAL INSTRUMENTS CONTINUED

	1 year or less \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Remaining contractual maturities \$'000
<b>Consolidated – 2022</b>					
<b>Non-derivatives</b>					
<i>Non-interest bearing</i>					
Trade payables	178,958	–	–	–	178,958
<i>Interest-bearing – variable</i>					
Bank loans	1,403	1,403	55,701	–	58,507
<i>Interest-bearing – fixed rate</i>					
Bank loans	3,134	3,134	246,289	–	252,557
Lease portfolio facilities – non-securitised	22,771	20,491	26,181	–	69,443
Lease portfolio facilities – securitised	442,918	291,194	434,713	9,748	1,178,573
Lease liabilities – right-of-use assets	7,810	6,369	14,153	1,446	29,778
<b>Total non-derivatives</b>	<b>656,994</b>	<b>322,591</b>	<b>777,037</b>	<b>11,194</b>	<b>1,767,816</b>
<b>Derivatives</b>					
Interest rate swaps net settled	–	688	–	–	688
<b>Total derivatives</b>	<b>–</b>	<b>688</b>	<b>–</b>	<b>–</b>	<b>688</b>
<b>Consolidated – 2021</b>					
<b>Non-derivatives</b>					
<i>Non-interest bearing</i>					
Trade payables	83,869	–	–	–	83,869
<i>Interest-bearing – variable</i>					
Bank loans	435	25,386	–	–	25,821
<i>Interest-bearing – fixed rate</i>					
Bank loans	1,811	101,579	–	–	103,390
Lease portfolio facilities – non-securitised	18,831	19,159	29,963	–	67,953
Lease portfolio facilities – securitised	52	826	–	–	878
Lease liabilities – right-of-use assets	3,382	1,595	2,466	2,045	9,488
<b>Total non-derivatives</b>	<b>108,380</b>	<b>148,545</b>	<b>32,429</b>	<b>2,045</b>	<b>291,399</b>
<b>Derivatives</b>					
Interest rate swaps net settled	–	1,877	–	–	1,877
<b>Total derivatives</b>	<b>–</b>	<b>1,877</b>	<b>–</b>	<b>–</b>	<b>1,877</b>

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

## NOTE 32. FAIR VALUE MEASUREMENT

### FAIR VALUE HIERARCHY

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Consolidated – 2022</b>				
<b>Assets</b>				
Investments in listed equity securities	648	–	–	648
Investment in other companies	–	–	5,908	5,908
Derivative financial instruments – Interest rate swap contracts	–	44,094	–	44,094
<b>Total assets</b>	<b>648</b>	<b>44,094</b>	<b>5,908</b>	<b>50,650</b>
<b>Liabilities</b>				
Derivative financial instruments – Interest rate swap contracts	–	688	–	688
<b>Total liabilities</b>	<b>–</b>	<b>688</b>	<b>–</b>	<b>688</b>
<b>Consolidated – 2021</b>				
<b>Assets</b>				
Investments in listed equity securities	1,297	–	–	1,297
Investment in other companies	–	–	1,330	1,330
<b>Total assets</b>	<b>1,297</b>	<b>–</b>	<b>1,330</b>	<b>2,627</b>
<b>Liabilities</b>				
Derivative financial instruments – Interest rate swap contracts	–	1,877	–	1,877
<b>Total liabilities</b>	<b>–</b>	<b>1,877</b>	<b>–</b>	<b>1,877</b>

There were no transfers between levels during the financial year.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of trade receivables and trade payables approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial instruments.

### VALUATION TECHNIQUES FOR FAIR VALUE MEASUREMENTS CATEGORISED WITHIN LEVEL 2 AND LEVEL 3

Unquoted investments are recorded at fair value, which reflects the recent cost of investments. The Group does not consider the market value of the investments to have significantly changed since the acquisition date.

Derivative financial instruments have been valued using observable market rates. This valuation technique maximises the use of observable market data where it is available and relies as little as possible on entity specific estimates.

# Notes to the financial statements

30 June 2022

## NOTE 32. FAIR VALUE MEASUREMENT CONTINUED

### LEVEL 3 ASSETS AND LIABILITIES

Movements in level 3 assets and liabilities during the current and previous financial year are set out below:

<b>Consolidated</b>	Other investments \$'000
Balance at 1 July 2020	330
Purchases	1,000
Balance at 30 June 2021	1,330
Purchases	4,578
Balance at 30 June 2022	<b>5,908</b>

## NOTE 33. KEY MANAGEMENT PERSONNEL DISCLOSURES

### COMPENSATION

The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

	<b>CONSOLIDATED</b>	
	2022 \$	2021 \$
Short-term employee benefits	5,832,489	4,678,222
Post-employment benefits	120,205	110,269
Long-term benefits	154,817	58,283
Share-based payments	1,524,983	1,007,492
	<b>7,632,494</b>	5,854,266

## NOTE 34. REMUNERATION OF AUDITORS

During the financial year the following fees were paid or payable for services provided by KPMG, the auditor of the Company:

	<b>CONSOLIDATED</b>	
	2022 \$	2021 \$
<b>Audit services – KPMG</b>		
Audit or review of the financial statements	1,345,382	569,410
<b>Other services – KPMG</b>		
Tax services	102,300	84,017
Corporate advisory	136,071	1,390,214
	<b>238,371</b>	1,474,231
	<b>1,583,753</b>	2,043,641

**NOTE 35. COMMITMENTS – OPERATING LEASE RECEIVABLE**

	<b>CONSOLIDATED</b>	
	2022 \$'000	2021 \$'000
Committed at the reporting date, receivable:		
Within one year	226,520	19,849
One to two years	150,225	12,725
Two to three years	127,924	9,398
Three to four years	94,165	5,031
Four to five years	44,109	939
	<b>642,943</b>	<b>47,942</b>

Future minimum rentals receivable includes contracted amounts for motor vehicles under non-cancellable operating leases between one and five years.

**NOTE 36. CONTINGENT LIABILITIES**

The Group has entered into agreements with its lease portfolio financiers under which the residual value risk inherent in operating leases is transferred from the financier of the asset to the Group at the end of the lease. Under these agreements, at the end of the contractual lease term for each vehicle, the Group is obliged to pay the guaranteed residual value amount to the financier. The Group then sells the vehicles and realises a profit or loss on sale. Bank guarantees, letters of credit and cash lock-ups have been issued to lease portfolio financiers as security for these obligations.

An amount of \$11,492,000 (30 June 2021: \$11,686,000) has been recognised as a residual value provision and an amount of \$264,000 (30 June 2021: \$426,000) has been recognised as an impairment provision respectively, calculated on an onerous pool basis, to cover potential shortfalls on the disposal of these vehicles.

The Group has executed certain guarantees and indemnities, as well as fixed and floating charges over the assets of the Group in favour of funders as security for banking and lease portfolio facilities provided to the Group.

**NOTE 37. RELATED PARTY TRANSACTIONS****PARENT ENTITIES**

SG Fleet Group Limited is the parent entity. The ultimate parent entity is Super Group Limited, incorporated in South Africa and listed on the Johannesburg Stock Exchange.

**SUBSIDIARIES**

Interests in subsidiaries are set out in note 39.

**KEY MANAGEMENT PERSONNEL**

Disclosures relating to key management personnel are set out in note 33 and the remuneration report included in the Directors' report.

**TRANSACTIONS WITH RELATED PARTIES**

There were no transactions with related parties during the current and previous financial year.

**RECEIVABLE FROM AND PAYABLE TO RELATED PARTIES**

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

**LOANS TO/FROM RELATED PARTIES**

There were no loans to or from related parties at the current and previous reporting date.

# Notes to the financial statements

30 June 2022

## NOTE 38. PARENT ENTITY INFORMATION

Set out below is the supplementary information about the parent entity.

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	PARENT	
	2022 \$'000	2021 \$'000
Profit/(loss) after income tax	344,738	(5,831)
<b>Total comprehensive income</b>	<b>344,738</b>	<b>(5,831)</b>

### STATEMENT OF FINANCIAL POSITION

	PARENT	
	2022 \$'000	2021 \$'000
Total current assets	8,592	–
Total assets	1,044,773	543,068
Total current liabilities	–	4,698
Total liabilities	295,732	223,587
Equity		
Issued capital	716,356	587,049
Retained profits/(accumulated losses)	32,685	(267,568)
<b>Total equity</b>	<b>749,041</b>	<b>319,481</b>

### GUARANTEES ENTERED INTO BY THE PARENT ENTITY IN RELATION TO THE DEBTS OF ITS SUBSIDIARIES

The parent entity and its subsidiaries are party to a deed of cross guarantee under which each company guarantees the debts of the others. No deficiencies of assets exist in any of these subsidiaries. Refer to note 40 for further details.

The parent entity has also provided guarantees and indemnities for bank facilities. Refer to note 24 for further details.

### Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2022 and 30 June 2021.

### Capital commitments – Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2022 and 30 June 2021.

### Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:

- investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity; and
- dividends received from subsidiaries are recognised as other income by the parent entity.

### NOTE 39. INTERESTS IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business/ Country of incorporation	OWNERSHIP INTEREST	
		2022 %	2021 %
SG Fleet Solutions Pty Limited	Australia	100%	100%
SG Fleet Holdings Pty Limited	Australia	100%	100%
SG Fleet Investments Pty Ltd	Australia	100%	100%
SG Fleet Management Pty Limited	Australia	100%	100%
SG Fleet Australia Pty Limited	Australia	100%	100%
SG Fleet Salary Packaging Pty Limited	Australia	100%	100%
NLC Pty Limited	Australia	100%	100%
NLC Finance Pty Ltd	Australia	100%	100%
NLC Insurance Pty Ltd	Australia	100%	100%
Vehicle Insurance Underwriters Pty Ltd	Australia	100%	100%
LeasePlan Australia Limited	Australia	100%	–
SMB Car Sales Pty Limited*	Australia	–	100%
SG Fleet Finance Pty Limited*	Australia	–	100%
Beta Dimensions Pty Limited*	Australia	–	100%
Fleet Care Services Pty Limited*	Australia	–	100%
NLC Administration Pty Limited*	Australia	–	100%
Kerr Reinehr Group Pty Limited*	Australia	–	100%
NLC Services Pty Limited*	Australia	–	100%
SG Fleet NZ Limited	New Zealand	100%	100%
LeasePlan New Zealand Limited	New Zealand	100%	–
SG Fleet UK Limited	United Kingdom	100%	100%
SG Fleet UK Holdings Limited	United Kingdom	100%	100%
Fleet Hire Holdings Limited	United Kingdom	100%	100%
SG Fleet Solutions UK Limited	United Kingdom	100%	100%
Fleet Hire Limited*	United Kingdom	–	100%
Car Salary Exchange Limited*	United Kingdom	–	100%

\* Subsidiary deregistered or dissolved during the year.

# Notes to the financial statements

30 June 2022

## NOTE 40. DEED OF CROSS GUARANTEE

The following entities are party to a deed of cross guarantee under which each company guarantees the debts of the others:

SG Fleet Group Limited (holding entity)	NLC Insurance Pty Ltd
SG Fleet Solutions Pty Limited*	Vehicle Insurance Underwriters Pty Ltd
SG Fleet Holdings Pty Limited*	LeasePlan Australia Limited*
SG Fleet Investments Pty Ltd*	SG Fleet NZ Limited
SG Fleet Management Pty Limited*	LeasePlan New Zealand Limited
SG Fleet Australia Pty Limited*	SG Fleet UK Limited
SG Fleet Salary Packaging Pty Limited*	SG Fleet UK Holdings Limited
NLC Pty Limited*	Fleet Hire Holdings Limited
NLC Finance Pty Ltd*	SG Fleet Solutions UK Limited

By entering into the deed, the entities (denoted above by an asterisk (\*)) have opted to obtain relief from the requirement to prepare financial statements and Directors' report under Corporations Instrument 2016/785 issued by the Australian Securities and Investments Commission ('ASIC').

The above companies represent a 'Closed Group' for the purposes of the Corporations Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by SG Fleet Group Limited, they also represent the 'Extended Closed Group'.

The statement of profit or loss, statement of other comprehensive income and statement of financial position for the Closed Group are the same as the Group and therefore have not been separately disclosed.

## NOTE 41. BUSINESS COMBINATIONS

### ACQUISITION OF LEASEPLAN AUSTRALIA AND LEASEPLAN NEW ZEALAND ('LEASEPLAN ANZ')

On 1 September 2021, the Group acquired 100% of the ordinary shares in LeasePlan Australia and LeasePlan New Zealand. The acquisition consideration of \$626,003,000 was settled by way of cash consideration of \$273,000,000 and scrip consideration valued at \$129,307,000. In addition to the acquisition consideration, as part of the transaction, excess cash on the balance sheet and capital invested in the Lease Portfolio totalling \$223,696,000 was repaid to LeasePlan Corporation bringing the total consideration transferred to \$626,003,000.

The fair value of 44,588,550 ordinary shares issued to settle part of the consideration was based on the listed share price of the Company on 1 September 2021 of \$2.90 per share totalling \$129,307,000.

The rationale for the acquisition is to deliver additional scale across operations, funding and procurement, resulting in significant efficiencies which will enable the delivery of a highly competitive offering to customers.

The goodwill of \$165,732,000 is attributable to the expected synergies and cross-selling opportunities that will arise from the acquisition, the future growth prospects of new products and initiatives together with the skill base and operating processes within the acquired entity.

Management estimates that the acquired business contributed revenues of \$392,873,000 and profit before tax of \$28,113,000 (excluding acquisition costs) to the Group for the period from 1 September 2021 to 30 June 2022. If the acquisition occurred on 1 July 2021, management estimates that the contribution for the period to 30 June 2022 would have been revenues of \$467,436,000 and profit before tax of \$35,053,000 (excluding acquisition costs). In determining these amounts, the profit of LeasePlan ANZ for the period 1 July 2021 to 31 August 2021 was included based on the legacy lease portfolio funding arrangements and capital structure in place at the time and excludes interest on additional acquisition debt and amortisation of customer contracts.

The values identified in relation to the acquisition of LeasePlan are final as at 30 June 2022.

Details of the acquisition are as follows:

	Fair value \$'000
Cash and cash equivalents	40,884
Finance and trade receivables	569,786
Inventories	8,011
Leased motor vehicle assets	883,626
Property, plant and equipment	2,439
Right-of-use assets	12,958
Customer contracts	81,878
Software	21
Trade payables and other payables	(84,825)
Contract liabilities	(43,320)
Provision for income tax	(8,905)
Deferred tax liability	(41,203)
Employee benefits	(9,729)
Other provisions	(8,148)
Lease liabilities – right-of-use assets	(12,958)
Vehicle maintenance funds	(92,704)
Lease portfolio borrowings	(837,540)
Net assets acquired	460,271
Goodwill	165,732
Acquisition-date fair value of the total consideration transferred	626,003
<b>Representing:</b>	
Cash paid or payable to vendor	273,000
SG Fleet Group Limited shares issued to vendor	129,307
Repayment of excess cash on balance sheet and capital invested in Lease Portfolio	223,696
	626,003
Acquisition costs expensed to profit or loss*	9,485
<b>Cash used to acquire business, net of cash acquired:</b>	
Acquisition-date fair value of the total amount transferred	626,003
Less: shares issued by Company as part of consideration	(129,307)
Less: cash and cash equivalents acquired	(40,884)
Net cash used	455,812

\* The acquisition costs in relation to the LeasePlan acquisition of \$9,485,000 (\$8,054,000 net of tax) (2021: \$8,994,000) have been expensed in the statement of profit or loss during the financial year. An amount of \$4,905,000 (2021: \$3,783,000) is included within finance costs and \$4,580,000 (2021: \$5,211,000) in other expenses.



# Notes to the financial statements

30 June 2022

## NOTE 42. CASH FLOW INFORMATION

### RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH FROM OPERATING ACTIVITIES

	CONSOLIDATED	
	2022 \$'000	2021 \$'000
Profit after income tax expense for the year	60,732	43,705
Adjustments for:		
Depreciation and amortisation	202,611	32,899
Impairment of intangibles	55	–
Net fair value loss on investments	934	1,861
Finance costs – non-cash	5,435	–
Net loss/(gain) on sale of non-current assets	12	(81)
Share-based payments	3,282	2,321
Leased motor vehicles – fair value decrements	56	212
Net movement in fair value of derivatives	(6)	63
Change in operating assets and liabilities:		
Decrease/(increase) in finance lease, trade and other receivables	12,868	(11,557)
Decrease/(increase) in inventories	(29,766)	5,622
Increase in income tax refund due	(5,675)	–
Decrease/(increase) in deferred tax assets	4,328	(2,448)
Decrease/(increase) in prepayments	(13,460)	319
Increase in trade and other payables	31,726	33,059
Increase/(decrease) in contract liabilities	(21,596)	2,712
Increase/(decrease) in provision for income tax	(13,606)	4,311
Decrease in deferred tax liabilities	(9,590)	–
Increase in employee benefits	2,113	1,401
Increase/(decrease) in other provisions	(427)	1,123
<b>Net cash from operating activities</b>	<b>230,026</b>	<b>115,522</b>

### NON-CASH INVESTING AND FINANCING ACTIVITIES

	CONSOLIDATED	
	2022 \$'000	2021 \$'000
Additions and disposals to the right-of-use assets	12,066	1,548
Leasehold improvements (lease make good) within right-of-use assets	2,006	–
Shares issued in relation to business combinations (note 41)	129,307	–
	<b>143,379</b>	<b>1,548</b>

**CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES**

<b>Consolidated</b>	Lease portfolio borrowings \$'000	Bank loans \$'000	Lease liabilities – right-of-use assets \$'000	Total \$'000
Balance at 1 July 2020	57,854	125,140	12,039	195,033
Net cash (used in)/from financing activities	5,675	–	(4,696)	979
Non-cash additions and disposals	–	–	1,548	1,548
Exchange differences	1,512	701	124	2,337
Balance at 30 June 2021	65,041	125,841	9,015	199,897
Net cash (used in)/from financing activities	310,794	175,000	(6,546)	479,248
Non-cash additions	–	–	12,066	12,066
Changes through business combinations (note 41)	837,540	–	12,958	850,498
Exchange differences	(14,109)	(1,118)	(174)	(15,401)
<b>Balance at 30 June 2022</b>	<b>1,199,266</b>	<b>299,723</b>	<b>27,319</b>	<b>1,526,308</b>

**NOTE 43. EARNINGS PER SHARE**

	<b>CONSOLIDATED</b>	
	<b>2022</b>	2021
	<b>\$'000</b>	\$'000
Profit after income tax attributable to the owners of SG Fleet Group Limited	<b>60,732</b>	43,705
	<b>Number</b>	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<b>334,410,975</b>	269,507,503
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	<b>1,519,527</b>	163,585
Performance rights over ordinary shares	<b>1,574,641</b>	640,867
<b>Weighted average number of ordinary shares used in calculating diluted earnings per share</b>	<b>337,505,143</b>	270,311,955
	<b>Cents</b>	Cents
Basic earnings per share	<b>18.16</b>	16.22
Diluted earnings per share	<b>17.99</b>	16.17

# Notes to the financial statements

30 June 2022

## NOTE 44. SHARE-BASED PAYMENTS

The Group has a share option plan and performance rights to incentivise certain employees and Key Management Personnel. The share-based payment expense for the year was \$3,282,000 (2021: \$2,321,000).

### SHARE OPTION PLAN

The share option plan is subject to a service condition and a performance condition. The performance condition is based on the compound annual growth rate ('CAGR') of the Group's earnings per share.

Set out below are summaries of options granted under the plan:

2022							
Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/forfeited/other	Balance at the end of the year
25/11/2019	14/08/2025	\$2.35	960,980	–	–	–	960,980
28/10/2020	14/08/2025	\$1.68	1,823,951	–	–	–	1,823,951
28/10/2020	13/08/2026	\$1.68	3,235,700	–	–	–	3,235,700
26/10/2021	11/08/2027	\$2.93	–	1,765,028	–	–	1,765,028
			<b>6,020,631</b>	<b>1,765,028</b>	<b>–</b>	<b>–</b>	<b>7,785,659</b>
Weighted average exercise price			\$1.79	\$2.93	\$0.00	\$0.00	\$2.05

2021							
Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/forfeited/other	Balance at the end of the year
25/10/2017	14/08/2023	\$3.66	1,138,772	–	–	(1,138,772)	–
25/11/2019	14/08/2025	\$2.35	960,980	–	–	–	960,980
28/10/2020	14/08/2025	\$1.68	–	1,823,951	–	–	1,823,951
28/10/2020	13/08/2026	\$1.68	–	3,235,700	–	–	3,235,700
			<b>2,099,752</b>	<b>5,059,651</b>	<b>–</b>	<b>(1,138,772)</b>	<b>6,020,631</b>
Weighted average exercise price			\$3.06	\$1.68	\$0.00	\$3.66	\$1.79

The weighted average share price during the financial year was \$2.55 (2021: \$2.07) per ordinary share.

Outstanding options exercisable as at 30 June 2022 was nil (2021: nil). The weighted average remaining contractual life of options outstanding at the end of the financial year was 1 year (2021: 2.5 years).

## PERFORMANCE RIGHTS

The performance rights are subject to a service condition and a performance condition. The performance condition is based on the compound annual growth rate of the Group's earnings per share. Rights do not carry a right to receive any dividends. If rights vest and are exercised to receive shares, these shares will be eligible to receive dividends.

Set out below are summaries of performance rights granted under the plan:

2022		Balance at the start of the year	Granted	Exercised	Expired/forfeited/other	Balance at the end of the year
Grant date	Vesting date					
25/11/2019	15/08/2022	590,916	–	–	–	590,916
28/10/2020	15/08/2022	147,888	–	–	–	147,888
28/10/2020	14/08/2023	1,130,194	–	–	–	1,130,194
08/09/2021	01/07/2022	–	402,469	–	–	402,469
26/10/2021	12/08/2024	–	734,790	–	–	734,790
		<b>1,868,998</b>	<b>1,137,259</b>	<b>–</b>	<b>–</b>	<b>3,006,257</b>

2021		Balance at the start of the year	Granted	Exercised	Expired/forfeited/other	Balance at the end of the year
Grant date	Vesting date					
25/10/2017	18/08/2020	101,927	–	–	(101,927)	–
19/09/2019	01/07/2020	153,573	–	(144,382)	(9,191)	–
25/11/2019	15/08/2022	590,916	–	–	–	590,916
28/10/2020	15/08/2022	–	147,888	–	–	147,888
28/10/2020	14/08/2023	–	1,130,194	–	–	1,130,194
		<b>846,416</b>	<b>1,278,082</b>	<b>(144,382)</b>	<b>(111,118)</b>	<b>1,868,998</b>

Performance rights exercisable as at 30 June 2022 was nil (2021: nil). The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 12 months (2021: 33 months).

For the options granted during the current financial year the Black-Scholes valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Vesting date	Share price at grant date	Exercise price	Estimated volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
26/10/2021	12/08/2024	\$2.67	\$2.93	50.00%	5.10%	0.69%	\$0.600

For the performance rights granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Vesting date	Share price at grant date	Exercise price	Dividend yield	Fair value at grant date
08/09/2021	01/07/2022	\$2.77	\$0.00	4.65%	\$2.950
26/10/2021	12/08/2024	\$2.67	\$0.00	5.10%	\$2.330

## NOTE 45. EVENTS AFTER THE REPORTING PERIOD

Apart from the dividend declared as disclosed in note 30, no other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

# Directors' declaration

30 June 2022

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 40 to the financial statements.

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

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors



**Andrew Reitzer**  
Chairman

15 August 2022  
Sydney



**Robbie Blau**  
Chief Executive Officer

# Independent auditor's report

## to the members of SG Fleet Group Limited



## Independent Auditor's Report

To the shareholders of SG Fleet Group Limited

### Report on the audit of the Financial Report

#### Opinion

We have audited the **Financial Report** of SG Fleet Group Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and

complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- consolidated statement of financial position as at 30 June 2022;
- consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended;
- notes including a summary of significant accounting policies; and
- Directors' Declaration.

The **Group** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

#### Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Company in accordance with 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* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

# Independent auditor's report

## to the members of SG Fleet Group Limited



### Key Audit Matters

The **Key Audit Matters** we identified are:

- valuation of goodwill;
- recognition of residual value risk provision;
- measurement of deferred maintenance income; and
- acquisition accounting for the purchase of LeasePlan Australia and New Zealand.

**Key Audit Matters** are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Valuation of goodwill (\$519.5m)

Refer to Note 17 to the Financial Report

The key audit matter	How the matter was addressed in our audit
<p>Valuation of goodwill is a Key Audit Matter due to:</p> <ul style="list-style-type: none"> <li>• the size of the balance (being 24% of total assets);</li> <li>• the high level of judgement involved by us in assessing the inputs to the Group's annual assessment of the impairment model, and the higher estimation uncertainty continuing from the business disruption impact of the COVID-19 global pandemic; and</li> <li>• the acquisition of LeasePlan Australia and New Zealand during the financial year, necessitating our consideration of the Group's allocation of goodwill to the CGUs to which they belong.</li> </ul> <p>The significant forward-looking assumptions the Group applied in its value in use model are:</p> <ul style="list-style-type: none"> <li>• forecast cash flows, which can vary based on a number of factors such as the number and fleet size of new customer wins, residual values, industry growth projections and inflation expectations. The Group operates across different geographies with varying market pressures, which increases the risk</li> </ul>	<p>Our procedures included:</p> <ul style="list-style-type: none"> <li>• assessing the appropriateness of the value in use method applied by the Group to perform the annual test of goodwill for impairment against the requirements of the accounting standards;</li> <li>• assessing the integrity of the value in use model, including the accuracy of the underlying calculation formulas;</li> <li>• assessing the accuracy of previous Group forecasts to inform our evaluation of forecasts incorporated in the model. We considered factors such as the number and fleet size of new customer wins, residual values, industry growth, inflation experienced and historical trends where varying market pressures existed across different geographies and how they impacted the business, for use in further testing;</li> <li>• working with our valuation specialists in assessing the Group's discount rates against publicly available data for a group of comparable entities and independently developing a discount rate range considered comparable using this data. We adjusted this range by risk factors specific to the Group's Cash Generating Units (CGUs) and the industry it operates in;</li> <li>• challenging the Group's cash flow forecast and growth assumptions, including those related to</li> </ul>



<p>of inaccurate forecasts; and the discount rates, which are complex in nature and may vary according to the conditions and environment the specific cash generating units (CGUs) are subject to over time.</p> <p>We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.</p>	<p>fleet size and growth assumptions across different geographies as well as supply chain constraints, using our knowledge of the Group and its industry. This included comparing the Group's growth assumptions to external data, such as industry growth projections and inflation expectations across different geographies;</p> <ul style="list-style-type: none"> <li>• considering the sensitivity of the model by varying key assumptions, such as discount rates and forecast growth rates, within a reasonably possible range. This allowed us to identify assumptions with a higher risk of bias or inconsistency in application, and to assess the presence of indicators of impairment; and</li> <li>• assessing the disclosures in the Financial Report using our understanding obtained from our testing and against the requirements of the accounting standards.</li> </ul>
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#### Recognition of residual value risk provision (\$11.5m)

Refer to Note 22 to the Financial Report

The key audit matter	How the matter was addressed in our audit
<p>The recognition of the residual value risk provision is a Key Audit Matter due to the significant audit effort and high degree of judgement applied by us in assessing the Group's residual value risk provision.</p> <p>The Group has entered into agreements with financiers which requires the transfer of the asset ownership and the associated residual value risk inherent in operating lease assets from the financier to the Group at the end of the operating leases.</p> <p>The determination of the probable residual value risk provision is based on the Group's judgement in determining shortfalls on the disposal of these assets once ownership is transferred to the Group. It also takes into account market conditions and macroeconomic factors, such as inherent volatility of the asset's disposal value due to changes in market conditions between the balance date and</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> <li>• assessing the accounting treatment of the Group's residual value risk provision methodology against the relevant accounting standards;</li> <li>• testing the key control for the Group's residual value risk provision process being the quarterly evaluation and authorisation of the residual value calculation by senior management;</li> <li>• comparing the market conditions and economic factors underpinning the Group's determination of the probable residual values against published market reports and statistical economic information, a key determinant in the residual value risk provision, for use in further testing. Our procedures included comparing the continuing impact of supply chain issues on used car sales prices against publicly available industry literature and other credible information;</li> <li>• assessing the Group's ability to accurately estimate residual values at the end of the lease term by comparing the historical residual valuation of a sample</li> </ul>



# Independent auditor's report

## to the members of SG Fleet Group Limited



future date at which the assets will be disposed.

It is the Group's policy to recognise a provision if the forecast sale proceeds of the asset are less than the residual value payable to the financier. This requires us to use our judgement when considering the Group's assessment, as the ultimate sale proceeds are subject to the condition of the asset and market conditions at the end of the lease.

of vehicles to the actual sale proceeds received from previous disposals from comparable vehicle classes; and

- comparing a sample of the current residual valuation of the motor vehicles against the current market value of these motor vehicles using recent external auction prices achieved for comparable assets.

### Measurement of deferred maintenance income (\$62.3m)

Refer to Note 27 to the Financial Report

#### The key audit matter

The measurement of deferred maintenance income is a Key Audit Matter due to the audit effort and judgement involved in assessing the Group's estimations, which includes consideration of key inputs to the Group's internal pricing cost and margin calculations, and supplier costs.

It is the Group's policy that periodic payments received from customers for maintenance services are initially recognised on the balance sheet as deferred maintenance income. Revenue is subsequently recognised when maintenance work is completed, and supplier costs incurred. The amount released from deferred maintenance income and recognised as revenue is determined based on the stand-alone selling price of the maintenance service provided.

#### How the matter was addressed in our audit

Our procedures included:

- assessing the Group's revenue recognition policy against AASB 15 *Revenue from Contracts with Customers* requirements;
- assessing the historical accuracy of the Group's estimates of life of contract costs by comparing past estimates to actual costs incurred;
- analysing vehicle maintenance costs and developing expectations of maintenance expense which is a key input to the stand-alone selling price of maintenance services. We used our knowledge of the Group, the composition of the Group's fleet (e.g. vehicle makes, types and condition), and other key metrics such as number of vehicles in the fleet and compared this to the maintenance expenses recorded by the Group;
- developing expectations of the deferred maintenance income per vehicle and comparing this to the deferred maintenance income recorded by the Group; and
- assessing the additions to deferred maintenance income by comparing a sample of entries to the underlying maintenance services billed to customers and against the amount specified in the lease.



### Acquisition accounting for the purchase of LeasePlan Australia and New Zealand

Refer to Note 41 to the Financial Report

#### The key audit matter

The Group completed the acquisition of LeasePlan Australia Limited and LeasePlan New Zealand Limited for a total consideration of \$626 million.

Accounting for the purchase is a Key Audit Matter due to the:

- size of the acquisition and therefore the impact on the Financial Report; and
- the high level of judgement and complexity relating to the valuation and purchase price allocation (PPA). The Group engaged an independent valuation expert to advise on the identification and measurement of acquired assets and liabilities, in particular determining the allocation of purchase consideration to goodwill and separately identifiable intangible assets.

These conditions and associated complexity in accounting for the acquisition and disclosures required by accounting standards required significant audit effort and involvement of senior team members.

#### How the matter was addressed in our audit

Our procedures included:

- evaluating the methodology used for the acquisition, including fair value accounting adjustments to the tangible assets and liabilities acquired, against accounting standards requirements.
- working with our valuation specialists to assess and challenge key assumptions used in the PPA to identify and value separate assets by:
  - assessing the objectivity, competence and experience of the Group's independent valuation expert;
  - comparing inputs used by the Group's independent valuation expert with the Group's strategic plans and approved business forecasts; and
  - evaluating the Group's significant judgemental assumptions such as identification of separate identifiable intangible assets and the approach and methodology for valuing the intangible assets.
- assessing the adequacy of the Group's disclosures of quantitative and qualitative considerations in relation to the business acquisition based on our understanding of the acquisition and the requirements of accounting standards.

# Independent auditor's report

## to the members of SG Fleet Group Limited



### Other Information

Other Information is financial and non-financial information in SG Fleet Group Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

### Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*;
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar1.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf). This description forms part of our Auditor's Report.



## Report on the Remuneration Report

### Opinion

In our opinion, the Remuneration Report of SG Fleet Group Limited for the year ended 30 June 2022, complies with Section 300A of the *Corporations Act 2001*.

### Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the *Corporations Act 2001*.

### Our responsibilities

We have audited the Remuneration Report included in pages 11 to 22 of the Directors' report for the year ended 30 June 2022.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

Rachel Milum  
Partner

Sydney  
15 August 2022

KPMG

Joshua Pearse  
Partner

Melbourne  
15 August 2022

# Shareholder information

30 June 2022

The shareholder information set out below was applicable as at 31 July 2022.

## DISTRIBUTION OF EQUITABLE SECURITIES

Analysis of number of equitable security holders by size of holding:

	ORDINARY SHARES	
	Number of holders	% of total shares issued
1 to 1,000	503	0.06
1,001 to 5,000	583	0.48
5,001 to 10,000	335	0.74
10,001 to 100,000	501	3.74
100,001 and over	44	94.98
	1,966	100.00
<b>Holding less than a marketable parcel</b>	<b>315</b>	<b>-</b>

## EQUITY SECURITY HOLDERS

### TWENTY LARGEST QUOTED EQUITY SECURITY HOLDERS

The names of the twenty largest security holders of quoted equity securities are listed below:

	ORDINARY SHARES	
	Number held	% of total shares issued
BLUEFIN INVESTMENTS LIMITED	182,028,160	53.23
LEASEPLAN CORPORATION NV	44,588,550	13.04
CITICORP NOMINEES PTY LIMITED	31,925,496	9.34
BNP PARIBAS NOMS PTY LTD (DRP)	14,014,463	4.10
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	10,495,057	3.07
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	9,505,466	2.78
NETWEALTH INVESTMENTS LIMITED (WRAP SERVICES A/C)	7,857,937	2.30
NATIONAL NOMINEES LIMITED	6,422,539	1.88
ROBERT PINKAS BLAU	5,961,523	1.74
MISAMADA NOMINEES PTY LIMITED (MISAMADA A/C)	1,901,065	0.56
MDJZ FERNANDES PTY LTD (MDJZ FERNANDES A/C)	1,330,845	0.39
SHEVIN PTY LIMITED (THE SHEVIN A/C)	779,732	0.23
SCOTCH INVESTMENTS PTY LTD (SCOTCH INVESTMENTS A/C)	610,000	0.18
INSYNC INVESTMENTS PTY LTD (WEEKLEY SUPER FUND NO 1 A/C)	595,565	0.17
PETER MOUNTFORD	580,000	0.17
MULCASTER SUPER FUND PTY LTD (MULCASTER SUPER FUND A/C)	567,204	0.17
NCH PTY LTD	469,407	0.14
MACDONALD GILBERT BELL	465,960	0.14
TARK FAMILY HOLDINGS PTY LIMITED (TARK FAMILY A/C)	441,253	0.13
MRS ANNIE MARGOSSIAN-KENNY & MR SCOTT ANDREW KENNY (KASM SUPERFUND A/C)	390,618	0.11
	<b>320,930,840</b>	<b>93.87</b>

**UNQUOTED EQUITY SECURITIES**

	Number on issue	Number of holders
Options over ordinary shares	7,785,659	10
Performance rights over ordinary shares	3,006,257	88

The following person holds 20% or more of unquoted equity securities:

Name	Class	Number held
Robbie Blau	Options over ordinary shares	3,376,571

**SUBSTANTIAL HOLDERS**

Substantial holders in the Company are set out below:

	<b>ORDINARY SHARES</b>	
	Number held	% of total shares issued
BLUEFIN INVESTMENTS LIMITED	182,028,160	53.23
LEASEPLAN CORPORATION NV	44,588,550	13.04

**VOTING RIGHTS**

The voting rights attached to ordinary shares are set out below:

**ORDINARY SHARES**

On a show of hands every member present at a meeting in person or by proxy, attorney or corporate representative shall have one vote and upon a poll each share shall have one vote.

**RESTRICTED SECURITIES**

Class	Expiry date	Number of shares
Fully paid shares held by LeasePlan Corporation NV	Escrowed to 1 September 2022	22,294,275
Fully paid shares held by LeasePlan Corporation NV	Escrowed to 1 September 2023	22,294,275
		<b>44,588,550</b>

**SHARE BUY-BACK**

There is no current on-market share buy-back.

# Corporate directory

<b>Directors</b>	<p>Andrew Reitzer – Independent Non-Executive Chairman</p> <p>Robbie Blau – Chief Executive Officer</p> <p>Cheryl Bart AO – Independent Non-Executive Director</p> <p>Peter Mountford – Non-Executive Director</p> <p>Edwin Jankelowitz – Independent Non-Executive Director</p> <p>Kevin Wundram – Chief Financial Officer</p> <p>Tex Gunning – Independent Non-Executive Director</p> <p>Colin Brown – Alternate Director for Peter Mountford</p>
<b>Company secretary</b>	Tawanda Mutengwa
<b>Notice of annual general meeting</b>	The annual general meeting of SG Fleet Group Limited will be held virtually at 3:00 pm on Tuesday, 25 October 2022. Further details will be provided in the Notice of Meeting.
<b>Registered office and Principal place of business</b>	<p>Level 2, Building 3 20 Bridge Street Pymble NSW 2073</p> <p>Telephone: +61 2 9494 1000 Facsimile: +61 2 9391 5656 E-mail: <a href="mailto:globalenquiries@sgfleet.com">globalenquiries@sgfleet.com</a></p>
<b>Share register</b>	<p>The Registrar Boardroom Pty Ltd Level 12, 225 George Street, Sydney, NSW 2000</p> <p>Telephone: +61 2 9290 9600 E-mail: <a href="mailto:enquiries@boardroomlimited.com.au">enquiries@boardroomlimited.com.au</a> Website: <a href="http://www.boardroomlimited.com.au">www.boardroomlimited.com.au</a></p>
<b>Auditor</b>	<p>KPMG International Tower 3 300 Barangaroo Avenue Sydney NSW 2000</p>
<b>Stock exchange listing</b>	SG Fleet Group Limited shares are listed on the Australian Securities Exchange (ASX code: SGF)
<b>Website</b>	<a href="http://www.sgfleet.com">www.sgfleet.com</a>
<b>Corporate Governance Statement</b>	<p>The Directors and management are committed to conducting the business of SG Fleet Group Limited in an ethical manner and in accordance with the highest standards of corporate governance. SG Fleet Group Limited has adopted and has substantially complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) ('Recommendations') to the extent appropriate to the size and nature of its operations.</p> <p>The Group's Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and identifies and explains any Recommendations that have not been followed and ASX Appendix 4G are released to the ASX on the same day the Annual Report is released. The Corporate Governance Statement can be found on the company's website at <a href="http://investors.sgfleet.com/Investors/?page=Corporate-Governance-Statement">http://investors.sgfleet.com/Investors/?page=Corporate-Governance-Statement</a>.</p>
<b>Enquiries</b>	<a href="mailto:investorenquiries@sgfleet.com">investorenquiries@sgfleet.com</a>





23 September 2022

Dear Shareholder

**SG Fleet Group Limited Notice of Annual General Meeting**

We write to advise that the SG Fleet Group Limited Annual General Meeting will be held virtually on Tuesday, 25 October 2022, commencing at 3.00 pm AEDT.

Shareholders can participate in the meeting using the online platform at <http://web.lumiagm.com/358032924> via a computer or mobile device. Relevant instructions are included in the Notice of Meeting.

The Notice of Annual General Meeting will be made available for viewing or downloading electronically on **Friday, 23 September 2022 at 11.00am AEST** on the below URL, replacing the sending of a Notice of Annual General Meeting by mail.

<http://investors.sgfleet.com/Investors/>

You will have to type the above URL into your browser to view or download a copy of our Notice of Annual General Meeting.

We have sent you a physical letter because you have elected to receive all correspondence by mail to your elected address. Should you wish to consider the convenience of receiving electronic communication going forward, please contact our registry service, BoardRoom as per the details below.

Boardroom Pty Limited  
Email: [enquiries@boardroomlimited.com.au](mailto:enquiries@boardroomlimited.com.au)  
Tel: 1300 737 760 (within Australia)  
Tel: +61 2 9290 9600 (outside Australia)

Tawanda Mutengwa  
Company Secretary  
SG Fleet Group Limited

**SG Fleet Australia**  
Level 2, Building 3,  
20 Bridge Street  
Pymble, NSW 2073  
Ph: + 61 2 9494 1000  
Fax: +61 2 9391 5600

**SG Fleet NZ**  
Level 2, The Ferry Building,  
99 Quay Street  
Auckland, 1010 New Zealand  
Ph: +64 9 363 2993  
Fax: +64 363 2994

**SG Fleet UK**  
Station Court  
Old Station Rd  
Hampton in Arden  
Solihull B92 0HA  
Ph: +44 845 154 0721

**SG Fleet Group Limited**

ABN 40 167 554 574  
[www.sgfleet.com](http://www.sgfleet.com)

# SG Fleet Group

Integrated Mobility

SG FLEET GROUP LIMITED  
ABN 40 167 554 574

## Notice of Annual General Meeting 2022

Notice is given that the Annual General Meeting of SG Fleet Group Limited (the Company) will be held virtually on Tuesday, 25 October 2022 commencing at 3.00 pm AEDT.

Shareholders can participate in the meeting using the online platform at <http://web.lumiagm.com/358032924> via a computer or mobile device. Relevant instructions are included in the Online Shareholders' Meeting Guide 2022 annexed to this Notice of Meeting and marked Annexure A.

Shareholders are strongly encouraged to lodge their Voting Forms prior to 3PM AEDT on Sunday, 23 October 2022, whether or not they are planning to participate in the virtual meeting.

The Company also encourages shareholders to send any questions relating to the AGM and its resolutions to [investorenquiries@sgfleet.com](mailto:investorenquiries@sgfleet.com) prior to the meeting in order to assist with the provision of timely responses.



# Business of the Meeting

## 1. FINANCIAL REPORT, DIRECTORS' REPORT AND AUDITOR'S REPORT

To receive and consider the Financial Report of the Company and the Reports of the Directors and Auditor for the financial year ended 30 June 2022.

## 2. REMUNERATION REPORT

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That the Remuneration Report for the financial year ended 30 June 2022 be adopted".

*Note: A voting exclusion statement applies to this resolution. The vote on this resolution is advisory only and does not bind the Directors or the Company.*

## 3. RE-ELECTION OF ANDREW REITZER

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That Andrew Reitzer, who retires by rotation and being eligible, be re-elected as a Director of the Company".

## 4. RE-ELECTION OF PETER MOUNTFORD

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That Peter Mountford, who retires by rotation and being eligible, be re-elected as a Director of the Company".

## 5. RE-ELECTION OF CHERYL BART AO

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That Cheryl Bart, who retires by rotation and being eligible, be re-elected as a Director of the Company".

## 6. RENEWAL OF PROPORTIONAL TAKEOVER APPROVAL PROVISIONS

To consider and, if thought fit, to pass the following resolution as a special resolution:

"That the proportional takeover provisions contained in Rule 6 of the Company's Constitution be renewed for a further 3 years with effect from the date of the Meeting."

## 7. APPOINTMENT OF ERNST & YOUNG AS COMPANY AUDITOR

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That, for the purposes of section 327B of the *Corporations Act 2001* (Cth) and for all other purposes, Ernst & Young (**EY**), having been nominated by a shareholder and consenting in writing to act in the capacity of Auditor of the Company, be appointed as Auditor of the Company and that the Directors be authorised to fix the remuneration of the Auditor."

## 8. GRANT OF OPTIONS AND PERFORMANCE RIGHTS TO THE CHIEF EXECUTIVE OFFICER

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That approval be given for all purposes, including ASX Listing Rule 10.14, to grant the Company's Chief Executive Officer, Robbie Blau, 867,705 Options and 94,349 Performance Rights as his long term incentive award for the financial year ending 30 June 2023 under the Company's Equity Incentive Plan, on the terms set out in the Explanatory Notes to this Notice of Meeting."

*Note: A voting exclusion statement applies to this resolution.*

## 9. GRANT OF OPTIONS AND PERFORMANCE RIGHTS TO THE CHIEF FINANCIAL OFFICER

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That approval be given for all purposes, including ASX Listing Rule 10.14, to grant the Company's Chief Financial Officer, Kevin Wundram, 335,091 Options and 36,436 Performance Rights as his long term incentive award for the financial year ending 30 June 2023 under the Company's Equity Incentive Plan, on the terms set out in the Explanatory Notes to this Notice of Meeting."

*Note: A voting exclusion statement applies to this resolution.*

## 10. FURTHER INFORMATION ABOUT EACH RESOLUTION OF BUSINESS IS SET OUT IN THE EXPLANATORY NOTES ACCOMPANYING AND FORMING PART OF THIS NOTICE OF MEETING

# Voting Exclusions

## RESOLUTION 2 (REMUNERATION REPORT)

In accordance with the *Corporations Act 2001* (Cth) (Corporations Act), the Company will disregard any votes cast on Resolution 2:

- (a) by or on behalf of a member of the Company's key management personnel (KMP) named in the Remuneration Report and their closely related parties (such as close family members or any controlled entities), regardless of the capacity in which the votes are cast; and
- (b) as a proxy by a person who is a member of the KMP on the date of the Annual General Meeting and their closely related parties.

However, the Company will not disregard any votes if they are cast as proxy for a person entitled to vote on Resolution 2:

- (a) in accordance with a direction on the Proxy Form; or
- (b) by the Chairman of the Meeting pursuant to an express authorisation to vote as the proxy decides, even though Resolution 2 is connected with the remuneration of the Company's KMP.

## RESOLUTION 8 (GRANT OF OPTIONS AND PERFORMANCE RIGHTS TO THE CHIEF EXECUTIVE OFFICER)

In accordance with the ASX Listing Rules and the Corporations Act, the Company will disregard any votes cast:

- (a) in any capacity on Resolution 8 by or on behalf of Robbie Blau or any of his associates; and
- (b) as a proxy on Resolution 8 by a person who is a member of the KMP on the date of the Annual General Meeting and their closely related parties.

However, the Company will not disregard any votes if they are cast as proxy for a person entitled to vote on Resolution 8:

- (a) in accordance with a direction on the Proxy Form; or
- (b) by the Chairman of the Meeting pursuant to an express authorisation to vote as the proxy decides, even though the relevant Resolution is connected with the remuneration of the Company's KMP; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way

## RESOLUTION 9 (GRANT OF OPTIONS AND PERFORMANCE RIGHTS TO THE CHIEF FINANCIAL OFFICER)

In accordance with the ASX Listing Rules and the Corporations Act, the Company will disregard any votes cast:

- (a) in any capacity on Resolution 9 by or on behalf of Kevin Wundram or any of his associates; and
- (b) as a proxy on Resolution 9 by a person who is a member of the KMP on the date of the Annual General Meeting and their closely related parties.

However, the Company will not disregard any votes if they are cast as proxy for a person entitled to vote on Resolution 9:

- (a) in accordance with a direction on the Proxy Form; or
- (b) by the Chairman of the Meeting pursuant to an express authorisation to vote as the proxy decides, even though the relevant Resolution is connected with the remuneration of the Company's KMP; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way

Dated 15 August 2022

By order of the Board

**Tawanda Mutengwa**  
Company Secretary

# Notes on voting

## VOTING ENTITLEMENT

The Board has determined that persons who are registered as holding shares in the Company at 7.00 pm (AEDT) on Sunday, 23 October 2022 will be entitled to attend and vote at the Meeting. Share transfers registered after that time will be disregarded in determining entitlements to attend and vote.

## VOTING AT THE MEETING

It is intended that voting on each of the proposed resolutions at this meeting will be conducted by poll, rather than a show of hands. On a poll, each shareholder present in person or by proxy has one vote for each fully paid ordinary share in the Company they hold.

## VOTING BY PROXY

A shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of the shareholder. A proxy need not be a shareholder, and may be an individual or a body corporate.

A shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes which each proxy is appointed to exercise. Otherwise, each proxy will be entitled to exercise half of the shareholder's votes.

If you wish to appoint a proxy, please complete and submit the Proxy Form accompanying this Notice of Annual General Meeting, by following the instructions contained in the Proxy Form.

Shareholders can direct their proxy how to vote by following the instructions on the Proxy Form, and are encouraged to do so.

## APPOINTING A MEMBER OF THE KMP TO ACT AS YOUR PROXY

If a shareholder appoints a member of the Company's KMP (which includes Directors) or one of the KMP's closely related parties (such as close family members or any controlled entities) as proxy, they will not be able to cast the shareholder's votes on Resolution 2, unless they are directed how to vote on the relevant Resolution(s) or the Chairman of the Meeting is appointed as proxy.

If the Chairman of the Meeting is appointed as a shareholder's proxy or becomes their proxy by default, and the shareholder does not mark a voting box for Resolution 2, then by completing and submitting the Proxy Form, the shareholder will be expressly authorising the Chairman of the Meeting to exercise the proxy in respect of the relevant Resolution(s) as the Chairman decides, even though the Resolution is connected with the remuneration of the Company's KMP.

The Chairman of the Meeting intends to vote all available proxies in favour of each Resolution of business.

## HOW TO LODGE A PROXY FORM

Proxy Forms may be lodged with the Company's Share Registry in one of the following ways:

### ONLINE

<https://www.votingonline.com.au/sgfagm2022>

### MAIL

**Boardroom Pty Limited**  
GPO Box 3993  
Sydney NSW 2001  
Australia

### HAND DELIVERY

**Boardroom Pty Limited**  
Level 12, 225 George Street  
Sydney NSW 2000  
Australia

### FAX

+61 2 9290 9655

To be effective, your Proxy Form (and any Power of Attorney or other authority under which it is signed or a certified copy), must be received no later than 48 hours prior to the Annual General Meeting (i.e. no later than **3.00pm (AEDT) on Sunday, 23 October 2022**).

## ATTORNEYS

Where a shareholder appoints an attorney to act on their behalf at the Meeting, this appointment must be made by a duly executed power of attorney. The power of attorney must be provided prior to admission to the Meeting.

## CORPORATIONS

If a body corporate is a shareholder or a shareholder appoints a body corporate as a proxy, that body corporate will need to ensure that it:

- appoints an individual as its corporate representative to exercise its powers at the meeting, in accordance with Section 250D of the Corporations Act; and
- provides satisfactory evidence of the appointment of its corporate representative prior to commencement of the meeting.

Evidence of the appointment of a corporate representative must be received prior to admission to the Meeting.

# Explanatory Notes

These Explanatory Notes have been prepared to help shareholders understand the business to be put to shareholders at the 2022 Annual General Meeting.

## RESOLUTION 1 – FINANCIAL REPORT, DIRECTORS' REPORT AND AUDITOR'S REPORT

As required by the Corporations Act, the Financial Report, Directors' Report and Auditor's Report of the Company for the financial year ended 30 June 2022 will be laid before the Annual General Meeting.

There is no requirement for shareholders to vote on this Resolution.

Shareholders will be provided with the opportunity to ask questions or raise comments about the Reports or the management of the Company. Also, a reasonable opportunity will be given to shareholders to ask the Company's auditor questions relevant to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the Financial Report and the independence of the auditor in relation to the conduct of the audit.

## RESOLUTION 2 – REMUNERATION REPORT

Under the Corporations Act, the Company is required to submit its Remuneration Report for adoption by shareholders at the Annual General Meeting.

The Company's Remuneration Report for the financial period ended 30 June 2022 is set out in the Directors' Report which forms part of the Company's 2022 Annual Report, a copy of which was provided to shareholders with this Notice of Annual General Meeting.

The Remuneration Report discusses matters including the remuneration policy of the Company, the remuneration paid to Directors and executives who are members of the Company's KMP, and the relationship between remuneration of those Directors and executives and performance.

The vote on this resolution is advisory only and does not bind the Directors or the Company.

A voting exclusion statement applies to this resolution, as set out in the Notice of Meeting.

### Board recommendation for Resolution 2

The Directors recommend that shareholders vote in favour of the resolution to adopt the Remuneration Report.

## RESOLUTION 3 – RE-ELECTION OF MR ANDREW REITZER

Rule 8.1(d) of the Company's Constitution provides that a Director of the Company must not hold office (without re-election) past the third annual general meeting following the Director's last election or re-election.

As this is the third Annual General Meeting of the Company since Mr Reitzer was elected, he retires, and being eligible, offers himself for re-election.

The experience, qualifications and other information about Mr Reitzer are set out below.

Mr Reitzer was appointed to the Board in February 2014 as an Independent Non-Executive Director and Chairman. Mr Reitzer has over 40 years of global experience in both the retail and wholesale industry. He has served as the Chief Executive Officer ('CEO') of Metcash Limited between 1998 and 2013. Prior to his appointment as CEO of Metcash, Andrew held various management roles at Metro Cash & Carry Limited and was appointed to lead the establishment of Metro's operations in Israel and Russia and served as the Group Operations Director.

Mr Reitzer holds a Bachelor of Commerce and a Master of Business Leadership from the University of South Africa. He chairs the Nomination and Remuneration Committee and the Innovation and Technology Committee.

### Board recommendation for Resolution 3

The Directors (Mr Reitzer abstaining) recommend that shareholders vote in favour of the re-election of Mr Reitzer as a Director.

## RESOLUTION 4 – RE-ELECTION OF MR PETER MOUNTFORD

Rule 8.1(d) of the Company's Constitution provides that a Director of the Company must not hold office (without re-election) past the third annual general meeting following the Director's last election or re-election.

As this is the third Annual General Meeting of the Company since Mr Mountford was elected, he retires, and being eligible, offers himself for re-election.

The experience, qualifications and other information about Mr Mountford are set out below.

Mr Mountford was appointed to the Board in February 2014 as a Non-Executive Director and nominee of Super Group Limited.

Mr Mountford has over 20 years of senior management experience. He currently serves as the CEO of Super Group and he has held this position since 29 July 2009. Prior to becoming the CEO of Super Group, he served as the Managing Director of Super Group's Logistics and Transport division and later its Supply Chain division.

Mr Mountford's experience also includes six years as the CEO of Imperial Holdings' Consumer Logistics division and the Managing Director of South African Breweries Diversified Beverages. His other directorships include Super Group Limited (JSE: SPG) and the Road Freight Association in South Africa.

Mr Mountford holds an MBA from Warwick University and is a Chartered Accountant.

Mr Mountford is a member of both the Audit, Risk and Compliance Committee and the Nomination and Remuneration Committee.

### Board recommendation for Resolution 4

The Directors (Mr Mountford abstaining) recommend that shareholders vote in favour of the re-election of Mr Mountford as a Director.

# Explanatory Notes

## RESOLUTION 5 – RE-ELECTION OF MS CHERYL BART AO

Rule 8.1(d) of the Company's Constitution provides that a Director of the Company must not hold office (without re-election) past the third annual general meeting following the Director's last election or re-election.

As this is the third Annual General Meeting of the Company since Ms Bart was elected, she retires, and being eligible, offers herself for re-election.

The experience, qualifications and other information about Ms Bart are set out below.

Ms Bart was appointed to the Board in January 2014 as an Independent Non-Executive Director. She was awarded the Order of Australia in the Australia Day Honours in January 2009.

Ms Bart is a qualified lawyer and company director with experience across industries including financial services, utilities, energy, renewable energy, television and film. Ms Bart previously worked as a lawyer specialising in Banking and Finance at Mallesons Stephen Jaques (now King & Wood Mallesons). Ms Bart is currently a director of Shaw Australia Pty Ltd, Chairman of Tilt Renewables and Chairman of TEDxSydney. Ms Bart is past Chairman of ANZ Trustees Ltd, the Environment Protection Authority of South Australia, the South Australian Film Corporation, Adelaide Film Festival and the Foundation for Alcohol Research and Education ('FARE'). Ms Bart is the 31st person in the world to complete The Explorer's Grand Slam, and is a Patron of SportsConnect. Cheryl has also previously been a director of Football Federation Australia, ME Bank, The Prince's Trust Australia, Australian Himalayan Foundation and Invictus Games Sydney 2018.

Ms Bart holds a Bachelor of Commerce and Bachelor of Laws from the University of New South Wales. She is a member of the Audit, Risk and Compliance Committee, the Nomination and Remuneration Committee and the Innovation and Technology Committee.

### Board recommendation for Resolution 5

The Directors (Ms Bart abstaining) recommend that shareholders vote in favour of the re-election of Ms Bart as a Director.

## RESOLUTION 6 – RENEWAL OF PROPORTIONAL TAKEOVER APPROVAL PROVISIONS

The Company's Constitution currently contains provisions dealing with proportional takeover bids for the Company's shares in accordance with the Corporations Act. The provisions, which are contained in Rule 6 of the Constitution, are designed to assist shareholders to receive proper value for their shares if a proportional takeover bid is made for the Company.

Under the Corporations Act, these provisions must be renewed every 3 years or they will cease to have effect. The current provisions, last renewed on 17 October 2019, will automatically cease to have effect on 25 October 2022 unless renewed by the proposed special resolution. These provisions must be renewed at this Annual General Meeting in order to apply to any future proportional takeover offers made after that time.

If these provisions are renewed by shareholders at the meeting, they will be in exactly the same terms as the existing provisions and will operate for a further 3 years.

A copy of the Company's current Constitution is available on the Company's website at <https://investors.sgfleet.com/Investors/?page=policies>.

### Statement under the Corporations Act

The Corporations Act requires that the following information be provided to shareholders when they are considering the inclusion of proportional takeover provisions in a constitution.

#### Effect of proportional takeover approval provisions

A proportional takeover offer is where an offer is made to each shareholder for a proportion of that shareholder's shares, and not for the shareholder's entire shareholding.

The current provisions of the Constitution state that, if a proportional takeover bid is made, the Directors must ensure that shareholders vote on a resolution to approve the bid on a day that is at least 14 days before the bid period closes (or such later date as is approved by the Australian Securities and Investments Commission).

The vote is decided on a simple majority. Each person who, as at the end of the day on which the first offer under the bid was made, held bid class securities is entitled to vote, but the bidder and its associates are not allowed to vote.

If the resolution is not passed, transfers which would have resulted from the acceptance of a bid will not be registered and the bid will be taken to have been withdrawn. If the bid is approved (or taken to have been approved), the transfers must be registered if they comply with the Corporations Act and the Company's Constitution.

The Directors will breach the Corporations Act if they fail to ensure the approving resolution is voted on. However, if the resolution is not voted on, the bid will be taken to have been approved.

The proportional takeover approval provisions do not apply to full takeover bids and only apply for 3 years after approval. The provisions may be renewed, but only by a special resolution.

# Explanatory Notes

## Reasons for renewing the provisions

If the proportional takeover approval provisions are not in the Constitution, a proportional takeover bid may enable control of the Company to pass without shareholders having the opportunity to sell all of their shares to the bidder. Shareholders may therefore be exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium for their shares. The proposed proportional takeover provisions decrease this risk because they allow shareholders to decide whether a proportional takeover bid is acceptable and should be permitted to proceed.

## Review of proportional takeover provisions

While proportional takeover approval provisions have previously been in force under the Company's Constitution, there have been no full or proportional takeover bids for the Company. Therefore, there is no example against which to review the advantages or disadvantages of the provisions for the Directors and the shareholders.

## Potential advantages and disadvantages

The Directors consider that the renewal of the proportional takeover approval provisions has no potential advantages or disadvantages for them. They remain free to make a recommendation as to whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover approval provisions for shareholders of the Company are:

- shareholders have the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- the provisions may help shareholders avoid being locked in as a minority;
- the bargaining power of shareholders is increased (this may help ensure that any partial offer is adequately priced); and
- knowing the view of the majority of shareholders may help each individual shareholder assess the likely outcome of the proportional takeover bid and to decide whether to accept or reject that offer.

The potential disadvantages for shareholders of the Company include:

- proportional takeover bids for shares in the Company may be discouraged;
- shareholders may lose an opportunity of selling some of their shares at a premium; and
- the chance of a proportional takeover bid being successful may be reduced.

The Board considers that the potential advantages for shareholders of the proportional takeover approval provisions outweigh the potential disadvantages. In particular, shareholders as a whole are able to decide whether or not a proportional takeover bid is successful.

## No knowledge of any acquisition proposals

At the date of this Notice of Meeting, no Director is aware of a proposal by a person to acquire, or to increase the extent of, a substantial interest in the Company.

## Board recommendation for Resolution 6

The Directors recommend that shareholders vote in favour of the renewal of the proportional takeover approval provisions in the Company's Constitution.

## RESOLUTION 7 – APPOINTMENT OF ERNST & YOUNG AS THE COMPANY'S AUDITOR

On 15 August 2022, in accordance with section 327C of the Corporations Act, the Company appointed Ernst & Young (EY) as auditor of the Company following ASIC's consent to the resignation of the previous auditor of the Company, KPMG, in accordance with section 329(5) of the Corporations Act.

Following the above appointment, and in accordance with section 327C(2) of the Corporations Act, EY holds office as auditor of the Company until the Company's next annual general meeting, being the Meeting the subject of this Notice of Meeting. In accordance with section 327B(1)(b), the Company now seeks shareholder approval for the ongoing appointment of EY as auditor of the Company and its subsidiaries. In accordance with section 328B of the Corporations Act, a notice in writing nominating EY as auditor has been given to the Company by a shareholder. A copy of the notice is included in this Notice of Meeting.

The appointment of EY will be by vote of shareholders as an ordinary resolution. EY has provided to the Company, and has not withdrawn its written consent to act as auditor of the Company, in accordance with section 328A(1) of the Corporations Act.

In accordance with section 328B(3) of the *Corporations Act 2001* (Cth) a copy of the notice of nomination of Auditor accompanies this Notice of Meeting, and is set out in Annexure B.

## Board recommendation for Resolution 7

The Directors recommend that shareholders vote in favour of Resolution 7.



## Explanatory Notes

### RESOLUTIONS 8 AND 9 – GRANT OF OPTIONS AND PERFORMANCE RIGHTS AS FY2023 LTI AWARD TO CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

ASX Listing Rule 10.14 requires the Company to obtain shareholder approval for the issue of securities to a director under an employee incentive scheme. The Company is seeking shareholder approval for the grant of Options and Performance Rights to Mr Robbie Blau, Chief Executive Officer (CEO), and to Mr Kevin Wundram, Chief Financial Officer (CFO), as their Long Term Incentive (LTI) awards for FY2023 under the Company's Equity Incentive Plan (Plan).

These LTI awards are designed to align the interests of the CEO and CFO with the interests of shareholders by providing the opportunity to receive an equity interest in the Company by granting Options and Performance Rights.

75% of the LTI Opportunity for each of Mr Blau and Mr Wundram will be granted by way of Options and 25% of the LTI Opportunity will be granted by way of Performance Rights, as set out in the table below.

	FY2023 LTI
Number of Performance Rights and Options	Mr Blau
	– 867,705 Options
	– 94,349 Performance Rights
	Mr Wundram
	– 335,091 Options
	– 36,436 Performance Rights
Performance period	three-year performance period commencing on 1 July 2022 and ending on 30 June 2025
Vesting period	vesting will occur on the date the results for the financial year ended 30 June 2025, and subject to approval by the Board

As the Options and Performance Rights will form part of Mr Blau's and Mr Wundram's remuneration, they will be granted at no cost to Mr Blau and Mr Wundram.

The number of Options to be granted to each executive has been determined by dividing the relevant LTI opportunity (60% of Mr Blau's total fixed remuneration and 45% of Mr Wundram's total fixed remuneration) that will be awarded as Options (75%) by the value of the Options (which has been determined by a valuation prepared by an independent expert).

Similarly, the number of Performance Rights to be granted to each executive has been determined by dividing the relevant LTI opportunity that will be awarded as Performance Rights (25%) by the value of the Performance Rights (which has been determined by a valuation prepared by an independent expert).

### Performance condition

The LTI awards to Mr Blau and Mr Wundram will be subject to an Underlying Earnings Per Share (EPS) performance condition. The Underlying EPS performance condition will be tested based on the compound annual growth rate (CAGR) of the Company's Underlying EPS.

Calculation of the CAGR of the Underlying EPS and achievement against the performance condition will be determined by the Nomination and Remuneration Committee in its absolute discretion, having regard to any matters that it considers relevant. In determining the Underlying EPS for this purpose the Nomination and Remuneration Committee intends to deduct the costs incurred by the Group in integrating the LeasePlan acquisition.

The percentage of Options and Performance Rights in each component that vest (and become exercisable, in the case of the Options), if any, will be determined by reference to the following vesting schedule, subject to any adjustments for abnormal or unusual profit items that the Nomination and Remuneration Committee, in its discretion, considers appropriate:

Company's CAGR of Underlying EPS over the Performance Period that applies to the relevant component	% of Options or Performance Rights in a component that vest (and become exercisable, in the case of Options)
Less than 3% CAGR	Nil
3% CAGR (threshold performance)	60%
Between 3% and 7% CAGR	60% to 140%
7% CAGR or above (stretch performance)	100%

Testing of each component is expected to occur shortly after the end of the relevant performance period. Any Options or Performance Rights that do not vest on the relevant test date will lapse and there is no retesting of the award.

### Vesting and exercise of Performance Rights and Options

Each Share Option and each Share Performance Right entitles Mr Blau and Mr Wundram to one ordinary share in the Company on vesting (and exercise, in the case of Options), although the Board retains the discretion to pay a cash-equivalent payment instead where it considers it appropriate (for example, where a Share Option or Share Performance Right vests or is exercised after cessation of employment).

Options may be exercised up to the third anniversary of the vesting date and if they are not exercised by this time, they will lapse. An exercise price of \$2.17 per Share Option is payable to exercise the Options in cleared funds or under a cashless exercise mechanism approved by the Board.

# Explanatory Notes

## Dividend and voting rights

Prior to vesting and exercise, Options and Performance Rights do not entitle Mr Blau or Mr Wundram to any dividends or voting rights.

## Cessation of employment

Where the employment of Mr Blau or Mr Wundram is terminated for cause, all unvested Options and Performance Rights and vested but unexercised Options will automatically lapse. In all other circumstances of cessation of employment, unvested Options and Performance Rights will remain on foot and subject to the original terms and vested but unexercised Options will be exercisable for three months from the date of cessation. However, the Board retains a discretion to lapse some or all of the unvested Options and Performance Rights in certain circumstances.

## Change of control

Where there is a takeover bid or the Board considers there is likely to be a change of control or an event that should otherwise be treated in accordance with the change of control rule in the Plan Rules (for example, a delisting), the Board has the discretion to accelerate vesting of some or all of the Options and Performance Rights. Where only some of the Options and Performance Rights are vested on a change of control, the remainder of the Options and Performance Rights will immediately lapse. If a change of control occurs before the Board exercises its discretion:

- a pro rata portion of unvested Options and Performance Rights will vest immediately and the Board retains a discretion to determine whether the remainder vest or lapse; and
- vested but unexercised Options will remain exercisable for a period notified by the Board.

## Preventing inappropriate or unfair benefits

The Options and Performance Rights are subject to forfeiture or “clawback” provisions that the Board may apply in certain circumstances to ensure that neither Mr Blau nor Mr Wundram obtain an inappropriate or unfair benefit, for example, if there is a material misstatement in a Group company’s accounts.

## Timing of awards of Options and Performance Rights

Subject to shareholder approval, the Options and Performance Rights are expected to be granted under the Plan immediately after the Annual General Meeting in October 2022 and in any event within 12 months of the Meeting.

## Additional information provided in accordance with ASX Listing Rule 10.15

Mr Blau and Mr Wundram are the only Directors (or associates of a Director) that are entitled to participate in the Equity Incentive Plan, and both fall under Listing Rule 10.14.1. For purposes of Listing Rule 10.15.4, details of their remuneration are set out in Annexure C of this Notice of Meeting.

- No loan will be made by the Company in relation to the acquisition of Options and Performance Rights by Mr Blau or Mr Wundram.
- If approval is given under ASX Listing Rule 10.14, approval will not be required under ASX Listing Rule 7.1. This means that the Options and Performance Rights granted to Mr Blau and Mr Wundram and any shares issued pursuant to this approval will not use up any or part of the 15% available under ASX Listing Rule 7.1.
- For purposes of Listing Rule 10.15.5, details of any securities issued under the scheme are set out in Table 2 of the Annexure to this Notice of Meeting.
- Details of any securities issued under the scheme will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.
- Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the scheme after the resolution is approved and who were not named in the Notice of Meeting will not participate until approval is obtained under that rule.

A voting exclusion statement applies to this resolution, as set out in the Notice of Meeting.

## Board recommendation for Resolutions 8 and 9

The Non-Executive Directors recommend that shareholders vote in favour of Resolutions 8 and 9.

# Annexure A

## Online Shareholders' Meeting Guide 2022

### ATTENDING THE AGM VIRTUALLY

If you choose to participate online, you will be able to view a live webcast of the meeting, ask questions and submit your votes in real time.

### TO ACCESS THE MEETING:

Visit [web.lumiagm.com/358032924](http://web.lumiagm.com/358032924) on your computer, tablet or smartphone. You will need the latest version of Chrome, Safari, Edge or Firefox. Please ensure your browser is compatible.

#### MEETING ID: 358-032-924

To login you must have your **Voting Access Code (VAC)** and **Postcode or Country Code**

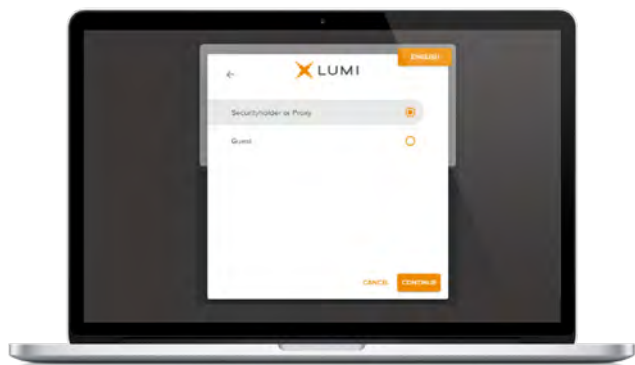
The website will be open and available for log in from 2:00pm (AEDT), 25th October 2022

### USING THE LUMI AGM PLATFORM: ACCESS

The 1st page of the platform will ask in what capacity you are joining the meeting.

Shareholders or appointed proxies should select **"Shareholder or Proxyholder"**.

Guests should select **"Guest"**.



### CREDENTIALS

#### Shareholders/Proxys

Your username is your **Voting Access Code** and your password is your **Postcode or Country Code**, or, for Non-Australian residents, your **3-letter country code**.

Proxy holders should obtain their log in credentials from the registrar by calling 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia).

#### Guests

Please enter your name and email address to be admitted into the meeting.

*Please note, guests will not be able to ask questions or vote at the meeting.*

# Annexure A

## Online Shareholders' Meeting Guide 2022

### NAVIGATION

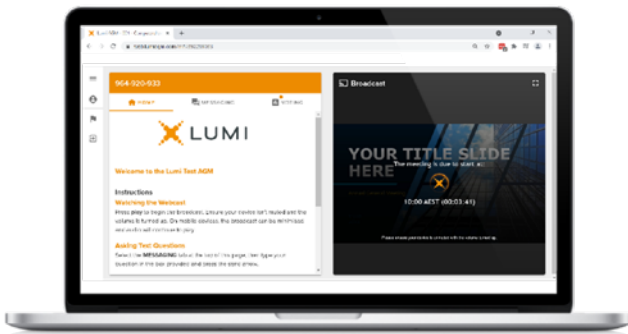
Once successfully authenticated, the home page will appear. You can view meeting instructions, ask questions and watch the webcast.

If viewing on a computer the webcast will appear at the side automatically once the meeting has started.

On a mobile device, select the broadcast icon at the bottom of the screen to watch the webcast.



During the meeting, mobile users can minimise the webcast at any time by selecting the arrow by the broadcast icon. You will still be able to hear the meeting. Selecting the broadcast icon again will reopen the webcast.



Desktop/Laptop users can watch the webcast full screen, by selecting the full screen icon.



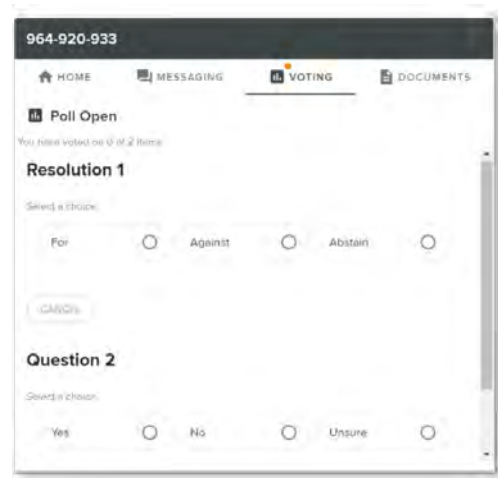
To reduce the webcast to its original size, select the X at the top of the broadcast window.

### VOTING

The Chair will open voting on all resolutions at the start of the meeting. Once voting has opened, the voting tab will appear on the navigation bar.



Selecting this tab will open a list of all resolutions and their voting options.

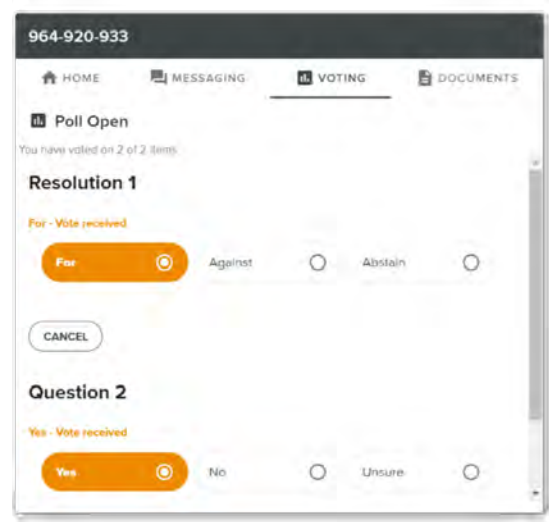


To vote, simply select your voting direction from the options displayed on screen. Your selection will change colour and a confirmation message will appear.

To change your vote, simply select another option. If you wish to cancel your vote, please press cancel.

There is no need to press a submit or send button. Your vote is automatically counted.

Voting can be performed at any time during the meeting until the Chair closes the poll.



# Annexure A

## Online Shareholders' Meeting Guide 2022

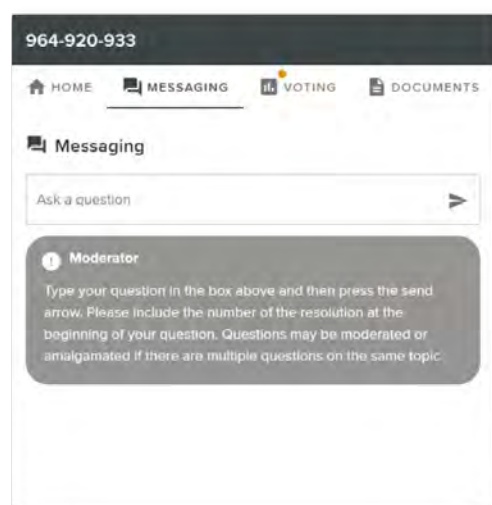
### QUESTIONS

Any shareholder or appointed proxy is eligible to ask questions.



If you would like to ask a question. Select the messaging tab.

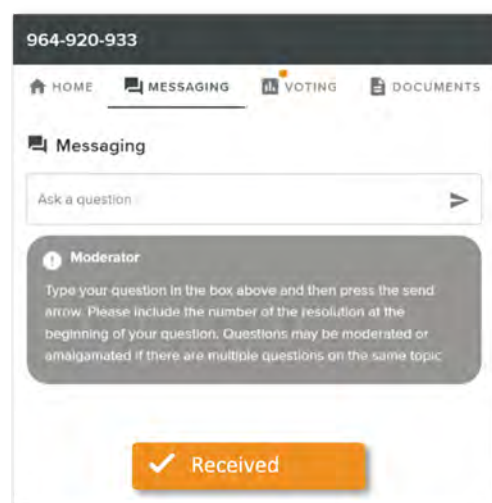
Messages can be submitted at any time from the start of the meeting, up until the Chair closes the Q&A session.



Select the "Ask a Question" box and type in your message.



Once you are happy with your message, select the send icon.



Questions sent via the Lumi platform may be moderated before being sent to the Chair. This is to avoid repetition and remove any inappropriate language.

### Asking Audio Questions

If you are a shareholder or proxy you can ask a verbal question. You will be provided the dial in numbers through the Lumi platform after registering as a shareholder or proxy.

Once dialled in you will be asked to enter a meeting ID. Please ensure your webcast is muted before joining the call.

You will be asked for a participant pin however simply press # to join the meeting. You will be muted upon entry. To ask a question press \*9 to signal the moderator. Once your question has been answered your line will be muted. Feel free to either hang up or stay on the line. For additional questions press \*9 to signal the operator.

### MEETING ID: 358-032-924

To login you must have your **Voting Access Code (VAC)** and **Postcode or Country Code**

The website will be open and available for log in from 2:00pm (AEDT), 25th October 2022

# Annexure A

## Country codes

**FOR OVERSEAS SHAREHOLDERS, SELECT YOUR COUNTRY CODE FROM THE LIST BELOW AND ENTER IT INTO THE PASSWORD FIELD.**

<b>ABW</b> Aruba	<b>DZA</b> Algeria	<b>LBR</b> Liberia	<b>ROU</b> Romania
<b>AFG</b> Afghanistan	<b>ECU</b> Ecuador	<b>LBY</b> Libyan Arab Jamahiriya	<b>RUS</b> Russian Federation
<b>AGO</b> Angola	<b>EGY</b> Egypt	<b>LCA</b> St Lucia	<b>RWA</b> Rwanda
<b>AIA</b> Anguilla	<b>ERI</b> Eritrea	<b>LIE</b> Liechtenstein	<b>SAU</b> Saudi Arabia Kingdom Of
<b>ALA</b> Aland Islands	<b>ESH</b> Western Sahara	<b>LKA</b> Sri Lanka	<b>SDN</b> Sudan
<b>ALB</b> Albania	<b>ESP</b> Spain	<b>LSO</b> Lesotho	<b>SEN</b> Senegal
<b>AND</b> Andorra	<b>EST</b> Estonia	<b>LTU</b> Lithuania	<b>SGP</b> Singapore
<b>ANT</b> Netherlands Antilles	<b>ETH</b> Ethiopia	<b>LUX</b> Luxembourg	<b>SGS</b> Sth Georgia & Sth Sandwich Isl
<b>ARE</b> United Arab Emirates	<b>FIN</b> Finland	<b>LVA</b> Latvia	<b>SHN</b> St Helena
<b>ARG</b> Argentina	<b>FJI</b> Fiji	<b>MAC</b> Macao	<b>SJM</b> Svalbard & Jan Mayen
<b>ARM</b> Armenia	<b>FLK</b> Falkland Islands (Malvinas)	<b>MAF</b> St Martin	<b>SLB</b> Solomon Islands
<b>ASM</b> American Samoa	<b>FRA</b> France	<b>MAR</b> Morocco	<b>SCG</b> Serbia & Outlying
<b>ATA</b> Antarctica	<b>FRO</b> Faroe Islands	<b>MCO</b> Monaco	<b>SLE</b> Sierra Leone
<b>ATF</b> French Southern	<b>FSM</b> Micronesia	<b>MDA</b> Republic Of Moldova	<b>SLV</b> El Salvador
<b>ATG</b> Antigua & Barbuda	<b>GAB</b> Gabon	<b>MDG</b> Madagascar	<b>SMR</b> San Marino
<b>AUS</b> Australia	<b>GBR</b> United Kingdom	<b>MDV</b> Maldives	<b>SOM</b> Somalia
<b>AUT</b> Austria	<b>GEO</b> Georgia	<b>MEX</b> Mexico	<b>SPM</b> St Pierre And Miquelon
<b>AZE</b> Azerbaijan	<b>GGY</b> Guernsey	<b>MHL</b> Marshall Islands	<b>SRB</b> Serbia
<b>BDI</b> Burundi	<b>GHA</b> Ghana	<b>MKD</b> Macedonia Former Yugoslav Rep	<b>STP</b> Sao Tome And Principe
<b>BEL</b> Belgium	<b>GIB</b> Gibraltar	<b>MLI</b> Mali	<b>SUR</b> Suriname
<b>BEN</b> Benin	<b>GIN</b> Guinea	<b>MLT</b> Mauritania	<b>SVK</b> Slovakia
<b>BFA</b> Burkina Faso	<b>GLP</b> Guadeloupe	<b>MMR</b> Myanmar	<b>SVN</b> Slovenia
<b>BGD</b> Bangladesh	<b>GMB</b> Gambia	<b>MNE</b> Montenegro	<b>SWE</b> Sweden
<b>BGR</b> Bulgaria	<b>GNB</b> Guinea-Bissau	<b>MNG</b> Mongolia	<b>SWZ</b> Swaziland
<b>BHR</b> Bahrain	<b>GNQ</b> Equatorial Guinea	<b>MNP</b> Northern Mariana Islands	<b>SYC</b> Seychelles
<b>BHS</b> Bahamas	<b>GRC</b> Greece	<b>MOZ</b> Mozambique	<b>SYR</b> Syrian Arab Republic
<b>BIH</b> Bosnia & Herzegovina	<b>GRD</b> Grenada	<b>MRT</b> Mauritania	<b>TCA</b> Turks & Caicos Islands
<b>BLM</b> St Barthelemy	<b>GRL</b> Greenland	<b>MSR</b> Montserrat	<b>CD</b> Chad
<b>BLR</b> Belarus	<b>GTM</b> Guatemala	<b>MTQ</b> Martinique	<b>TGO</b> Togo
<b>BLZ</b> Belize	<b>GUF</b> French Guiana	<b>MUS</b> Mauritius	<b>THA</b> Thailand
<b>BMU</b> Bermuda	<b>GUM</b> Guam	<b>MWI</b> Malawi	<b>TJK</b> Tajikistan
<b>BOL</b> Bolivia	<b>GUY</b> Guyana	<b>MYS</b> Malaysia	<b>TKL</b> Tokelau
<b>BRA</b> Brazil	<b>HKG</b> Hong Kong	<b>MYT</b> Mayotte	<b>TKM</b> Turkmenistan
<b>BRB</b> Barbados	<b>HMD</b> Heard & Mcdonald Islands	<b>NAM</b> Namibia	<b>TLS</b> Timor-Leste
<b>BRN</b> Brunei Darussalam	<b>HND</b> Honduras	<b>NCL</b> New Caledonia	<b>TMP</b> East Timor
<b>BTN</b> Bhutan	<b>HRV</b> Croatia	<b>NER</b> Niger	<b>TON</b> Tonga
<b>BUR</b> Burma	<b>HTI</b> Haiti	<b>NFK</b> Norfolk Island	<b>TTO</b> Trinidad & Tobago
<b>BVT</b> Bouvet Island	<b>HUN</b> Hungary	<b>NGA</b> Nigeria	<b>TUN</b> Tunisia
<b>BWA</b> Botswana	<b>IDN</b> Indonesia	<b>NIC</b> Nicaragua	<b>TUR</b> Turkey
<b>CAF</b> Central African Republic	<b>IMN</b> Isle Of Man	<b>NIU</b> Niue	<b>TUV</b> Tuvalu
<b>CAN</b> Canada	<b>IND</b> India	<b>NLD</b> Netherlands	<b>TWN</b> Taiwan
<b>CCK</b> Cocos (Keeling) Islands	<b>IOT</b> British Indian Ocean Territory	<b>NOR</b> Norway Montenegro	<b>TZA</b> Tanzania United Republic of
<b>CHE</b> Switzerland	<b>IRL</b> Ireland	<b>NPL</b> Nepal	<b>UGA</b> Uganda
<b>CHL</b> Chile	<b>IRN</b> Iran Islamic Republic of	<b>NRU</b> Nauru	<b>UKR</b> Ukraine
<b>CHN</b> China	<b>IRQ</b> Iraq	<b>NZL</b> New Zealand	<b>UMI</b> United States Minor
<b>CIV</b> Cote D'ivoire	<b>TSM</b> Isle of Man	<b>OMN</b> Oman	<b>URY</b> Uruguay
<b>CMR</b> Cameroon	<b>ISL</b> Iceland	<b>PAK</b> Pakistan	<b>USA</b> United States of America
<b>COD</b> Democratic Republic of Congo	<b>ISR</b> Israel	<b>PAN</b> Panama	<b>UZB</b> Uzbekistan
<b>COK</b> Cook Islands	<b>ITA</b> Italy	<b>PCN</b> Pitcairn Islands	<b>VNM</b> Vietnam
<b>COL</b> Colombia	<b>JAM</b> Jamaica	<b>PER</b> Peru	<b>VUT</b> Vanuatu
<b>COM</b> Comoros	<b>JEY</b> Jersey	<b>PHL</b> Philippines	<b>WLF</b> Wallis & Futuna
<b>CPV</b> Cape Verde	<b>JOR</b> Jordan	<b>PLW</b> Palau	<b>WSM</b> Samoa
<b>CRI</b> Costa Rica	<b>JPN</b> Japan	<b>PNG</b> Papua New Guinea	<b>YEM</b> Yemen
<b>CUB</b> Cuba	<b>KAZ</b> Kazakhstan	<b>POL</b> Poland	<b>YMD</b> Yemen Democratic
<b>CYM</b> Cayman Islands	<b>KEN</b> Kenya	<b>PRI</b> Puerto Rico	<b>YUG</b> Yugoslavia Socialist Fed Rep
<b>CYP</b> Cyprus	<b>KGZ</b> Kyrgyzstan	<b>PRK</b> Korea Dem Peoples Republic of	<b>ZAF</b> South Africa
<b>CXR</b> Christmas Island	<b>KHM</b> Cambodia	<b>PRT</b> Portugal	<b>ZAR</b> Zaire
<b>CZE</b> Czech Republic	<b>KIR</b> Kiribati	<b>PRY</b> Paraguay	<b>ZMB</b> Zambia
<b>DEU</b> Germany	<b>KNA</b> St Kitts And Nevis	<b>PSE</b> Palestinian Territory Occupied	<b>ZWE</b> Zimbabwe
<b>DJI</b> Djibouti	<b>KOR</b> Korea Republic of	<b>PYF</b> French Polynesia	
<b>DMA</b> Dominica	<b>KWT</b> Kuwait	<b>QAT</b> Qatar	
<b>DNK</b> Denmark	<b>LAO</b> Laos	<b>REU</b> Reunion	
<b>DOM</b> Dominican Republic	<b>LBN</b> Lebanon		

# Annexure B

## Notice of Nomination of Auditor

26 August 2022

The Company Secretary  
SG Fleet Group Limited  
Level 2, Building 3, 20 Bridge Street  
PYMBLE, NSW 2073

Dear Mr Mutengwa

For the purposes of Section 328B(1) of the *Corporations Act 2001* (Cth) (**Act**), We, MDJZ Fernandes Pty Ltd being a member of SG Fleet Group Limited hereby nominate Ernst & Young as auditor of the company at the Annual General Meeting to be held on Tuesday, 25 October 2022.

Please distribute copies of this notice of this nomination as required by section 328B(3) of the Act

Signed and dated 26 August 2022:



David Fernandes  
Director

## Annexure C

**TABLE 1 – DETAILS OF DIRECTOR'S CURRENT TOTAL REMUNERATION PACKAGE**

	Cash salary \$	Deferred bonus from previous year \$	Current year bonus \$	Superannuation \$	Leave benefits \$	Equity Settled \$	Total \$
Mr Blau	1,098,791	348,619	863,255	23,568	74,951	836,300	3,245,484
Mr Wundram	546,315	136,872	317,059	23,568	41,137	313,612	1,378,563

**TABLE 2 – DETAILS OF SECURITIES PREVIOUSLY ISSUED UNDER THE SCHEME**

Grant date	Mr Blau	Mr Wundram	Vested/Lapsed
26 October 2021 (FY2022 Long-Term Incentives)	723,551 Options 64,186 Performance Rights	271,332 Options 24,070 Performance Rights	Vesting will occur on the date the results for the financial year ending 30 June 2024, and subject to approval of the Board
27 October 2020 (FY2021 Long-Term Incentives)	1,326,510 Options 115,349 Performance Rights	497,441 Options 43,256 Performance Rights	Vesting will occur on the date the results for the financial year ending 30 June 2023, and subject to approval of the Board
27 October 2020 (FY2020 Long-Term Incentives)	1,326,510 Options 107,555 Performance Rights	497,441 Options 40,333 Performance Rights	Vested
24 October 2017 (FY2018 Long-Term Incentives)	781,756 Options 67,980 Performance Rights	279,199 Options 24,279 Performance Rights	Lapsed



## All Correspondence to:

- ✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)
- ☎ **By Phone:** (within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 3:00pm AEDT on Sunday 23 October 2022.**

### 🖥 TO VOTE ONLINE

**STEP 1:** VISIT <https://www.votingonline.com.au/sqfagm2022>

**STEP 2:** Enter your Postcode OR Country of Residence (if outside Australia)

**STEP 3:** Enter your Voting Access Code (VAC):

### 📱 BY SMARTPHONE



Scan QR Code using smartphone  
QR Reader App

### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

#### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

#### STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

#### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

#### STEP 3 SIGN THE FORM

The form **must** be signed as follows:

**Individual:** This form is to be signed by the securityholder.

**Joint Holding:** where the holding is in more than one name, all the securityholders should sign.

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

#### STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **3:00pm AEDT on Sunday 23 October 2022**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

- 🖥 **Online** <https://www.votingonline.com.au/sqfagm2022>
- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia
- 👤 **In Person** Boardroom Pty Limited  
Level 12, 225 George Street,  
Sydney NSW 2000 Australia

#### Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

# SG Fleet Group Limited

ABN 40 167 554 574

## Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

**Please note, you cannot change ownership of your securities using this form.**

## PROXY FORM

### STEP 1 APPOINT A PROXY

I/We being a member/s of **SG Fleet Group Limited** (Company) and entitled to attend and vote hereby appoint:

the **Chair of the Meeting (mark box)**

**OR** if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held virtually at <https://web.lumiahm.com/358032924> on **Tuesday, 25 October 2022 at 3:00pm AEDT** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Items 2, 8 & 9, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Items 2, 6 & 7 are connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Items 2, 8 & 9). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

### STEP 2 VOTING DIRECTIONS

\* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 2	To Adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Andrew Reitzer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Re-election of Peter Mountford	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Re-election of Cheryl Bart AO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Special	Renewal of proportional takeover approval provisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Appointment of Ernst & Young as Company Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Grant of Options and Performance Rights to the Chief Executive Officer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Grant of Options and Performance Rights to the Chief Financial Officer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2022