

20 September 2024

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

2024 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 2024 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, 22 October 2024, commencing at 3.00 pm AEDT.

Shareholders can participate in the meeting using the online platform at <https://web.lumiagm.com/349-998-654> via a computer or mobile device. Relevant instructions are included in the Notice of Meeting.

Tawanda Mutengwa
Company Secretary
SG Fleet Group Limited

SG Fleet Group Limited
Level 2, Building 3, 20 Bridge Street
Pymble, Sydney, NSW 2073 Australia
Locked Bag 1003, Gordon, NSW 2072 Australia

SG Fleet Group

Integrated Mobility

Annual Report 2024



Onward

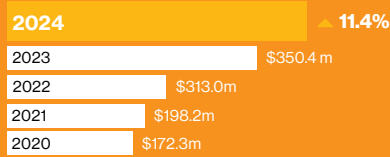


A Year in Numbers

Financial

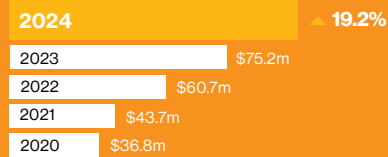
Net Revenue

\$390.1m



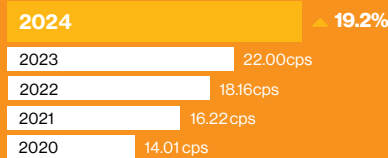
NPAT¹

\$89.7m



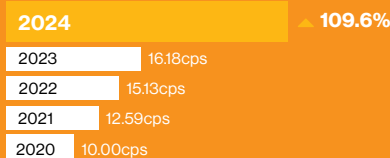
EPS¹

26.23cps



Dividend

33.93cps



1. Underlying.

Operational

Vehicles under management¹

277,000+

Kilometres travelled by managed fleet²

4.2 billion+

Repairs managed¹

545,000+

Increase in low and zero-emission vehicle deliveries²

206%

1. Group.
2. AU.

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About SG Fleet Group Limited

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.

The company operates in Australia, New Zealand, and the United Kingdom and has over 277,000 vehicles under management worldwide. 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 2024 financial year, SG Fleet benefited from continued strong vehicle order growth and, helped by a gradually normalising supply environment, was able to translate this into exceptional delivery numbers. Low and zero-emission vehicles became mainstream options for consumers, and this was reflected in significant interest in novated EV leases. This in turn raised the profile of the novated lease concept with the general public and corporates, with more and more organisations now providing this benefit to employees. During the year, SG Fleet also made further progress with the integration of the Australian and New Zealand businesses of LeasePlan Corporation. Together with the digitisation of a range of processes, the resulting delivery of a single platform will significantly enhance the product and service experience of SG Fleet's customers.

Our Purpose

To solve our customers' mobility needs and aspirations

Our Ambition

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



Creating SG Fleet's Future State

In the 2024 financial year, SG Fleet significantly accelerated its digitisation journey. Combined with the move towards a single system, this will fundamentally reshape the company's service proposition, provide a decisive edge from a product offering perspective, and strengthen SG Fleet's ability to create higher, continuous growth over the long term.

The benefits of SG Fleet's future shape are wide-ranging, from process optimisation and improved efficiency to an enhanced innovation capability and a greater capacity to take full advantage of an enlarged data pool. Importantly, it will also open up multiple avenues to further improve the customer experience.

Digitisation and Integration

The power of data

- The move to a single system provides SG Fleet with the largest data pool in its industry. It centralises all types of vehicle information, such as fuel consumption, maintenance, and disposal, as well as customer insights and supplier data across three markets. Making this information readily available to staff enhances the way the company adds value for its customers.
- A large data pool creates significant potential to monetise information and opens up opportunities to develop new data-driven products and solutions.

Enhanced products and services innovation

- Leveraging off enhanced data capabilities, a single system combined with greater digitisation allows SG Fleet to improve its existing offering through accelerated innovation, become more agile in the way it brings this offering to market, and expand its range of delivery models and income streams.
- Digitisation supports the company's longer-term Mobility-as-a-Service ambitions and improves its ability to partner with other players in this ecosystem.
- Innovation from a single platform significantly lowers development costs.

Inorganic growth enablement

- A single system builds a strong platform for inorganic growth, with any potential future integrations becoming less complex, time-consuming, and costly.

Common functions and processes

- Common functions and processes across all routes-to-market, performed in the same way and in the same system, will ensure SG Fleet can maintain best-in-class standards.
- Interaction with a single network of business partners boosts the company's buying power and generates significant cost benefits.
- Operating on a single set of processes will facilitate continuous improvement and fast-track how SG Fleet trains its people. More efficient processes will also enhance staff engagement, allow for further strengthening of service levels, and as a consequence deliver higher customer satisfaction.

Greater efficiency

- SG Fleet's move to a single system eliminates costly duplication and allows for greater automation of processes. This in turn significantly enhances efficiency and lowers the company's cost-to-serve.
- Digitisation of marketing and sales processes improves the company's audience reach and lead generation capability.
- System integration facilitates the extraction of synergies and scale benefits.

A stronger brand

- A single, stronger brand presence will ensure that investment in the SG Fleet brand yields permanent beneficial outcomes. This in turn anchors the company's offering when marketing to new prospects, and supports greater product penetration within the existing customer book.

An improved customer experience

Process digitisation and system integration allow SG Fleet to optimise the way it interacts with its customers, both in terms of service delivery and continuous service improvement.

In addition to a personalised service, customers have access to a multi-channel and multi-option digital experience. At the same time, the company's service team can proactively engage with customers and provide product advice tailored to individual needs.

Digitisation will also enhance SG Fleet's ability to measure customer satisfaction, analyse relevant feedback and data, and continuously improve the customer experience.



2024 ESG Statement

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 ('ESG') behaviours should be integrated into daily business practices.

The 2024 ESG Statement (previously referred to as the Sustainability Statement) outlines the relevant actions taken by the company during the 2024 financial year with respect to the risks identified as 'material' in the Group's ESG Strategy.



Our ESG Path

The company established a Sustainability Committee, governed by a Charter, in 2019. In 2021, SG Fleet issued its first Sustainability Statement. In August 2022, the Group's ESG Strategy was launched.

The ESG Strategy, which is reviewed on a three-yearly basis, optimises how we determine and manage our key ESG risks, outlining both current practices and future focus areas. The determination process considers the nature of our business operations, which are predominantly the provision of services in an office-based environment. The ESG Strategy can be found at the Investor Centre section of the www.sgfleet.com website.

The company's first ESG Action Plan, which spanned the second half of the 2023 financial year, was developed in late 2022. The Action Plan consists of a list of initiatives grouped under the Environment, Social, and Governance headings earmarked for execution during the period.

New Action Plans are developed in June of every calendar year and apply to the subsequent financial year period. A detailed account of the 2024 ESG Action Plan outcomes is provided in this Statement.

In December 2022, a new governance structure was introduced, reflecting the broader scope of our approach under the new ESG Strategy. The Sustainability Committee was replaced by the ESG Committee, in respect of which a Charter was established in January 2023. The Committee's first meeting took place in March 2023.

In April 2023, the company introduced a revised Environmental Policy. More about this Policy can be found in the Environmental section of this Statement.

Financial Year 2024

During the 2024 financial year, the company executed its first full year ESG Action Plan, with a particular focus on aligning our ESG values across the organisation to take full advantage of the strong commitment of our people to sound ethical behaviours. To ensure a dedicated focus on the management of environmental impacts, an Emission Reduction Action Plan was created within the overall Plan. In the reported period, approximately 70 ESG Action Plan initiatives were completed across various environmental, social, and governance categories.

To support these efforts, the company launched eSGclub, a dedicated staff ESG hub through which we provide information on various topics, collect feedback and suggestions, and organise a range of educational events. We also established a dedicated ESG virtual library on the company's intranet, providing our people with news and information about the latest developments in sustainability.

Future Focus

In the 2025 financial year, we will aim to further raise staff awareness of environmental, social, and governance issues relevant to the company and its stakeholders and drive engagement at all levels in support of our ESG Strategy objectives.

Key Highlights

✔ Group-wide carbon neutrality achieved

✔ Group ISO 14001 Environmental Management System accreditation

✔ Execution of the company's first full year ESG and Emission Reduction Action Plans

✔ First staff ESG events

✔ Launch eSGclub staff hub and library

✔ Introduction of comprehensive supplier ESG survey

Environment

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

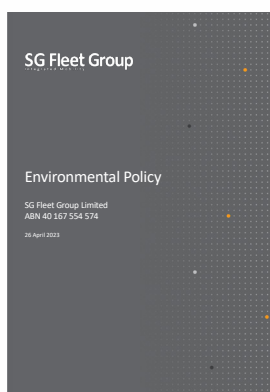
Group Environmental Policy

SG Fleet's Environmental Policy outlines the company's approach to achieve the following objectives: (a) continually improve its overall environmental performance and management, (b) reduce the Scope 1, 2, and 3 emissions that fall within the boundaries of its environmental impact assessment, and (c) fulfill any compliance obligations.

With regard to the emission reduction objective, SG Fleet aims to reduce emission intensity, measured as tCO₂-e per Full-time Equivalent to take into account growth in the business, by 33% by the end of the 2030 financial year, with the 2023 financial period as the base year.

The execution of the Policy is independent of the company's carbon neutrality status in its various geographies and the company will continuously explore options to further cut emissions and progressively reduce its reliance on carbon offsets to achieve carbon neutrality.

To achieve these objectives, SG Fleet operates an environmental management system ('EMS'), which is based on global and local standards, including ISO 14001:2015, and all applicable regulations and laws.



The EMS is comprised of the Environmental Policy, the environmental component of the ESG Action Plan, the ESG Committee governance structure, and all associated monitoring, measurement, management, and reporting activities.

The environmental component of the ESG Action Plan, referred to as the Emissions Reduction Action Plan, or E-RAP, lists environmental initiatives earmarked for execution or assessment during the period. The initiatives are grouped by the relevant risk, the corresponding emissions-producing activity, as well the scope under which these emissions fall. E-RAP focuses in particular on the areas identified as the main contributors to the company's emissions total. As these areas are an integral part of the company's day-to-day operations, the execution of the Environmental Policy and E-RAP, as well as the operation of the EMS, involve the implementation of adjustments to a range of ongoing business practices.

ISO 14001

During the 2024 financial year, SG Fleet achieved group-wide ISO 14001:2015 Environmental Management Systems accreditation, confirming its best-practice approach to managing any potential environmental impacts.



Transition to ESG Statement

In compliance with the Australian Sustainability Reporting Standards (ASRS), a set of guidelines developed by the Australian Accounting Standards Board (AASB) to help companies comply with future mandatory climate reporting requirements, SG Fleet will issue its first Sustainability Report following the 2026 financial year. To clearly delineate this Report from the company's past Sustainability Statements, the present document will be referred to as the ESG Statement from the 2024 financial year report onwards.



Building a culture of sustainability

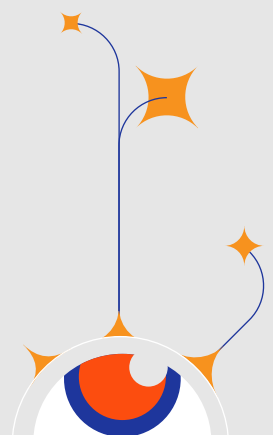
As part of its drive to build sustainability awareness, SG Fleet invited insect protein farmer Circle Harvest for an ESG Staff Lunch & Learn event. Our people had a great opportunity to learn all about the benefits of nutrient-dense superfoods made with edible bugs and how their production has a major positive impact from a sustainability perspective.



CIRCLE HARVEST

Drive

sustainability
awareness



Environment

Leading the way in cooperation with our stakeholders

We believe that we can create a positive environmental impact not only by reducing the company's own footprint, but also by shaping and supporting behaviours with our various stakeholders. In addition to instilling environmentally sound practices in the workplace, we aim to provide our people with information on how to contribute to a more sustainable future in every walk of life. The same objective is also the foundation of the work we do with our customers to support their organisational sustainability objectives.



The 2024 financial year saw a continuation of the shift to sustainable mobility, kickstarted in Australia in the previous period by a series of government incentives. Both hybrid and battery electric vehicles remained in high demand, and SG Fleet was again able to assist customers by utilising its recognised low and zero-emission transport expertise. The company accounted for a significant percentage of private EV registrations in Australia, leading the way in introducing drivers to a new and environmentally sound propulsion technology. SG Fleet continues to work with a range of companies and organisations to prepare for the future introduction of lower emission fleets and contribute to broader national and international decarbonisation efforts. EV Drive Days again were a very successful method of raising awareness and understanding of alternative engine technology during the year.

In the UK, SG Fleet was again recognised for its expertise in the EV field, winning the Business Car 'Best Eco Initiative' award for the second consecutive year for the eStart EV consulting service. In Australia, SG Fleet was a significant contributor to the REVS vehicle-to-grid project, which successfully trialed the transfer of EV battery energy into the electricity grid.

eStart



REVS

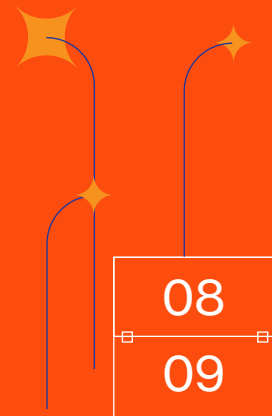
The future is multi-modal, and our solutions are not limited to traditional vehicle types. The functionality of alternative modes of transport is increasingly recognised in the personal and delivery transport space, with consumers and companies exploring micro-mobility as an environmentally friendly, viable alternative. SG Fleet's cooperation with eMobility provider Zoomo offers customers additional options to improve the efficiency of their fleets, both in terms of flexibility and sustainability.



SG Fleet's contribution to a better transport future isn't limited to its day-to-day services. We also actively collaborate with industry bodies and organisations across all of our geographies to inform, foster debate, and break down barriers. In Australia, the company is an active member of the Electric Vehicle Council and the Australian Hydrogen Council. In New Zealand, we are members of Drive Electric NZ and the Sustainable Business Council. In the UK, we work with the British Vehicle Rental and Leasing Association (BVRLA) to assist with the Government's Road to Zero strategy.

objectives

staff events to promote environmental awareness



Future Focus

In future periods, in addition to continuing to make a difference by supporting our stakeholders' environmental objectives, we will continue to widen the scope of our focus. This includes reviewing the environmental performance of our premises with landlords, reciprocal participation in our customers' sustainability efforts, and the organisation of further staff events to promote environmental awareness. The 2025 financial period will also see the introduction of specific environmental training modules for our people.

Environment

Emissions

SG Fleet measures its emissions footprint both as direct CO₂ emissions and as the emissions equivalents associated with a range of business or support activities. As an office-based services company, SG Fleet does not directly produce meaningful levels of CO₂ in its day-to-day business operations. We only operate a small internal fleet of vehicles, and the provision of our services does not generally require significant travel or transport.

The main contributors to our emissions equivalent total are IT equipment and services, electricity consumption (see below), staff commuting, and to a lesser extent, waste (see below), direct emissions from our own fleet, and air travel. We continuously explore options to further cut emissions across Scope 1 and 2 and, where under the company's control, Scope 3, with a particular focus on these main contributors.

Where possible, we move IT-related equipment and services off premises towards more sustainable solutions. This reduces their emissions equivalent impact. We also source equipment that includes offsets as part of the purchasing or leasing contract.

SG Fleet has actively targeted emissions produced by staff commuting and business travel for a number of years, offering arrangements and facilities that will reduce fuel consumption overall. This included carpooling clubs, the availability of eBikes, and the installation of bicycle storage sheds at our offices. In the 2024 financial year, we introduced shuttle buses at the company's head office. The buses ferry staff back and forth between our premises and the nearest train stations, encouraging our people to use public transport rather than commuting individually by car.



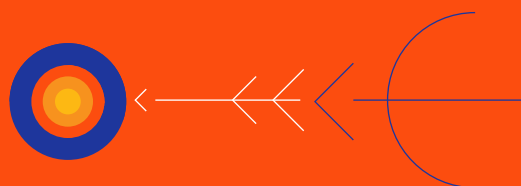
In Australia, the rate of transition of SG Fleet's own fleet to low and zero-emission vehicles accelerated again during the period, increasing from 10% at the end of the 2022 financial year to 61% at the end of the 2024 financial year. Use of our on-premises EV chargers continues to increase, reflecting the growing proportion of EVs in our own fleet and amongst our staff.

The Australian operations of SG Fleet have obtained a yearly ClimateActive certification as a carbon neutral organisation since the 2022 financial year. SG Fleet's UK operations achieved carbon neutrality for the first time early in the 2023 financial year. In the 2024 financial year, our New Zealand operations obtained the same status, making the entire SG Fleet Group carbon neutral.



Future Focus

SG Fleet is currently in the process of developing net zero targets for each of the geographies in which it operates and continues to target a reduction in direct and equivalent emissions by focusing on the major sources within its control. As the company continues to grow, IT services use, energy consumption, the number of staff commuting, and business travel are at risk of increasing as well. We will look to counter a corresponding escalation in emissions via a more efficient use of resources, in the process reducing emission intensity per full-time equivalent employee. The company will also continue to move towards a larger proportion of low or zero-emission vehicles in its own fleet.



Aiming for

net zero targets



Energy Consumption

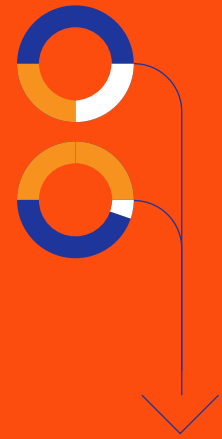
SG Fleet's energy consumption is largely limited to the operation of its office and warehouse locations, including lighting, power sources, and heating. Where corresponding arrangements change or energy-consuming equipment is replaced, the company investigates the feasibility of introducing more energy-efficient alternatives. We also actively encourage our people to be mindful of the energy consumed by office equipment and utilities.

At the end of the period, LED lighting and Green Energy arrangements were in place for all offices where we have direct control over lighting and energy set-ups.



Additional

initiatives to reduce overall energy consumption



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 and sensor/timed lighting and air conditioning systems. The environmental staff e-learning module that will be introduced in the 2025 financial year will include additional tips to minimise energy consumption wherever possible by actively reducing the use of appliances, lighting, and air-conditioning. Where possible, the company continues to explore further opportunities with its landlords to improve the sustainability of its offices.

Environment

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 or disposal of hardware, we explore opportunities to divert waste via the process of recycling triage.

IT assets, including desk and data centre hardware, are recycled wherever possible after extracting optimal, life-time use of the equipment. Company-issued mobile phones are offered for sale to the user, or if unsold, go into our external disposal process, with a third-party provider recycling, refurbishing, re-selling, or securely destroying these and other end-of-life IT assets. In selecting the third-party provider, we assess the company's disposal process and environmental commitments.



While SG Fleet does not dispose of vehicle tyres itself, the company is a member of Tyre Stewardship Australia, whose stated mission is to create productive outcomes for end-of-life tyres and increase the use of locally tyre-derived products. We actively encourage our customers to join this worthwhile scheme.



During the 2024 financial year, SG Fleet targeted the production of waste in the daily operations of its offices, which mainly consists of staff disposing of consumables and small amounts of general waste, such as foodstuffs and food packaging. Following the refurbishment of the company's head office, designated disposal receptacles were installed in other premises. Plastic water bottles continued to be phased out in favour of reusable containers.



At the occasion of the eSGclub launch, all SG Fleet staff were issued with eco-friendly reusable cutlery sets. Use of the sets will reduce the amount of waste in the shape of plastic disposable cutlery and also lessen the need for the use of water and energy-intensive dishwashing appliances.

While SG Fleet does not manufacture vehicle accessories, we are committed to selecting the most environmentally sound products when providing third party products to our customers. In the 2024 financial year, the company started offering RubberTree eco vehicle carpet mats. The mats are made from 97% recycled materials, providing our customers with a locally-manufactured, cost-effective, and sustainable product choice to help them in the pursuit of their own environmental objectives.



Waste disposal

environmental e-learning module



Future Focus

We continue to look at opportunities to further reduce the production of waste and optimise its disposal. Physical collateral will progressively be phased out and replaced by digital alternatives, both for internal and customer purposes. In the 2025 financial year, a comprehensive campaign will be rolled out to ensure office waste disposal by staff is conform across all offices and follows prescribed paths, for example by improved labeling and guidance on which disposal receptables to use. This will be reinforced by the environmental e-learning module to be introduced during the year.

Other Environmental Aspects

While due to the nature of its business, SG Fleet does not utilise a meaningful amount of packaging or other materials such as paper, 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.

Since the 2021 financial year, we have continuously reduced paper use across the Group. In the 2024 financial year, a further reduction of 58% on the previous period was achieved. This was helped further by the introduction of a 'paperless & clean desk' policy in our newly refurbished Pymble head office in the 2023 financial year and progressively in other locations in the reported period.

SG Fleet conducts yearly audits on the outsourced wash facilities used for the cleaning of end-of-lease vehicles, monitoring detergent use and water disposal processes. While there have been no reported environmental incidents in the 2024 financial year, we continue to pursue further improvements to these facilities.

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

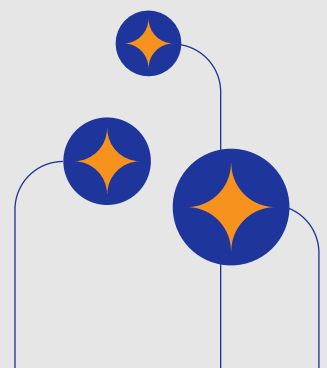
Growing Hope

SG Fleet rolled up its sleeves and helped plant trees with other Greenfleet volunteers at an event sponsored by Sutherland Shire Council in Sydney, Australia. About 1,300 new native trees and shrubs will flourish as a result of our combined efforts, helping to reduce carbon emissions, restore biodiversity, and provide local wildlife a home.



About

1,300
new native
trees and
shrubs will
flourish



Social

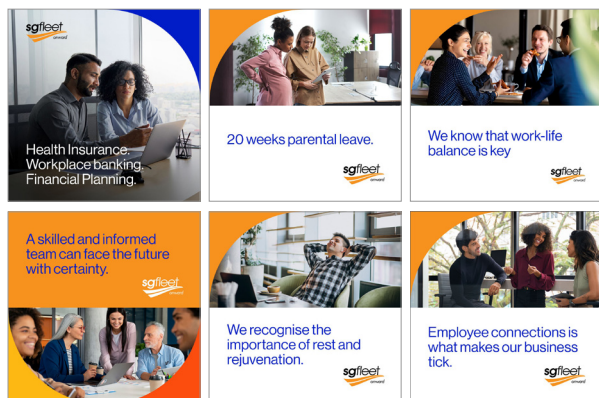
SG Fleet respects and seeks to further the interests of its customers, its employees, and the wider communities in which we operate. Our culture is one of trust, respect, care, and responsibility, and we aim to apply this in all our interactions with every individual, as well as with community groups.

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

- Working conditions (employment) and training
- Occupational health & safety
- Diversity, non-discrimination, and equal opportunity
- 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:

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



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. We believe in creating a positive work environment that is respectful, supportive, and engaging.

During the 2024 financial year, the company introduced a range of additional staff benefits and stepped up its program of team-building activities and social events to bring our people together.

At SG Fleet, we understand that a sound work/life balance is key. We offer opportunities for a hybrid work environment, allowing our people to thrive in a flexible model that can blend in-office collaboration with the convenience of working from home.

The company has a collaborative and supportive culture where people are empowered to be the best they can be. We believe in celebrating their positive impact and have implemented a service recognition program that acknowledges and rewards their dedication. A separate award program also recognises staff for their commitment to the company values of Innovation, Collaboration, Excellence, and Trust.

Rest and rejuvenation are an important element of healthy working conditions. SG Fleet offers up to four extra days of paid leave on top of our staff's annual allowance, up to three days of paid leave to attend fertility appointments, 20 weeks of paid primary parental leave and six weeks of paid secondary carer leave (up from ten and two weeks previously).

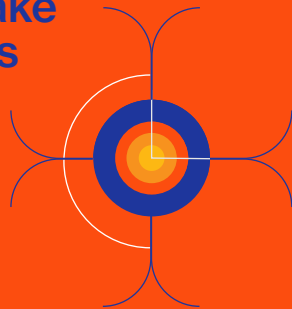
The company also offers workplace banking services and discounted health insurance.

Future Focus

SG Fleet will continue to implement strategies and initiatives that support role and work flexibility and introduce further benefits that ensure the company's workplace fosters a healthy culture and protects the wellbeing of its people.

Employee

**connections
are what make
our business
tick**



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. We provide formal and informal advancement and learning opportunities that recognise and grow the ability, capacity, and leadership skills of our people.

In the 2024 financial year, SG Fleet continued its significant investment in Learning and Development arrangements, launched in the second half of the previous financial year.

Initiatives introduced during the year included access to the LinkedIn Learning facility, which contains a digital library of over 21,000 courses covering a wide range of technical, business, software, and creative topics, as well as a Mentoring Program allowing senior executives to share knowledge and insights with other staff members.

LinkedIn Learning

The Gear Up people management program introduced in the previous year was rolled out again and an additional program was introduced for senior leaders. A dedicated yearly Learning and Development budget is now offered to every staff member, providing financial support to those wanting to develop their knowledge in areas relevant to their roles.



Training

**continued
education
process**



Future Focus

SG Fleet will continue to 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 additional initiatives to optimise the continued education process.

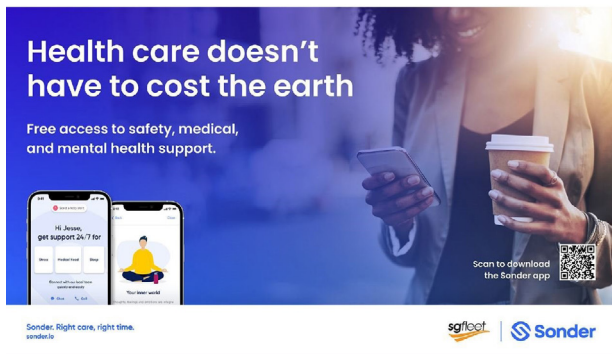
Social

Occupational Health and Safety

To champion our people, SG Fleet places their well-being as our top priority, and fosters a cooperative and supportive environment where our teams can thrive. We approach Occupational Health and Safety from a holistic perspective, going beyond simply ensuring safety in the workplace to include initiatives that foster the physical and mental health and wellbeing of our people at work and at home.

In addition to providing 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, and workplace bullying and occupational violence. In addition to risk mitigation education, we encourage our people to proactively look after their health by providing access to a range of wellness benefits and activities, such as subsidised gym memberships and on-site classes.

In the 2024 financial year, SG Fleet introduced a new app-based Employee Assistance Program, Sonder, to ensure staff are getting the best level of support possible across many work/life areas. The Sonder app provides live support 24/7 via chat and phone calls. Services includes a nurse on call at all times, individually tailored mental health, medical and safety support, along with proactive resources around finances and cost of living, and health and safety topics. The app is available in multiple languages and all communications are fully confidential.



During the year, the company extended its ISO45001 OH&S Management certification of parts of its business to the entire SG Fleet Group.



SG Fleet actively supports community initiatives to raise awareness of the importance of good physical and mental health. In the 2024 financial year, amongst other initiatives such as Mental Health Month, the company recognised the R U OK initiative, encouraging its people to 'ask, listen, encourage action, and check in' with those in need of support. We also celebrated World Kindness Day, encouraging our people to spread kindness, anonymously or openly, to 'make the world a better place, one act of kindness at a time'.

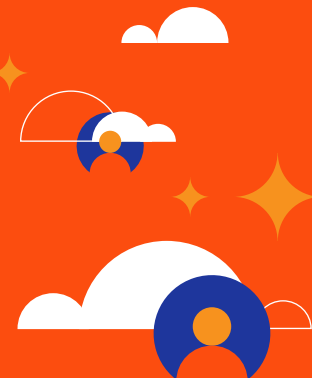


Future Focus

SG Fleet intends to investigate other occupational health and safety aspects within the workplace and in support of our employees outside the workplace and at home. Our focus will remain on supporting overall wellbeing, physical and mental, and on addressing specific assistance needs as they arise.

Focus on

supporting wellbeing, physical and mental



Diversity, Equal Opportunity, and Non-discrimination

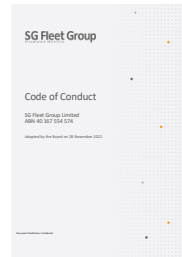
SG Fleet's business success is built on the expertise of its people. We recognise the importance of being an inclusive employer and have a strong commitment to equal opportunity and diversity. This drives the company's ability to attract, retain, and develop the best talent, create an engaged workforce,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

SG Fleet celebrates the diverse range of backgrounds and experiences of its employees and provides a welcoming work environment that is free from discrimination. The company's intranet provides a calendar of activities celebrating culturally significant events such as Pride Month, Harmony Week, World Food Day, Diwali, and others.

We proudly embrace the cultural diversity of our employees, whose background spans 60 countries, spread over six continents, with 66 official languages, and representing 70% of the world's population. The company celebrated United Nations Day on 24 October 2023, bringing its people together and showcasing SG Fleet's inclusion and diversity.



After launching the Women's Network in New Zealand and the United Kingdom in the previous period, SG Fleet introduced the Australian Chapter at the beginning of the 2024 financial year. The Women's Network acknowledges that our personal lives do not stop when we show up at work and that success is developed by a strong, diverse network of colleagues, mentors, and friends over time. In recognition of this, the company identified key topics for women related to the workplace and private life, which are covered in a series of events for our people, led by selected experts.



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.

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. As at 30 June 2024, the company's workforce was made up of 46% women and 54% men.



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. We will also investigate further initiatives, including e-learning, that will help break down perceptions that foster discrimination. These efforts will be supported by the establishment of a Diversity Committee.

Diversity

towards
a diverse
workforce



Social

Indigenous Communities

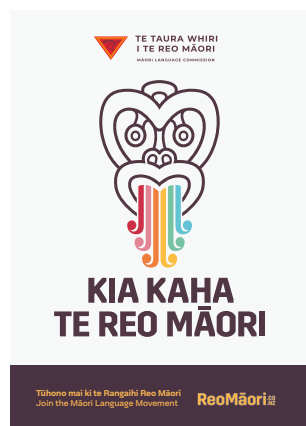
SG Fleet is committed to furthering wherever possible the cause of Aboriginal and Torres Strait Islander, Māori, and other indigenous communities in the geographies in which it operates. In addition to offering employment opportunities, the company actively supports indigenous business ventures. We are a proud member of Supply Nation, which aims to promote and support procurement through indigenous organisations and create a more inclusive economy.

As part of the tender process, our procurement staff check the Supply Nation Membership list for any relevant suppliers. Indigenous businesses are then invited to tender and evaluated amongst other bidders. We currently source a number of goods from these businesses.



In the 2024 financial year, SG Fleet appointed an Aboriginal social change agency to assist the company with the development of an effective and impactful Reconciliation Action Plan. The company also investigated opportunities to promote additional indigenous procurement and employment and intends to act on a number of these in the current year.

In New Zealand, our people gathered to celebrate Māori Language Week and embrace the beauty of this rich language and take a moment to remember the past, celebrate the present, and plan for the future.

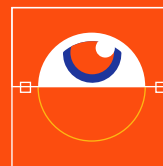


Future Focus

SG Fleet is aiming to build the right perspective amongst its leadership and its people in preparation for the establishment of the Reconciliation Action Plan. We will also continue to put a greater emphasis on supporting indigenous businesses and employment where practical and viable. Additional events and initiatives related to indigenous communities in both Australia and New Zealand will be included in our cultural activities calendar moving forward.

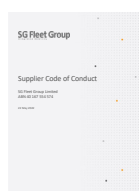
Build

the right perspective



Human Rights, and Forced, Compulsory, or Child Labour

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.

We do 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 previous period, SG Fleet embarked on a review of its supplier modern slavery survey approach, with the aim of broadening the assessment to a wider range of environmental, social, and governance (ESG) criteria. This new survey was launched at the end of the 2024 financial year (see ‘Supply Chain Management’ in the Governance section of this Statement).



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)). In Australia and the United Kingdom, SG Fleet staff receive yearly training on modern slavery risk awareness.



Suppliers

new Supplier ESG assessment

Future Focus

After launching its new Supplier ESG assessment process in the 2024 financial year, SG Fleet intends to further optimise the process by which it identifies modern slavery risks, as well as how any identified risks are investigated and addressed. We will also investigate the feasibility of selection criteria that take into account human rights management and behaviours of potential suppliers, as well as work with our existing suppliers to achieve better outcomes across a range of related aspects.

Social

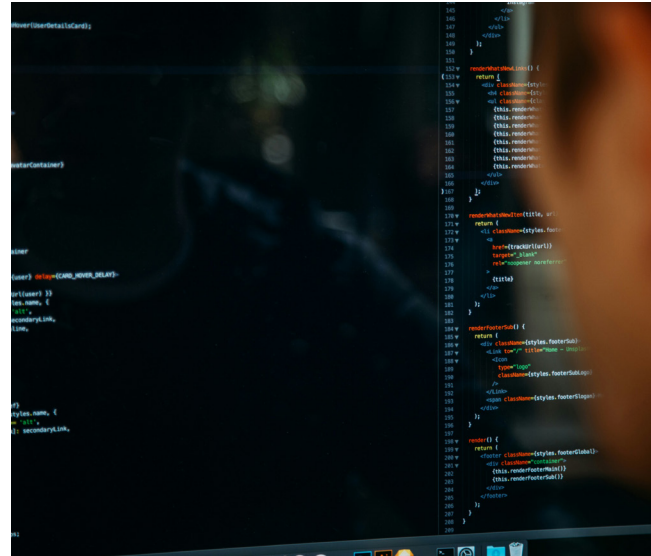
Customer Privacy

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. The SG Fleet Group has ISO27001 Information Security Management certification.



During the 2024 financial year, the company continued to optimise its data privacy and security processes. SG Fleet remains dedicated to protecting the information entrusted to the company by further improving its privacy approach, for example through PII stale data discovery and obfuscation. Overall, IT security was enhanced via a number of measures, including regular penetration tests. The company met all relevant information security governance objectives, using targeted solutions, specialist personnel, and robust processes.



Privacy

enhance staff
data security
awareness



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 enhance staff data security awareness by providing additional training and regular bulletins on how to identify potential threats.

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. For that purpose, we offer staff the opportunity to take two volunteer leave days each year. 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.

As in previous periods, we supported a wide range of initiatives in the countries in which we operate during the 2024 financial year. These included, amongst others, the Santos Wheelchair Rugby National Championship, Australia's Biggest Morning Tea, in support of cancer research, Kmart Whishing Tree Appeal, the Redkite kids cancer charity, Flannie Day, in support of Homelessness Week, the St. George Foundation, helping young people in local communities, Bear Cottage Children's Hospice, Friendship Circle, Whanau Awhina Plunket, providing support for children under five, Pink Shirt Day, in support of New Zealand's Mental Health Foundation, the Northland Emergency Services and Auckland Rescue Helicopter Trusts, Foster Hope Christmas Gift Drive, and the UK's Stand Up To Cancer Bake Off. Applying our mobility expertise and insights, we also provided support for National Road Safety Week in Australia and the corresponding initiative in New Zealand, Road Safety Week



Governance

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.

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

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.

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.

Further

**Improve
the process
in place**



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 in Australia, and a separate policy applies to the United Kingdom. The Whistle-blower Policies encourage staff 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.



Access to

whistle-blower process



Future Focus

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



Governance

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.

During the 2024 financial year, SG Fleet introduced a new methodology to assess the ESG performance of its suppliers. Whereas previously, the company's supply chain was surveyed with a focus on modern slavery, the survey was broadened to include all relevant environmental, social, and governance risks. This change in approach was the result of best-practice benchmarking, in cooperation with an external specialist consultant.

Supply chain

Review and management of other ESG risks



Future Focus

In addition to further optimising the process by which it identifies modern slavery risks in its supply chain (see 'Human Rights, and Forced, Compulsory, or Child Labour' in the Social section of this Statement), SG Fleet intends to take a similar approach to the review and management of other ESG risks and how the ESG performance of potential suppliers is taken into account in the company's supplier selection process.



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 our 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.

Other Governance Aspects

Visit our Investor Centre to read our Corporate Governance Statement, which covers a number of additional governance aspects.

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. SG Fleet has a strong risk management culture and a robust operating model, imbedding governance and risk responsibilities across multiple lines of defence.

We maintain a combined Audit, Risk, and Compliance Committee as a subcommittee of the company's 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.

UN Global Compact

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

In the 2024 financial year, the company lodges its third Communication on Progress report.



Chairman's Report



Andrew Reitzer, Chairman

"SG Fleet's achievements over the past few financial periods have been built on the structured, continuous development of the key drivers supporting our business: our values, our people, the quality of our customer service, and the innovation that produces an industry-leading product offering and enhanced operational efficiency."

Dear Shareholder,

I have the pleasure of presenting you with the SG Fleet Group Limited Annual Report for the year ended 30 June 2024.

The quality of your Company's business model and revenue streams again came into play during the 2024 financial year, as continued growth in orders started to translate into higher delivery numbers, thanks to an improving supply environment. This was duly reflected in our strong earnings and profit growth.

Our confidence in the continued success of this model and our long-term growth potential has allowed your Board to declare a special dividend of 15 cents per share, in addition to the 9.33 cents per share final ordinary dividend. This brings the total dividend for the 2024 financial year to 33.93 cents per share, more than double that of the previous corresponding period.

SG Fleet's achievements over the past few financial periods have been built on the structured, continuous development of the key drivers supporting our business: our values, our people, the quality of our customer service, and the innovation that produces an industry-leading product offering and enhanced operational efficiency. Together, they have ensured your Company has taken full advantage of the business opportunities we were able to create for ourselves.

Our values are also reflected in our Environmental, Social, and Governance, or ESG approach. It has always been our stated objective that our approach to long-term value creation for all our stakeholders, including you, our shareholders, is driven by the principle that industry leading ESG behaviours should be integrated into our daily business practices. In the past few periods, we have made significant progress in this regard. ESG is also about ethical business behaviours and how we treat our customers and our people. This is a paramount consideration for us when we develop and price our products.

In the 2024 financial year, we have stepped up our ESG program, with a particular focus on enlisting our people in the pursuit of the objectives we have set out in our ESG Strategy

and our Environmental Policy. We executed our first full year ESG and emission reduction action plans, created an information hub for our people, and introduced a more comprehensive environmental and social assessment of our supply chain.

In the environmental space, we continued to roll out a range of initiatives to reduce energy consumption and waste, and emissions in general. We achieved Group-wide carbon neutrality, with New Zealand joining Australia and the UK in that respect. Our next ambition is to set clear net zero targets in all of our geographies, part of which will be the continued transition of our own internal fleet to EVs.

Of course, the biggest impact we can make in this regard is in supporting our customers with their own environmental initiatives and the role of their fleets or their personal vehicle in that context. For that purpose, in addition to sourcing low- or zero-emission vehicles and coordinating the development of support infrastructure, we are now also developing integrated mobility solutions that include targeted actions to meet our customers' sustainability objectives.

Our people are our strength, and during the year, we introduced a number of additional initiatives to enhance the attractiveness of our workplace and the benefits we offer to support our people at work and beyond. A better work environment and a more stable labour market has meant lower turnover, which, combined with continued improvement in processes and higher automation, has allowed us to step up training activities and boost service efficiency and quality across our workforce.

The 2024 financial year has also been the period in which we have made the biggest strides in shaping the future for your Company via the LeasePlan integration process and our digitisation drive. Together, these projects will determine what will set us apart, what will give us an edge from a product and service perspective, and ultimately what this will mean for our ability to create higher, continuous growth over the long term. A single system combined with greater digitisation will allow us to become more agile, improve our existing offering through accelerated innovation, and expand our income streams. The smoother digital journey we are building will also yield a world class customer experience, from initial contact to conversion and ongoing service, which will of course support retention.

As you can tell, these are exciting times for the Company and our people, and we look forward to bringing all of this together over the next few years. I would like to give my thanks to everyone at SG Fleet for their achievements during this financial year. Together with the Directors of the Board and the Company's management team, our people have ensured the good work of recent years has translated into excellent outcomes for all stakeholders, including our customers. I thank you, our Shareholders, for your support of SG Fleet as we pursue our ambition to be a trusted partner in shaping the future of sustainable mobility.

Andrew Reitzer, Chairman

26 August 2024
Sydney



Robbie Blau, CEO

“The new business pipeline in the Corporate channel grew throughout the period, with tender activity reaching levels not seen for a number of years.”

CEO's Report

Dear Shareholder,

I am pleased to report on the financial performance of SG Fleet Group Limited for the year ended 30 June 2024. My review of this financial year will refer for comparison to the financial figures for the year ended 30 June 2023. Detailed financial data can be found in the full annual report.

An exceptional year

The acceleration we experienced towards the end of the 2023 financial year across all of our markets and channels carried into the first half of the reported period and this momentum was maintained throughout the year. Orders continued to set new highs in the Corporate and in the Novated channel, and, combined with a gradual improvement in supply, delivery numbers followed suit. This meant the Company was increasingly able to benefit from what has been a long, uninterrupted sequence of financial periods with strong order growth, achieving marked progress in all revenue lines, with the exception of the anticipated reduction in net vehicle risk income.

Exceptional delivery volumes were achieved, and both the corporate and the novated funded fleet grew materially. Despite this, the order pipeline reduction has only been partial to-date, particularly in the tool-of-trade channel. At the rate of reduction seen in the second half of the 2024 financial year, a return to pre-COVID pipeline levels could take a year-and-a-half to two years. As supply and deliveries improved, a drop-off in used vehicle values was anticipated, but as the months passed, this did not occur as early or as materially as expected.

Labour cost increases – partially connected to the LeasePlan integration work, and partially as a result of general wage inflation – inflated operating expenses during the financial year, as did other integration-related expenditure. Wage pressures abated somewhat as the period went on. The integration progressed well during the year and the Company's digitisation drive is gaining momentum. The platform built through these projects will fundamentally reshape SG Fleet and its ability to grow further.

Total net revenue for the 2024 financial year was \$390.1 million, up 11.4% on the previous corresponding period. This progress was achieved despite the predicted reduction in net vehicle risk income by 27.3% to \$75.4 million, demonstrating the resilience of our business model and revenue profile. Net rental and finance income grew by a very significant 44.0% to \$111.1 million, driven by a combination of the strong increase in delivery numbers, vehicle price inflation, and lower depreciation for on-balance sheet funded operating leases. Net mobility services revenue increased by 10.2% during the period to \$100.6 million. This was the result of growth in the total fleet under management, as well as more cross-selling of SG Fleet products into the LeasePlan customer book. Growth of net additional products and services revenue of 22.6% to \$60.1 million reflected higher new funded deliveries, which in turn resulted in a significant uptick in accessory sales as well as rebate income. Finance commission totaled \$46.5 million for the period, up 50.0%, helped by a 20.0% increase in principal & agency funded new deliveries and extensions. The increase in operating expenses of 11.2% to \$219 million was lower than the growth in net revenue, resulting in an uptick of 12.8% in operating income to \$138.9 million. The net result of this was 19.2% growth in underlying net profit after tax, and a 6.7% increase in reported net profit after tax to \$89.7 million. Reported earnings per share grew by 6.8% to 26.23 cents.

Customer and penetration gains in Corporate channel

The new business pipeline in the Corporate channel grew throughout the period, with tender activity reaching levels not seen for a number of years. Structural demand drivers that had a positive impact in previous periods remained very much present and the high level of prospecting activity delivered a significant number of new customer wins during the year. Competition in this environment remained largely rational.

Continued strong interest in SG Fleet's additional products and services offering helped its competitive positioning, further enhancing our ability to win tenders and attract new customers to outsourcing. It also delivered additional revenue from existing accounts. During the period, the DingGo accident management platform and the bookingintelligence asset management solution were in particular demand. A significant number of customers also signed up for driver training services, the Inspect365 vehicle inspection tool, telematics, and the EV consulting service eStart. In the 2020 financial year, about 42% of our customers took two or more products from the Company. By the 2024 financial year, this has become the norm in the SG Fleet book, with 85% of customers taking multiple products.

Novated channel benefits from heightened product recognition

The continued strong performance of the Novated channel during the full 2024 financial period confirmed novated leasing remained front-of-mind as a product for both drivers and employers. Employees are increasingly recognising its financial appeal and employers have understood novated leasing is a must-have employee benefit that can conveniently be provided and managed by a third party. While the fringe benefits tax incentive in the case of battery electric vehicles and plug-in hybrids undoubtedly supported this demand further, increased driver interest was seen across all vehicle types. Novated orders for internal combustion energy vehicles remained strong, confirming there only is a limited substitution effect from EVs.

In this environment, the fortunes of our Novated channel mirrored those of the Corporate channel: strong tender activity, a significant number of new employer wins, record leads and order levels from drivers, and significant potential for more progress. The typical novated driver tends to be more flexible than corporate customers in terms of which vehicle they choose and will opt for the models that are in good supply, and this further accelerated delivery levels as the year continued. Drivers also continued to take up a greater number of additional products and services.

New Zealand activity levels stable despite muted environment

Although subdued economic conditions in New Zealand were reflected in slowing vehicle registrations during the year, particularly in the passenger segment, these conditions had little impact on our local operations. New business development and tender activity remained strong throughout the period; however, competition became more pointed as one provider adopted fairly aggressive pricing practices.

As in previous periods, the business was successful in retaining existing customers and picked up additional wins across a range of sectors, in some cases as part of trans-Tasman arrangements in cooperation with SG Fleet Australia. The Company's established presence in the government sector allowed it to present a number of additional solutions to existing customers in that segment, including sale & leasebacks.

In addition to diversifying the customer book, we continued to develop our offering in the New Zealand market, introducing a number of additional products and services. DingGo was rolled out as the Company's accident management services provider after its success in the Australian market and, following the completion of an eStart project in the government sector earlier in the period, further opportunities arose for the EV transition solution. Demand for eStart remained strong despite the drop in private EV demand following the end of the Clean Car Discount in December 2023.

SG Fleet UK receives industry recognition

The economic environment in the UK improved as the financial year progressed, with some of the previously seen cost pressures, such as wages and fuel, easing, which in turn kept inflation in check. In line with this, business sentiment improved, and we continued to receive a steady stream of new opportunities.

The 2024 financial year has been the period in which SG Fleet's UK business firmly established itself as a leader in its market segment, building an excellent service proposition particularly suited to its target segment. This was duly recognised by a number of industry awards. While the business has some larger contracts in its book, it is customers with medium-sized fleets that most value our diversified, bespoke service. They continued to be very receptive to the Company's tool-of-trade solution and the Novalease product, the features of which remain unique in this market.

During the period, SG Fleet maintained very healthy win rates across a range of sectors and registered a number of corporate and Novalease wins. At the same time, a focus on existing accounts led to several contract extensions and the conversion of panel arrangements to sole supply contracts. Upsell within existing customers continued at a steady pace, with short-term hire solutions in particular attracting strong interest.

“The continued strong performance of the Novated channel during the full 2024 financial period confirmed novated leasing remained front-of-mind as a product for both drivers and employers.”

Supply normalises gradually and zero and low-emission vehicles become a permanent market feature

While vehicle supply improved throughout the period, challenges continued to be faced with some makes and models and where special body builds or accessories were required. Nevertheless, we started to gradually clear the supply challenges of the past few years. The Corporate channel pipeline reduced by about 18% during the financial year, but at about 9,500 units at the end of the period, it remained about three-and-a-half times what would be considered a normal level. The Novated channel pipeline started to reduce earlier, shrinking by 45% during the year. As of the end of the 2024 financial year, it stood at about 3,600 units, or, similar to the Corporate channel, three-and-a-half times normal levels. In line with improving supply, average end-of-lease selling prices normalised gradually. Over the reported period, they were about 130% of pre-COVID levels.

Used vehicle values for electric vehicles declined more markedly but despite slowing demand growth rates, EVs remained a prominent feature in SG Fleet's markets. Helped by tax incentives, interest in zero or low emission vehicles again was strong in the Company's Novated channel in Australia and via the Novalease salary packaging product in the UK. Customers also widened their focus in the lower emission segment by increasingly adopting plug-in hybrid vehicles. The market share of the already established pure hybrid segment continued to grow, particularly in the Corporate channel.

Future State taking shape

During the 2024 financial year, significant progress was made with the system migration and the digitisation of key processes in our operations. The two existing SG Fleet platforms in the Novated channel were successfully brought together. This meant that for the first time in the Company's history, the SG Fleet brand operated off one single platform. Two out of three phases were completed for the LeasePlan New Zealand system migration, with the third and final one scheduled for September 2024 to complete the process. Additional resources have now been deployed to the LeasePlan Australia system migration, the final stage of the integration.

Development started on a comprehensive digital interaction model that will ensure our customers will have a seamless experience across the life of their lease. Completion of the move to a single system, combined with greater process digitisation across the business, will facilitate the extraction of all synergies from the LeasePlan acquisition, significantly enhance efficiency, and lower the Company's cost-to-serve. The acquisition's cost synergies are expected to be realised once the integration is completed and revenue synergies will be continuous. Both will become permanently embedded in the combined business.

Progress across the Company

The 2024 financial year has been a period in which SG Fleet has continued to make strong progress, culminating in an exceptional financial performance. We were able to reap the benefits of multiple periods with good order growth as the delivery environment improved. The revenue generated by the increased deliveries easily offset the anticipated adjustment in end of lease disposal income.

Leads, orders, and deliveries set new records in both the Corporate and the Novated channel. New business development activity grew throughout the period in the Corporate channel and greater consumer and employer awareness of novated leasing drove new customer opportunities and driver leads in the Novated channel. Electric vehicles continued to attract strong interest, and the Company took full advantage of that in this channel.

New Zealand made good headway with the development of new business opportunities and higher product penetration, and SG Fleet's UK business had an encouraging period, growing its business on the back of the recognition it received as a leader in its market segment.

The LeasePlan system migration progressed well during the year and remains on track for completion. Our digitisation drive continued, increasingly yielding efficiency benefits throughout the Company.

2025 financial year guidance

After the end of the reported period, SG Fleet's Board and Executive Leadership Team took the decision to provide earnings guidance to investors in light of the anticipated impact of a number of variables during the 2025 financial year.

These variables include a projected increase in interest on corporate debt, and a temporary increase in the Company's technology spend in the lead-up to the final phase of the LeasePlan system migration program. Cost synergies of the LeasePlan acquisition will be realised once this phase is completed. While we are confident earnings will remain strong, we also expect movements in our financial profile as our operating environment gradually returns to a more stable condition after a period in which external factors such as the supply disruption and its impact on used values led to an exceptional performance in some of our revenue lines. Taking into account all of these factors, we expect to deliver an Underlying NPATA of between \$88m and \$95m for the 2025 financial year.

I give my sincere thanks to our Board, my Executive team, and each of my colleagues across the Group. I would like to thank you, our shareholders, for your continued support us as SG Fleet builds further on its achievements of this and previous financial years.



Robbie Blau, CEO

26 August 2024
Sydney

“The 2024 financial year has been a period in which SG Fleet has continued to make strong progress, culminating in an exceptional financial performance.”

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Directors' report

30 June 2024

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 2024.

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

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:

	Consolidated	
	2024 \$'000	2023 \$'000
Final dividend for the year ended 30 June 2023 of 7.271 cents per ordinary share paid on 15 September 2023 (2023: Final dividend for the year ended 30 June 2022 of 6.811 cents)	24,845	23,293
Interim dividend for the year ended 30 June 2024 of 9.600 cents per share paid on 20 March 2024 (2023: Interim dividend for the year ended 30 June 2023 of 8.913 cents)	32,831	30,481
	57,676	53,774

On 26 August 2024, the Directors declared a fully franked final dividend for the year ended 30 June 2024 of 9.332 cents per ordinary share and in addition a special dividend of 15.000 cents per ordinary share, to be paid in total on 25 September 2024 to eligible shareholders on the register on 11 September 2024. This equates to a total estimated distribution of \$83,182,000, based on the number of ordinary shares on issue as at 30 June 2024. The financial effect of dividends declared after the reporting date are not reflected in the 30 June 2024 financial statements and will be recognised in subsequent financial reports.

Review of operations

The profit for the Group after providing for income tax amounted to \$89,661,000 (30 June 2023: \$83,998,000).

The fleet under management at 30 June 2024 consisted of 129,249 funded vehicles (30 June 2023: 121,045) and Lite Fleet of 148,304 (30 June 2023: 149,597).

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

Directors' report

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Significant changes in the state of affairs

During the year, the Group extinguished the outstanding lease portfolio facility held at the end of the previous financial year. The Group entered into a new Autonomy 2021-1 Warehouse facility of \$1,352,000,000 and Autonomy NZ 2021-2 Warehouse facility of \$214,690,000 with a facility maturity date of June 2025. Refer to note 25 for further details.

During the year, the Group extinguished the outstanding bank loan facility held at the end of the previous financial year. The Group entered into a new banking facility with a maturity date of 29 September 2026. Refer to note 26 for further details.

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 2024 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

Name:	Andrew Reitzer
Title:	Independent Non-Executive Director and Chairman
Qualifications:	Bachelor of Commerce and a Master of Business Leadership from the University of South Africa
Experience and expertise:	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. Andrew is currently Chairman of IPIC Pty Ltd.
Other current directorships:	None
Former directorships (last 3 years):	Non-executive Chairman of Amaysim Australia Limited (ASX: AYS) – delisted on 6 April 2021
Special responsibilities:	Chairman of the Nomination and Remuneration Committee and Chairman of the Innovation and Technology Committee
Interests in shares:	94,461 ordinary shares in the Company

Name:	Robert (Robbie) Blau
Title:	Executive Director and Chief Executive Officer ('CEO')
Qualifications:	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
Experience and expertise:	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.
Other current directorships:	None
Former directorships (last 3 years):	Carly Holdings Limited (ASX: CL8) – resigned on 1 November 2023
Special responsibilities:	Member of the Innovation and Technology Committee
Interests in shares:	8,276,402 ordinary shares in the Company
Interests in options:	4,543,902 options over ordinary shares in the Company
Interests in rights:	363,576 rights over ordinary shares in the Company

Name:	Cheryl Bart AO
Title:	Independent Non-Executive Director
Qualifications:	Bachelor of Commerce and Bachelor of Laws from the University of New South Wales, Fellow of the Australian Institute of Company Directors
Experience and expertise:	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 Endeavour Energy and Tilt Renewables. Cheryl is past Chairman of ANZ Trustees Ltd, the Environment Protection Authority of South Australia, the South Australian Film Corporation, Adelaide Film Festival, the Foundation for Alcohol Research and Education ('FARE') and TEDxSydney. 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.
Other current directorships:	Audio Pixels Holdings Limited (ASX: AKP)
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit, Risk and Compliance Committee, member of the Nomination and Remuneration Committee and member of the Innovation and Technology Committee
Interests in shares:	30,665 ordinary shares in the Company

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Name:	Peter Mountford
Title:	Non-Executive Director
Qualifications:	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
Experience and expertise:	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).
Other current directorships:	Super Group Limited (JSE: SPG)
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit, Risk and Compliance Committee and member of the Nomination and Remuneration Committee
Interests in shares:	580,000 ordinary shares in the Company

Name:	Edwin Jankelowitz
Title:	Independent Non-Executive Director
Qualifications:	Bachelor of Commerce from the University of the Witwatersrand, Chartered Accountant (South Africa)
Experience and expertise:	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.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chairman of the Audit, Risk and Compliance Committee
Interests in shares:	23,000 ordinary shares in the Company

Name:	Kevin Wundram
Title:	Executive Director, Chief Financial Officer ('CFO') and Head of Risk
Qualifications:	Bachelor of Commerce from the University of the Witwatersrand, Honours Bachelor of Accounting Science degree from the University of South Africa, Chartered Accountant
Experience and expertise:	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.
Other current directorships:	None
Former directorships (last 3 years):	Carly Holdings Limited (ASX: CL8) – resigned on 1 November 2023
Special responsibilities:	Member of the Innovation and Technology Committee
Interests in shares:	898,056 ordinary shares in the Company
Interests in options:	718,787 options over ordinary shares in the Company
Interests in rights:	137,400 rights over ordinary shares in the Company

Name:	Tex Gunning
Title:	Non-Executive Director
Qualifications:	Economics graduate of Erasmus University
Experience and expertise:	Tex previously served as the Chief Executive Officer and Chairman of the Managing Board of LeasePlan. He has also 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 Vedioir between 2007 and 2008 after which the company was sold to Randstad. Subsequently he led 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 The Nexus Institute.
Other current directorships:	None
Former directorships (last 3 years):	LeasePlan Corporation N.V
Special responsibilities:	None
Interests in shares:	None

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Name:	Colin Brown
Title:	Alternate Director for Peter Mountford
Qualifications:	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
Experience and expertise:	Colin 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).
Other current directorships:	Super Group Limited (JSE: SPG)
Former directorships (last 3 years):	None
Special responsibilities:	Alternative director and member of the Audit, Risk and Compliance Committee for Peter Mountford
Interests in shares:	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, FGIA) 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 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 2024, 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	7	7	–	–	5	5
Robbie Blau	7	7	–	–	–	–
Cheryl Bart AO	6	7	2	4	3	5
Peter Mountford	7	7	4	4	5	5
Edwin Jankelowitz	5	7	3	4	–	–
Kevin Wundram	7	7	–	–	–	–
Tex Gunning	6	7	–	–	–	–

	Innovations and Technology Committee	
	Attended	Held
Andrew Reitzer	1	1
Robbie Blau	1	1
Cheryl Bart AO	1	1
Kevin Wundram	1	1

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.

1. Remuneration report (audited)

1.1. Introduction

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.

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

- Remuneration framework and policy overview
- FY24 Executive KMP remuneration framework
- FY24 Remuneration outcomes and link to performance
- Remuneration governance
- Non-Executive Director remuneration
- Remuneration tables

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 KMP for the year ended 30 June 2024 were:

Non-Executive Directors

Name	Position	Term as a KMP
Andrew Reitzer	Independent Non-Executive Chairman	Full year
Cheryl Bart AO	Independent Non-Executive Director	Full year
Peter Mountford	Non-Executive Director	Full year
Edwin Jankelowitz	Independent Non-Executive Director	Full year
Tex Gunning	Non-Executive Director	Full year

Executive Directors

Name	Position	Term as a KMP
Robbie Blau	Chief Executive Officer ('CEO')	Full year
Kevin Wundram	Chief Financial Officer ('CFO')	Full year

Other KMP

Name	Position	Term as a KMP
Andy Mulcaster	Chief Commercial Officer	Full year
Geoff Tipene	Managing Director – New Zealand	Full year
Peter Davenport	Managing Director – United Kingdom	Full year

2. Remuneration framework and policy overview

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 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.

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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.

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 and Executive remunerations are separate.

2.1. Executive remuneration features

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 is structured as set out in the table below.

	Fixed remuneration	Variable remuneration Short-term incentive	Variable remuneration Long-term incentive
What is it?	Total fixed remuneration (TFR) comprises base salary, non-monetary benefits and superannuation.	Short-term incentive ('STI') awarded partly in cash and partly in Rights subject to a one year service based deferral.	Performance Rights and Options measured over a three year performance assessment period.
Purpose	Attract and retain the talent and capability required to execute the Group's strategy.	Retain and motivate key employees focusing on short-term objectives designed to deliver sustainable long-term performance and the achievement of strategic goals.	Retain and motivate key employees by rewarding sustainable long-term performance with exposure to the Group's shares.
Link to performance	Set on an individual basis having regard to the individual's role, duties and responsibilities, general market conditions and remuneration offered to comparable roles within comparable industries.	Performance assessed based on a financial component using a balanced scorecard and an individual performance component.	Vesting of the long-term incentive ('LTI') is subject to the achievement of financial and strategic performance hurdles to derive long term value for shareholders.
Strategic link	Attract and retain talent required to execute strategy.	Balanced scorecard and individual performance goals are linked to the Group's strategic goals.	Rewards executives for delivering business performance that creates shareholder value.

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.

3. FY24 Executive KMP remuneration framework

3.1. FY24 Executive remuneration framework changes

During the financial year ended 30 June 2023, the Group engaged PwC to review and recommend changes to its STI and LTI plans. As a result of the findings of this review, the Nomination and Remuneration Committee made the following key changes to the STI and LTI in relation to the Executive Directors and other KMP.

STI Plan:

- The introduction of the Balanced Scorecard for the financial component;
- Increased the Individual Performance Component from 20% to 30%; and
- Linked the outcome of the Individual Performance Component directly to the Group's formal talent management system.

LTI Plan:

- The introduction of a Strategic Component to the LTI of 30%; and
- Allowed executives the choice of either Performance Rights or Share Options or a combination of the two.

3.2. FY24 STI Plan

Key terms of the FY24 STI Plan are outlined in the following table:

Elements	How the STI works										
Purpose	Retain and motivate key executives focusing on short-term objectives designed to deliver sustainable long-term performance and the achievement of strategic goals.										
Performance Period	12 months ending 30 June.										
Gateway	To be eligible to receive an STI payment: <ul style="list-style-type: none"> – The executive must achieve a minimum performance rating in accordance with the Group's talent management framework; – All assigned compliance training must be completed; and – All performance appraisals for the executive's team must be complete. 										
Financial Component/ Individual Performance Component Split	Performance is measured against a financial component (70%) and an individual performance component (30%).										
Financial Component Scorecard	The performance measures used in the FY24 scorecard are as follows: <table border="1"> <thead> <tr> <th>Measure</th> <th>Objective</th> </tr> </thead> <tbody> <tr> <td>Growth in Underlying Earnings Per Share</td> <td>Deliver growth in the Group's earnings</td> </tr> <tr> <td>Cash Generation Ratio</td> <td>Convert earnings into cash</td> </tr> <tr> <td>Cost to Income Ratio</td> <td>Cost optimisation and synergy delivery</td> </tr> <tr> <td>Growth in margins for on-balance sheet funding</td> <td>Sustainable funding and profit growth</td> </tr> </tbody> </table>	Measure	Objective	Growth in Underlying Earnings Per Share	Deliver growth in the Group's earnings	Cash Generation Ratio	Convert earnings into cash	Cost to Income Ratio	Cost optimisation and synergy delivery	Growth in margins for on-balance sheet funding	Sustainable funding and profit growth
Measure	Objective										
Growth in Underlying Earnings Per Share	Deliver growth in the Group's earnings										
Cash Generation Ratio	Convert earnings into cash										
Cost to Income Ratio	Cost optimisation and synergy delivery										
Growth in margins for on-balance sheet funding	Sustainable funding and profit growth										

Directors' report

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Elements	How the STI works								
Individual Performance Component	<p>The Individual Performance Component is assessed using the Group's talent management framework which employs a Performance-Potential Matrix to evaluate the performance of executives and employees using a 9-Box grid. This framework evaluates employees based on two dimensions:</p> <ol style="list-style-type: none"> 'The What' which refers to the measurable performance and achievements in their role. 'The How' which assesses the behaviours, skills and competencies the executive or employee demonstrates in achieving those results. <p>At the start of the year executives and employees define a set of goals ('The What') to be achieved for the year. These goals align to the Group's strategy and are documented in a SMART format, i.e. Specific, Measurable, Achievable, Realistic, Timely.</p> <p>At the end of the year, the achievement of these goals is objectively assessed.</p> <p>Executives and employees are also rated on 'The How' competency framework which ascertains which of the desired behaviour descriptors the employee demonstrates.</p> <p>The combination of 'The What' and 'The How' assessment determines the overall performance rating. This rating is then subjected to a formal peer calibration process and adjusted if required.</p> <p>The final performance rating determines the Individual Performance Component of the STI earned by the executive according to the following table:</p> <table border="1"> <thead> <tr> <th>Overall rating</th> <th>Individual Performance Component of STI earned</th> </tr> </thead> <tbody> <tr> <td>Insufficient or Moderate</td> <td>Nil</td> </tr> <tr> <td>Solid</td> <td>Target Individual Performance Component</td> </tr> <tr> <td>Strong or Outstanding</td> <td>Maximum Individual Performance Component</td> </tr> </tbody> </table>	Overall rating	Individual Performance Component of STI earned	Insufficient or Moderate	Nil	Solid	Target Individual Performance Component	Strong or Outstanding	Maximum Individual Performance Component
Overall rating	Individual Performance Component of STI earned								
Insufficient or Moderate	Nil								
Solid	Target Individual Performance Component								
Strong or Outstanding	Maximum Individual Performance Component								
Performance Assessment	The achievement against the financial scorecard for the purposes of the STI is determined by the Board in its absolute discretion, having regard to any matters that it considers relevant, for example the impact of non-recurring or significant transactions.								
Instrument	<p>75% of the STI is paid in cash and 25% is delivered in the form of Performance Rights to acquire Group shares (at no cost to the participant) which will vest 12 months after the end of the Performance Period.</p> <p>The Performance Rights are typically satisfied using shares purchased on market.</p>								
Malus	The plan rules contain provisions which prevent an executive from obtaining an inappropriate benefit for example through fraud, dishonesty or misconduct.								

3.3. FY24 LTI Plan

Key terms of the FY24 LTI Plan are outlined in the following table:

Elements	How the LTI works
Purpose	The LTI award is designed to align the interests of the executives with the interests of shareholders by providing the opportunity to receive an equity interest in the Company by granting Options and/or Performance Rights.
Performance Period	1 July 2023 to 30 June 2026.
Instruments	<p>In accordance with the terms of the Company's Equity Incentive Plan ('EIP'), executives can elect to receive Options or Performance Rights or any combination of Options or Performance Rights up to their long-term Outperformance opportunity.</p> <p>Prior to the Grant Date, executives determine the proportion of their long-term Outperformance opportunity to be allocated to Options and the proportion to be allocated to Performance Rights.</p> <p>The maximum number of Options granted to executives is determined based on the formula: Long-term Outperformance opportunity multiplied by the proportion to be allocated to Options divided by the fair value of the Options at the Grant Date.</p> <p>The maximum number of Performance Rights granted to executives is determined based on the formula: Long-term Outperformance opportunity multiplied by the proportion to be allocated to Performance Rights divided by the fair value of the Performance Rights at the Grant Date.</p> <p>The fair value of the Options and the Performance Rights were determined by an independent expert.</p>

Elements	How the LTI works																
Issue Price	As the Options and Performance Rights will form part of the executive's remuneration, they are granted at no cost.																
Financial Component/ Strategic Component Split	70% of the LTI awards will be subject to a Financial Performance Measure and 30% to a Strategic Performance Measure.																
Financial Performance Measure	<p>The Financial Performance Measure selected for the LTI is Compound Annual Growth ('CAGR') in Underlying Earning Per Share ('Underlying EPS'). The target growth rates for the purpose of the FY24 LTI are as follows:</p> <table border="1"> <thead> <tr> <th>Threshold</th> <th>Target</th> <th>Outperformance</th> </tr> </thead> <tbody> <tr> <td>3%</td> <td>5%</td> <td>7%</td> </tr> </tbody> </table> <p>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:</p> <table border="1"> <thead> <tr> <th>Company's CAGR of Underlying EPS over the Performance Period that applies to the relevant component</th> <th>% of Options or Performance Rights in a component that vest (and become exercisable, in the case of Options)</th> </tr> </thead> <tbody> <tr> <td>Less than 3% CAGR</td> <td>Nil</td> </tr> <tr> <td>3% CAGR (threshold performance)</td> <td>42.9%</td> </tr> <tr> <td>Between 3% and 7% CAGR</td> <td>42.9% to 100%</td> </tr> <tr> <td>7% CAGR or above (Outperformance)</td> <td>100%</td> </tr> </tbody> </table>	Threshold	Target	Outperformance	3%	5%	7%	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)	42.9%	Between 3% and 7% CAGR	42.9% to 100%	7% CAGR or above (Outperformance)	100%
Threshold	Target	Outperformance															
3%	5%	7%															
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)	42.9%																
Between 3% and 7% CAGR	42.9% to 100%																
7% CAGR or above (Outperformance)	100%																
Strategic Performance Measures	<p>The Strategic Performance Measures and the weighting thereof for the FY24 LTI Plan are as follows:</p> <table border="1"> <thead> <tr> <th>Goal/Measure</th> <th>Weighting</th> </tr> </thead> <tbody> <tr> <td>Integration completion and delivery of synergies</td> <td>40%</td> </tr> <tr> <td>Innovation – Growth in revenue from non-traditional products and services</td> <td>20%</td> </tr> <tr> <td>Customer Satisfaction – Net Promoter Score</td> <td>20%</td> </tr> <tr> <td>Employee Engagement – Staff Turnover</td> <td>20%</td> </tr> </tbody> </table>	Goal/Measure	Weighting	Integration completion and delivery of synergies	40%	Innovation – Growth in revenue from non-traditional products and services	20%	Customer Satisfaction – Net Promoter Score	20%	Employee Engagement – Staff Turnover	20%						
Goal/Measure	Weighting																
Integration completion and delivery of synergies	40%																
Innovation – Growth in revenue from non-traditional products and services	20%																
Customer Satisfaction – Net Promoter Score	20%																
Employee Engagement – Staff Turnover	20%																
Performance Assessment	<p>Calculation of the CAGR of the Underlying EPS and achievement against the performance condition as well as the achievement or non-achievement of the Strategic Performance Measures will be determined by the Nomination and Remuneration Committee shortly after the end of the Performance Period.</p> <p>Any Options or Performance Rights that do not vest on the relevant test date will lapse and there is no retesting of the award.</p>																
Instrument	Performance Rights and/or Share Options.																
Vesting and Exercise	<p>Each Share Option and each Performance Right entitles the executive 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. Any cash payment is at the Group's discretion only. 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.</p> <p>The exercise price of the Options will be the daily volume weighted average market price ('VWAP') of the Company's shares traded on the ASX during the 10 days prior to the grant date of the Options.</p> <p>The exercise price is payable in cleared funds unless a 'net settlement' (or cashless exercise) mechanism is approved by the Board. The commercial effect of the net settlement is that only the value net option profit will be provided in the form of fully paid ordinary shares or cash-equivalent payment.</p>																
Voting and Dividend entitlements	No voting rights or dividend entitlements attach to the Rights. Participants must not sell, transfer, encumber, hedge or otherwise deal with the Options.																

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Elements	How the LTI works
Malus	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.
Ceasing employment	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.
Change in control	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.
Restricted Shares	The EIP also provides flexibility for the Group to grant, subject to the terms of individual offers, restricted shares although these are not issued to executive KMP.

4. FY24 Remuneration outcomes and link to performance

4.1 Financial performance FY20 to FY24

The table below sets out the Group's performance over the past five years in respect of key financial indicators:

	2024	2023 (Restated*)	2022	2021	2020
Revenue ('000)	1,112,432	1,044,897	907,559	482,080	452,895
Profit after income tax ('000)	89,661	83,998	60,732	43,705	36,381
NPATA ('000) ¹	99,585	93,896	69,784	47,920	41,054
Basic earnings per share (cents per share)	26.23	24.56	18.16	16.22	13.88
Cash earnings per share (cents) ²	29.12	27.46	20.87	17.78	16.53
Dividend paid (cents per share)	33.93	16.18	15.13	12.59	10.00
Share price at end of the financial year (\$)	3.30	2.30	2.15	3.00	1.60
Market capitalisation (\$ million)	1,129	787	735	892	419

* 2023 profit after income tax and basic earnings per share above have been restated. Refer to note 4 'Restatement of comparatives' of the notes to the financial statements for further details.

1. NPATA = Net Profit After Tax excluding amortisation of intangibles arising from acquisitions on an after tax basis.

2. Cash earnings per share = Reported Net Profit After Tax excluding amortisation of intangibles arising from acquisitions on an after tax basis divided by weighted average shares.

4.2. Fixed remuneration

The Group's fixed remuneration strategy is designed to offer market competitive rates to attract and retain talent in the Group Leadership Team and across the Group. Remuneration levels are set based on role responsibility, complexity, and leadership accountability. Remuneration is benchmarked by external independent remuneration consultants periodically. The Nomination and Remuneration Committee may award inflationary adjustments to remuneration from time to time.

4.3. STI Awards

At the beginning of FY24, the Nomination and Remuneration Committee approved the financial scorecard measures set out in the table below.

Scorecard Measure	Objective	Weighting for Executive Directors and Other KMP's	Outcome	Outcome Versus Target		
				Threshold Performance	Target Performance	Out Performance
Growth in Underlying Earnings Per Share	Deliver growth in the Group's earnings	50%	19.2%			
Cash Generation Ratio	Convert earnings into cash	15%	101.0%			
Cost to Income Ratio	Cost optimisation & synergy delivery	20%	57.7%			
Growth in margins for on-balance sheet funding	Sustainable funding and profit growth	15%	15bps			

At the end of the financial year the achievement of these scorecard measures was assessed by the Nomination and Remuneration Committee. In addition each executive KMP was assessed in accordance with the talent management framework described above to determine the Individual Performance Component of the STI.

4.3.1. Amounts awarded

Based on the assessment described above, the STI awards for FY24 are set out below:

KMP	Outperform- ance STI opportunity (% of TFR)	Amount awarded (% of TFR)	Payable in cash	Deferral amount	Deferral period
Robbie Blau	98%	90%	75%	25%	12 months
Kevin Wundram	71%	65%	75%	25%	12 months
Andy Mulcaster	58%	53%	75%	25%	12 months
Geoff Tipene	58%	48%	75%	25%	12 months
Peter Davenport	58%	53%	75%	25%	12 months

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4.4. LTI's which vested

Under the terms of the FY22 LTI plan, executive KMP were issued Performance Rights and Share Options for the three-year performance period FY22–FY24. Growth in Underlying EPS was chosen as the key performance metric, in line with the Group's strategic objective of delivering EPS growth to shareholders. The target and actual growth rates for the purpose of the FY22 LTI are as follows:

	Threshold	Target	Outperformance	Actual result
CAGR in Underlying EPS	4.8%	8%	11.2%	16.6%

Given that the actual CAGR in Underlying EPS exceeded the Outperformance target, 100% of the FY22 LTI award vested.

4.5. FY24 Reward mix

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	
	2024	2023	2024	2023	2024	2023
Executive Directors:						
Robbie Blau	44%	37%	34%	38%	22%	25%
Kevin Wundram	52%	46%	29%	32%	19%	22%
Other KMP:						
Andy Mulcaster	58%	55%	27%	30%	15%	15%
Geoff Tipene	60%	56%	25%	28%	15%	16%
Peter Davenport	58%	55%	28%	29%	14%	16%

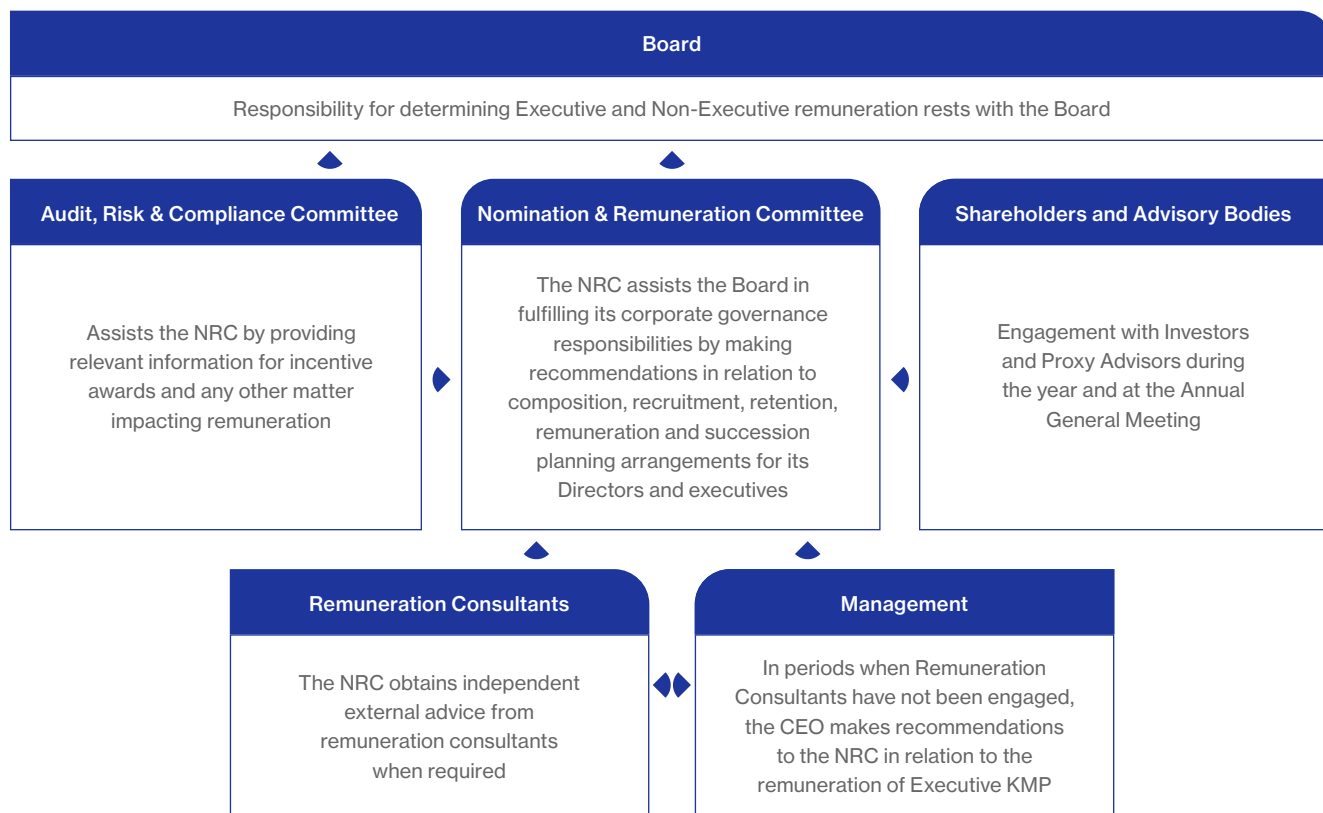
The proportion of the cash bonus paid/payable or forfeited is as follows:

Name	Cash bonus paid/payable		Cash bonus forfeited	
	2024	2023	2024	2023
Executive Directors:				
Robbie Blau	92%	100%	8%	–
Kevin Wundram	92%	100%	8%	–
Other KMP:				
Andy Mulcaster	92%	100%	8%	–
Geoff Tipene	85%	100%	15%	–
Peter Davenport	92%	100%	8%	–

5. Remuneration governance

5.1. Responsibility for setting remuneration

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.



5.2. Details of executive service agreements

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

Details of these arrangements are provided below:

	Total fixed remuneration (TFR)	Target variable remuneration (% of TFR)	Short-term/ Long-term variable remuneration split	Short-term variable remuneration (% of TFR)		Long-term variable remuneration (% of TFR)	
				Target STI	Out-performance STI	Target LTI	Out-performance LTI
Robbie Blau	1,237,244	117%	60%/40%	70%	98%	47%	60%
Kevin Wundram	638,141	85%	60%/40%	51%	71%	34%	44%
Andy Mulcaster	571,022	64%	60%/40%	42%	58%	22%	29%
Geoff Tipene	351,584	64%	65%/35%	42%	58%	22%	29%
Peter Davenport	368,035	64%	65%/35%	42%	58%	22%	29%

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.

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5.3. Use of remuneration consultants

The Nomination and Remuneration Committee obtains independent external advice from remuneration consultants when required. During FY24, no external advice was obtained.

5.4. Board discretion

The achievement of the performance conditions in the STI and LTI Plans is determined by the Board in its absolute discretion, having regard to any matters that it considers relevant. The Board typically exercises its discretion to adjust performance measures for the impact of non-recurring or significant transactions.

5.5. Voting and comments made at the Company's 2023 Annual General Meeting ('AGM')

At the 2023 AGM, the shareholders voted to approve the adoption of the remuneration report for the year ended 30 June 2023. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

6. Non-Executive Director remuneration

6.1. Remuneration policy and arrangements

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 AGM held on 12 February 2014, where the shareholders approved the aggregate remuneration be fixed at a maximum of \$1,000,000 per annum.

6.2 Fees and other benefits

Non-Executive Directors' salaries are 100% fixed. Non-Executive Director fees (Directors' fees and committee fees) (inclusive of superannuation) are summarised as follows:

Committee	Chair Fees	Member Fees
Board	218,400	104,000
Audit, Risk and Compliance Committee	40,144	12,155
Nomination and Remuneration Committee	–	12,155

7. Remuneration tables

7.1. Remuneration

Details of the remuneration of the Non-Executive Directors, Executive Directors and other KMP's are set out in the following tables.

	Short-term benefits			Post-employ- ment benefits	Long-term benefits	Share-based payments		Total \$
	Cash salary and fees \$	Current year bonus \$	Non- monetary \$	Super- annuation \$	Leave benefits \$	Deferred bonus equity settled \$	Other equity settled \$	
2024								
Non-Executive Directors:								
Andrew Reitzer	198,173	–	–	21,839	–	–	–	220,012
Cheryl Bart AO	116,427	–	–	12,830	–	–	–	129,257
Peter Mountford	127,487	–	–	–	–	–	–	127,487
Edwin Jankelowitz	130,200	–	–	14,348	–	–	–	144,548
Tex Gunning	103,333	–	–	–	–	–	–	103,333
Executive Directors:								
Robbie Blau	1,200,737	969,619	–	27,399	97,951	39,093	673,335	3,008,134
Kevin Wundram	635,711	364,001	–	27,399	45,906	22,681	255,047	1,350,745
Other KMP:								
Andy Mulcaster	537,884	265,497	12,648	27,399	33,817	17,677	155,544	1,050,466
Geoff Tipene*	315,495	137,184	20,024	18,668	–	9,265	88,356	588,992
Peter Davenport*	381,665	171,118	3,535	–	1,348	16,720	95,338	669,724
	3,747,112	1,907,419	36,207	149,882	179,022	105,436	1,267,620	7,392,698
2023								
Non-Executive Directors:								
Andrew Reitzer	191,781	–	–	20,177	–	–	–	211,958
Cheryl Bart AO	112,671	–	–	11,854	–	–	–	124,525
Peter Mountford	123,375	–	–	–	–	–	–	123,375
Edwin Jankelowitz	126,000	–	–	13,256	–	–	–	139,256
Tex Gunning	100,000	–	–	–	–	–	–	100,000
Executive Directors:								
Robbie Blau	1,155,356	934,756	–	25,292	25,319	267,009	788,625	3,196,357
Kevin Wundram	582,586	336,678	–	25,292	12,778	97,295	298,277	1,352,906
Other KMP:								
Andy Mulcaster	518,418	239,676	–	25,292	11,113	69,834	154,169	1,018,502
Geoff Tipene**	296,660	127,840	21,702	13,626	–	35,673	91,556	587,057
Peter Davenport**	339,221	137,263	2,639	–	732	41,175	96,212	617,242
	3,546,068	1,776,213	24,341	134,789	49,942	510,986	1,428,839	7,471,178

* Total remuneration in local currency paid to Geoff Tipene amounts to NZ\$635,909. Total remuneration in local currency paid to Peter Davenport amounts to £347,995.

** Total remuneration in local currency paid to Geoff Tipene amounts to NZ\$639,598. Total remuneration in local currency paid to Peter Davenport amounts to £343,976.

Colin Brown (Alternate Director) received no remuneration during the year ended 30 June 2024 and 30 June 2023.

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7.2. Share-based compensation

Issue of shares

There were no shares issued to Directors and other KMP during the year ended 30 June 2024 as a result of the exercise of options as part of compensation (2023: 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 30/06/2024	Exercised after 30/06/2024	Balance at the Directors' report date
Robbie Blau	4,244,276	299,626	–	–	4,543,902	–	–	4,543,902
Kevin Wundram	1,601,305	112,364	(994,882)	–	718,787	–	–	718,787
Andy Mulcaster	840,854	264,718	(472,288)	–	633,284	–	–	633,284
Geoff Tipene	504,358	74,538	(290,526)	–	288,370	–	–	288,370
Peter Davenport	533,963	84,615	–	–	618,578	–	–	618,578
Total Directors and other KMP	7,724,756	835,861	(1,757,696)	–	6,802,921	–	–	6,802,921
Non-KMP	2,001,328	957,715	(932,258)	(218,750)	1,808,035	–	–	1,808,035
Total options	9,726,084	1,793,576	(2,689,954)	(218,750)	8,610,956	–	–	8,610,956

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 30/06/2024	Exercised after 30/06/2024	Balance at the Directors' report date
25/11/2019 (a)	812,395	–	(685,738)	–	126,657	–	–	126,657
28/10/2020 (b)	1,823,951	–	(497,441)	–	1,326,510	–	–	1,326,510
28/10/2020 (c)	3,235,700	–	(1,506,775)	(218,750)	1,510,175	–	–	1,510,175
26/10/2021 (d)	1,765,028	–	–	–	1,765,028	–	–	1,765,028
03/11/2022 (e)	2,089,010	–	–	–	2,089,010	–	–	2,089,010
30/10/2023 (f)	–	1,793,576	–	–	1,793,576	–	–	1,793,576
	9,726,084	1,793,576	(2,689,954)	(218,750)	8,610,956	–	–	8,610,956

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)	22/08/2023	21/08/2026	\$1.68	\$0.46
26/10/2021 (d)	12/08/2024	26/08/2027	\$2.93	\$0.60
03/11/2022 (e)	21/08/2025	20/08/2028	\$2.17	\$0.60
30/10/2023 (f)	21/08/2026	20/08/2029	\$2.45	\$0.68

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.

Performance rights and restricted equity rights:

The number of performance rights and restricted equity 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:

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 30/06/2024	Vesting after 30/06/2024	Balance at the Directors' report date
Robbie Blau	273,884	269,227	(115,349)	–	427,762	–	(64,186)	363,576
Kevin Wundram	103,762	100,964	(43,256)	–	161,470	–	(24,070)	137,400
Andy Mulcaster	61,154	–	(24,457)	–	36,697	–	(14,970)	21,727
Geoff Tipene	36,276	22,325	(15,091)	–	43,510	–	(9,155)	34,355
Peter Davenport	38,116	25,343	(15,971)	–	47,488	–	(9,622)	37,866
Total Directors and other KMP	513,192	417,859	(214,124)	–	716,927	–	(122,003)	594,924
Non-KMP	2,609,063	1,183,910	(800,327)	(219,910)	2,772,736	–	(579,161)	2,193,575
Total rights (LTI)	3,122,255	1,601,769	(1,014,451)	(219,910)	3,489,663	–	(701,164)	2,788,499

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 30/06/2024	Vesting after 30/06/2024	Balance at the Directors' report date
Robbie Blau	110,765	107,872	(110,765)	–	107,872	–	(107,872)	–
Kevin Wundram	40,682	39,674	(40,682)	–	39,674	–	(39,674)	–
Andy Mulcaster	29,101	28,390	(29,101)	–	28,390	–	(28,390)	–
Geoff Tipene	15,693	15,684	(15,693)	–	15,684	–	(15,684)	–
Peter Davenport	17,969	18,176	(17,969)	–	18,176	–	(18,176)	–
Total Directors and other KMP	214,210	209,796	(214,210)	–	209,796	–	(209,796)	–
Non-KMP	362,834	437,668	(351,313)	(14,526)	434,663	–	(434,663)	–
Total rights (STI)	577,044	647,464	(565,523)	(14,526)	644,459	–	(644,459)	–

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Performance rights and restricted equity rights

The terms and conditions of each grant of performance rights and restricted equity 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 30/06/2024	Vesting after 30/06/2024	Balance at the Directors' report date
LTI								
28/10/2020 (g)	1,130,194	–	(1,014,451)	(115,743)	–	–	–	–
26/10/2021 (h)	734,790	–	–	(33,626)	701,164	–	(701,164)	–
03/11/2022 (i)	1,257,271	–	–	(61,331)	1,195,940	–	–	1,195,940
30/10/2023 (j)	–	1,034,645	–	–	1,034,645	–	–	1,034,645
30/10/2023 (k)	–	274,930	–	(4,465)	270,465	–	–	270,465
30/10/2023 (l)	–	292,194	–	(4,745)	287,449	–	–	287,449
Total rights (LTI)	3,122,255	1,601,769	(1,014,451)	(219,910)	3,489,663	–	(701,164)	2,788,499
STI								
09/09/2022 (m)	577,044	–	(565,523)	(11,521)	–	–	–	–
23/08/2023 (n)	–	647,464	–	(3,005)	644,459	–	(644,459)	–
Total rights (STI)	577,044	647,464	(565,523)	(14,526)	644,459	–	(644,459)	–

Grant date of rights	Vesting date	Fair value per right at grant date
28/10/2020 (g)	22/08/2023	\$1.47
26/10/2021 (h)	27/08/2024	\$2.33
03/11/2022 (i)	21/08/2025	\$1.74
31/10/2023 (j)	21/08/2026	\$2.16
31/10/2023 (k)	21/08/2026	\$2.12
31/10/2023 (l)	21/08/2027	\$1.99
09/09/2022 (m)	01/07/2023	\$1.74
23/08/2023 (n)	01/07/2024	\$2.61

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.

The restricted equity rights are subject to a service condition and there are no performance conditions attached. Restricted equity 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. Restricted equity rights do not carry any exercise price and vesting is conditional on the continuity of employment on the vesting date.

7.3. 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:

Ordinary shares	Balance at the start of the year	Received as part of remuneration	Additions on vesting or exercise of options/ rights	Disposal/ other	Balance at the end of the year
Andrew Reitzer	94,461	–	–	–	94,461
Cheryl Bart AO	30,665	–	–	–	30,665
Peter Mountford	580,000	–	–	–	580,000
Edwin Jankelowitz	23,000	–	–	–	23,000
Tex Gunning	–	–	–	–	–
Colin Brown	122,639	–	–	–	122,639
Robbie Blau	8,050,288	–	226,114	–	8,276,402
Kevin Wundram	872,661	–	475,395	(450,000)	898,056
Andy Mulcaster	653,027	–	195,581	(195,839)	652,769
Geoff Tipene	29,073	–	105,103	(133,475)	701
Peter Davenport	385,014	–	33,940	–	418,954
	10,840,828	–	1,036,133	(779,314)	11,097,647

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
25/11/2019	14/08/2025	\$2.35	126,657
28/10/2020	14/08/2025	\$1.68	1,326,510
28/10/2020	21/08/2026	\$1.68	1,510,175
26/10/2021	26/08/2027	\$2.93	1,765,028
03/11/2022	20/08/2028	\$2.17	2,089,010
30/10/2023	20/08/2029	\$2.45	1,793,576
			8,610,956

Shares under performance rights and restricted equity rights

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

Grant date	Vesting date	Number under rights
03/11/2022	21/08/2025	1,195,940
30/10/2023	21/08/2026	1,034,645
30/10/2023	21/08/2026	270,465
30/10/2023	21/08/2027	287,449
		2,788,499

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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 2024 and up to the date of this report. Instead, the Company arranged to purchase shares on-market to satisfy the issuance of shares on the exercise of options.

Shares issued on the exercise of performance rights

There were no ordinary shares of SG Fleet Group Limited issued on the vesting of performance rights during the year ended 30 June 2024 and up to the date of this report. Instead, the Company arranged to purchase shares on-market to satisfy the issuance of shares on vesting of rights.

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>Cyber security/data privacy</p> <p>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.</p>	<ul style="list-style-type: none"> – Security Operations Centre is in place to actively monitor the Group's logical environment for malicious activity 24/7/365. – Tier 1 information security technologies in place to ensure robust depth-in-defence. – Internal information security technical specialists employed to ensure timely mitigation and remediation of alerts and incidents. – Robust infosec governance, including data privacy policies and processes in place, in line with international cybersecurity standards. – Ongoing penetration testing, vulnerability management controls and patching conducted on all critical IT assets. – Training in data privacy and security conducted on a recurring basis across the Group.
<p>Integration project execution</p> <p>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.</p>	<ul style="list-style-type: none"> – 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.
<p>Vehicle residual values</p> <p>The Group may inaccurately predict future market movements in used vehicle values. In the past few years used vehicle values were materially inflated due to disruptions in new vehicle supply. Recently new vehicle supply has improved which is driving the normalisation of used vehicle values. This has and will continue to cause a reduction in end of lease disposal profits.</p>	<ul style="list-style-type: none"> – The Group uses advanced statistical modelling underpinned by extensive data and overlaid with deep industry expertise to set vehicle residual values. – Multiple residual value risk mitigation strategies are employed during the life of the lease, including lease restructures and extensions. – Contractual incentives are in place with customers to align interests in optimising residual value performance. – The Group's disposal model assists in achieving above-market end-of-lease disposal results. – As new vehicle supply is restored, income on new vehicle deliveries will increase as will end of lease disposal volumes which will to some extent offset the decline in vehicle risk income.

Risk description	Risk Mitigation
<p>Regulatory</p> <p>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. The introduction of or changes to Vehicle Emissions Legislation can influence both customer and vehicle manufacturer behaviour which has the potential to benefit or harm the Group's financial performance.</p>	<ul style="list-style-type: none"> – The Group closely monitors legislative developments and assesses the potential impacts. – 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 a number of industry bodies which monitor and where possible influence policy settings.
<p>Funding</p> <p>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 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.</p>	<ul style="list-style-type: none"> – 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. – Where possible, leases are requoted on delivery using the cost of funds on the day. – 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.
<p>Economic conditions</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.</p>	<ul style="list-style-type: none"> – Robust controls are in place to manage headcount growth and remuneration adjustments. – Pricing is reviewed periodically. – A deal committee structure is in place to set pricing for new customer opportunities.
<p>People</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.</p>	<ul style="list-style-type: none"> – A competitive employee value proposition is in place to attract, motivate and retain talent. – Succession planning to develop or attract talent for sustainable growth. – Employee engagement surveys to identify areas for improvement and support retention. – Performance appraisal processes to help identify, develop and grow talent in line with the Group's values. – Increased focus on individual, manager and leadership development.
<p>Credit</p> <p>The Group assumes material credit exposure to customers through its on-balance sheet funding model. Adverse changes to the macroeconomic environment or industry-specific factors could trigger an increase in credit losses.</p>	<ul style="list-style-type: none"> – 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.

Directors' report

30 June 2024

Risk description	Risk Mitigation
<p>Supply Chain Disruptions</p> <p>The Group is dependent on a predictable and reliable new vehicle, aftermarket fit-out and vehicle accessory supply chain in order to deliver vehicles and originate leases within a reasonable timeframe from the date the customer places an order. Disruptions to these supply chains adversely impact customer satisfaction, revenue generation and the ability to accurately predict vehicle residual values.</p>	<ul style="list-style-type: none"> – New vehicle order lead-times have been adjusted to account for the supply chain disruptions. – The Group frequently engages with manufacturers and dealers on the status of production lines and shipping. – Additional resources and technology have been deployed to keep customers informed at regular intervals of the status of their deliveries.

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

To the extent permitted by law, the Company has agreed to indemnify its auditors, KPMG Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify KPMG Australia during or since the financial year.

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 36 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 36 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

26 August 2024

Sydney



Robbie Blau

Chief Executive Officer

Auditor's independence declaration

30 June 2024



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 2024 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 smaller, blue, stylized version of the KPMG logo.

KPMG

A handwritten signature in blue ink, appearing to read 'Joshua Pearce'.

Joshua Pearce
Partner

Sydney
26 August 2024

Statement of profit or loss

For the year ended 30 June 2024

	Notes	Consolidated	
		2024 \$'000	2023 \$'000 (Restated)
Revenue	6	1,112,432	1,044,897
Other income	4	–	12,500
Share of loss of associates accounted for using the equity method	15	(185)	(474)
Interest revenue calculated using the effective interest method		14,780	8,595
Total revenue and other income		1,127,027	1,065,518
Expenses			
Mobility services cost of sale		(78,488)	(73,870)
Vehicle risk cost of sale		(303,449)	(288,706)
Additional product and services cost of sale		(44,852)	(46,335)
Rental and finance cost of sale		(9,427)	(7,627)
Other direct costs		(27,356)	(19,606)
Depreciation and amortisation	7	(223,507)	(241,942)
Finance costs	7	(95,629)	(71,915)
Employee benefits expense		(172,422)	(151,729)
Occupancy costs		(3,775)	(4,018)
Technology and communication costs		(25,806)	(26,624)
Other expenses		(16,806)	(14,143)
Total expenses		(1,001,517)	(946,515)
Profit before income tax expense		125,510	119,003
Income tax expense	8	(35,849)	(35,005)
Profit after income tax expense for the year attributable to the owners of SG Fleet Group Limited		89,661	83,998
		Cents	Cents
Basic earnings per share	44	26.23	24.56
Diluted earnings per share	44	25.99	24.42

Refer to note 4 for detailed information on Restatement of comparatives.

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 2024

	Notes	Consolidated	
		2024 \$'000	2023 \$'000 (Restated)
Profit after income tax expense for the year attributable to the owners of SG Fleet Group Limited		89,661	83,998
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation difference for foreign operations		(1,534)	5,646
Effective portion of changes in fair value of cash flow hedges, net of tax		(18,760)	(2,057)
Other comprehensive income for the year, net of tax		(20,294)	3,589
Total comprehensive income for the year attributable to the owners of SG Fleet Group Limited		69,367	87,587

Refer to note 4 for detailed information on Restatement of comparatives.

Statement of financial position

As at 30 June 2024

	Notes	Consolidated	
		2024 \$'000	2023 \$'000 (Restated)
Assets			
Cash and cash equivalents	9	204,479	92,848
Restricted cash	10	186,387	167,566
Finance lease, trade and other receivables	11	1,106,233	814,060
Inventories	12	43,488	29,583
Derivative financial instruments	13	14,197	40,687
Prepayments	14	21,406	21,164
Income tax refund due	8	–	4,723
Investments – equity accounted	15	2,650	1,637
Investments – fair valued	16	5,961	6,438
Leased motor vehicle assets	17	1,112,368	1,010,814
Property, plant and equipment	18	12,125	11,346
Intangibles	19	613,507	623,130
Right-of-use assets	20	19,432	25,715
Total assets		3,342,233	2,849,711
Liabilities			
Trade and other payables	21	314,976	275,803
Derivative financial instruments	22	1,637	26
Employee benefits	23	27,113	23,976
Provisions	24	37,205	31,860
Lease portfolio borrowings	25	1,715,280	1,296,404
Borrowings	26	299,402	300,814
Lease liabilities – right-of-use assets	27	20,528	25,956
Vehicle maintenance funds	28	145,777	140,509
Contract liabilities	29	77,372	72,642
Income tax	8	40,271	–
Deferred tax	8	71,957	99,103
Total liabilities		2,751,518	2,267,093
Net assets		590,715	582,618
Equity			
Issued capital	30	503,894	505,968
Reserves	31	(105,475)	(83,661)
Retained profits		192,296	160,311
Total equity		590,715	582,618

Refer to note 4 for detailed information on Restatement of comparatives.

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 2024

Consolidated	Issued capital \$'000	Reserves \$'000	Retained profits \$'000	Total equity \$'000
Balance at 1 July 2022	505,968	(90,113)	130,087	545,942
Profit after income tax expense for the year	–	–	83,998	83,998
Other comprehensive income for the year, net of tax	–	3,589	–	3,589
Total comprehensive income for the year (restated)	–	3,589	83,998	87,587
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 31)	–	2,863	–	2,863
Dividends paid (note 32)	–	–	(53,774)	(53,774)
Balance at 30 June 2023 – restated	505,968	(83,661)	160,311	582,618

Refer to note 4 for detailed information on Restatement of comparatives.

Consolidated	Issued capital \$'000	Reserves \$'000	Retained profits \$'000	Total equity \$'000
Balance at 1 July 2023 – restated	505,968	(83,661)	160,311	582,618
Profit after income tax expense for the year	–	–	89,661	89,661
Other comprehensive income for the year, net of tax	–	(20,294)	–	(20,294)
Total comprehensive income for the year	–	(20,294)	89,661	69,367
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 31)	–	5,180	–	5,180
Acquisition of treasury shares	(8,774)	–	–	(8,774)
Share awards settled through direct market acquisition	6,700	(6,700)	–	–
Dividends paid (note 32)	–	–	(57,676)	(57,676)
Balance at 30 June 2024	503,894	(105,475)	192,296	590,715

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 2024

	Notes	Consolidated	
		2024 \$'000	2023 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,207,494	1,137,646
Payments to suppliers and employees (inclusive of GST)		(771,703)	(704,355)
Cash generated from operations before investment in lease portfolio		435,791	433,291
Acquisition of operating and finance lease assets		(960,598)	(698,175)
Proceeds from disposal of operating lease assets (excluding vehicle risk income)		177,953	119,590
Capital receipts from finance lease assets		238,530	196,362
Interest received		14,459	8,595
Interest and other finance costs paid		(91,716)	(64,796)
Income taxes (paid)/refunded		(10,203)	23,038
Net cash (used in)/from operating activities	43	(195,784)	17,905
Cash flows from investing activities			
Payment for investments		-	(1,243)
Payments for property, plant and equipment	18	(6,922)	(7,126)
Proceeds from disposal of property, plant and equipment		1,402	405
Payments for intangibles	19	(11,044)	(5,533)
Payments for investments in associates	15	(1,198)	(782)
Net cash used in investing activities		(17,762)	(14,279)
Cash flows from financing activities			
Share awards settled through direct market acquisition		(8,774)	(1,759)
Proceeds from borrowings	43	543,581	145,045
Repayment of borrowings	43	(122,623)	(57,280)
Repayment of lease liabilities – right-of-use assets	43	(6,475)	(6,935)
Borrowing costs paid		(3,470)	(636)
Dividends paid	32	(57,676)	(53,774)
Net cash from financing activities		344,563	24,661
Net increase in cash and cash equivalents		131,017	28,287
Cash and cash equivalents at the beginning of the financial year		260,414	230,433
Effects of exchange rate changes on cash and cash equivalents		(565)	1,694
Cash and cash equivalents and restricted cash at the end of the financial year	9,10	390,866	260,414

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

Notes to the financial statements

30 June 2024

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 26 August 2024. The Directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

The accounting policies that are material to the Group are set out below. The accounting policies adopted are consistent with those of the previous financial year, 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.

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 40.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of SG Fleet Group Limited as at 30 June 2024 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.

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

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 or where the Group combines two or more contracts entered into in a 'linked arrangement' and accounts for the contract as a single contract, 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.

The Group combines two or more contracts in a linked arrangement when contracts are entered into at or near the same time, contracts are negotiated as a package with a single commercial objective or there is price dependency between the contracts. Where these elements are satisfied, the Group will account for these combined agreements as one contract.

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 'Principal and Agency 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.

Notes to the financial statements

30 June 2024

Note 2. Material accounting policy information continued

Vehicle risk income

Vehicle Risk Income ('VRI') is the income earned as a result of underwriting a long-term risk position on a vehicle at lease commencement, the ultimate financial outcome of which will depend on circumstances and market conditions that occur over the life of each vehicle. VRI consists of an end of lease component (revenues earned on the sale of vehicles from underwriting residual value risk) and in-life component (profits earned from underwriting maintenance and other running costs). End of Lease VRI is largely transactional in nature and its primary driver is the volume of operating lease disposals. In-life VRI is a combination of annuity and transactional income and is driven by the number of open-contract vehicles and vehicles with underwritten maintenance risk positions.

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 and certain principal and agency (P&A) funded vehicles in inertia. Rental income on operating leases is recognised in profit or loss in periodic amounts over the lease term on a straight-line basis. Where variable lease payments are offered which are not linked to an index or rate they are recognised within rental income in the statement of profit or loss in the period which they arise.

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 over time 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 and other receivables have been grouped based on days overdue. Historical Portfolio losses and market related loss rates are used to measure the expected credit losses on finance lease receivable.

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.

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.

Investment in associates

Associates are entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost adjusted by cumulative post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. If impaired, the carrying value of the Group's share of the underlying assets of associates is written down to its estimated recoverable amount. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Notes to the financial statements

30 June 2024

Note 2. Material accounting policy information continued

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. 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 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

Operating lease assets are stated at historical cost less accumulated depreciation. The cost of operating 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 the term of the lease.

The residual value and the useful life of an asset are reviewed at least at each financial year-end and, if expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate in accordance with AASB 108 'Accounting policies, changes in accounting estimates and errors' as prospective depreciation.

Lease rental income on operating leases is recognised in the statement of profit or loss in periodic amounts over the lease term on a straight line basis. Where variable lease payments are offered which are not linked to an index or rate they are recognised within rental income in the statement of profit or loss in the period in which they arise.

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.

Impairment of non-financial assets

Goodwill is not subject to amortisation and is 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.

Notes to the financial statements

30 June 2024

Note 2. Material accounting policy information continued

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.

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 an onerous contract provision and is created to cover estimated future shortfalls on the disposal of these vehicles.

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.

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.

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 2024. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 18 Presentation and Disclosure in Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2027, with early adoption permitted. The standard replaces AASB 101 'Presentation of Financial Statements', although many of the requirements have been carried forward unchanged and is accompanied by limited amendments to the requirements in AASB 107 'Statement of Cash Flows'. The standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The Group will adopt this standard from 1 July 2027 and it is expected that there will be a significant change to the layout of the statement of profit or loss and other comprehensive income.

Notes to the financial statements

30 June 2024

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.

Revenue from vehicle risk Income

As discussed in note 2, the Group estimates the vehicle risk income-in life 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.

Principal and Agent considerations

In revenue from contracts with customers, the Group provides a range of goods and services whereby it is required to determine whether the nature of its promise to its customers is a performance obligation to provide the specified goods or services itself (that is, the Group entity is a principal) or to arrange for those goods or services to be provided by another party (that is, the Group is an agent).

Significant judgement is applied to the Group consideration of each of its performance obligations as a principal or agent within an individual contract. The determination of principal or agent impacts the presentation of each individual item within the statement of profit or loss as gross revenues or net revenues.

Linked arrangement considerations

As discussed in note 2, the Group combines two or more contracts in a linked arrangement when contracts are entered into at or near the same time, contracts are negotiated as a package with a single commercial objective or there is price dependency between the contracts. Where these elements are satisfied, the Group will account for these combined agreements as one contract.

The consideration and judgement regarding the linking of contracts is complex and dependent on several factors, with significant judgement required to consider associated price dependency within each of the linked arrangements. Where relevant, considering contracts as linked arrangements results in the inclusion of the variable cost of vehicle acquisition in the cost of inventories at the end of an arrangement.

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 19 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 to cover the future shortfall on the disposal of these vehicles. Significant judgment is required in estimating the market value of the vehicle in its expected future condition.

Note 4. Restatement of comparatives

Agreement with LeasePlan Corporation N.V.

On 30 June 2023, the Group entered into an agreement with LeasePlan Corporation N.V. in which the Group agreed, with effect from 4 July 2023, to waive certain warranties to which it was entitled under the share sale and purchase agreement for the acquisition of LeasePlan Australia Limited and LeasePlan New Zealand Limited, in exchange for a payment of \$12,500,000. As the agreement specified an effective date of 4 July 2023, the Group did not recognise the financial impact of the transaction in the financial statements for the year ended 30 June 2023. Due to lack of conditionality in the agreement between the signature date, being 30 June 2023, and the effective date of 4 July 2023, the Group should have recognised the financial impact of the transaction in the financial statements for the year ended 30 June 2023. As a result of the restatement, the comparative year Finance Lease, trade and other receivables increased by \$12,500,000 with a corresponding impact on other income and the comparative year deferred tax liability increased by \$3,750,000 with a corresponding impact on income tax expense.

The impact of the restatement is summarised below:

Statement of profit or loss and other comprehensive income

Extract	Consolidated		
	2023 \$'000 Reported	\$'000 Adjustment	2023 \$'000 Restated
Revenue			
Other income	–	12,500	12,500
Profit before income tax expense	106,503	12,500	119,003
Income tax expense	(31,255)	(3,750)	(35,005)
Profit after income tax expense for the year attributable to the owners of SG Fleet Group Limited	75,248	8,750	83,998
Other comprehensive income for the year, net of tax	3,589	–	3,589
Total comprehensive income for the year attributable to the owners of SG Fleet Group Limited	78,837	8,750	87,587
	Cents Reported	Cents Adjustment	Cents Restated
Basic earnings per share	22.00	2.56	24.56
Diluted earnings per share	21.88	2.54	24.42

Statement of financial position at the end of the earliest comparative period

Extract	Consolidated		
	2023 \$'000 Reported	\$'000 Adjustment	2023 \$'000 Restated
Assets			
Finance lease, trade and other receivables	801,560	12,500	814,060
Total assets	2,837,211	12,500	2,849,711
Liabilities			
Deferred tax	95,353	3,750	99,103
Total liabilities	2,263,343	3,750	2,267,093
Net assets	573,868	8,750	582,618
Equity			
Retained profits	151,561	8,750	160,311
Total equity	573,868	8,750	582,618

Notes to the financial statements

30 June 2024

Note 5. Operating segments

Identification of reportable operating segments

The Group is organised into geographic operating segments: Australia, New Zealand and United Kingdom. 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 6.

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.

Operating segment information

Consolidated – 2024	Australia \$'000	New Zealand \$'000	United Kingdom \$'000	Total \$'000
Revenue				
Revenue from contracts with customers	568,506	86,965	82,198	737,669
Rental and finance income	268,320	64,597	41,846	374,763
Total sales revenue	836,826	151,562	124,044	1,112,432
Interest income	11,779	2,265	736	14,780
Share of loss of associates accounted for using the equity method	(185)	–	–	(185)
Total revenue	848,420	153,827	124,780	1,127,027
EBITDA	327,318	74,190	28,358	429,866
Interest income	11,779	2,265	736	14,780
Depreciation and amortisation	(156,456)	(48,391)	(18,660)	(223,507)
Finance costs	(78,190)	(13,227)	(4,212)	(95,629)
Profit before income tax expense	104,451	14,837	6,222	125,510
Income tax expense				(35,849)
Profit after income tax expense				89,661
Assets				
Segment assets	2,797,055	356,126	189,052	3,342,233
Total assets				3,342,233
<i>Total assets includes:</i>				
Investments in associates	2,650	–	–	2,650
Liabilities				
Segment liabilities	2,370,776	243,249	137,493	2,751,518
Total liabilities				2,751,518

Consolidated – 2023 – (restated)	Australia \$'000	New Zealand \$'000	United Kingdom \$'000	Total \$'000
Revenue				
Revenue from contracts with customers	577,419	80,155	60,075	717,649
Rental and finance income	227,796	62,066	37,386	327,248
Total sales revenue	805,215	142,221	97,461	1,044,897
Interest income	6,774	1,523	298	8,595
Share of loss of associates accounted for using the equity method	(474)	–	–	(474)
Total revenue	811,515	143,744	97,759	1,053,018
Adjusted EBITDA*				
Interest income	6,774	1,523	298	8,595
Other income (restated)	12,500	–	–	12,500
Depreciation and amortisation	(171,310)	(49,663)	(20,969)	(241,942)
Finance costs	(55,933)	(12,003)	(3,979)	(71,915)
Profit before income tax expense	98,433	14,307	6,263	119,003
Income tax expense				(35,005)
Profit after income tax expense				83,998
Assets				
Segment assets	2,281,728	359,707	208,276	2,849,711
Total assets				2,849,711
<i>Total assets includes:</i>				
Investments in associates	1,637	–	–	1,637
Liabilities				
Segment liabilities	1,858,986	253,805	154,302	2,267,093
Total liabilities				2,267,093

* The comparative period EBITDA has been adjusted for restatement (as per note 4) relating to one-off other income.

Notes to the financial statements

30 June 2024

Note 6. Revenue

	Consolidated	
	2024 \$'000	2023 \$'000
Revenue from contracts with customers		
Mobility services income	179,045	165,132
Additional products and services	105,002	95,404
Finance commission	46,502	30,992
Vehicle risk income	398,869	416,986
Other revenue	8,251	9,135
	737,669	717,649
Lease revenue		
Finance lease income	54,676	27,068
Operating lease income	320,087	300,180
	374,763	327,248
Revenue	1,112,432	1,044,897

Disaggregation of revenue

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

	Consolidated	
	2024 \$'000	2023 \$'000
Timing of revenue recognition		
Revenue transferred at a point in time – upfront	91,748	59,137
Revenue transferred over time	266,696	250,890
Revenue transferred at a point in time – end of life	379,225	407,622
	737,669	717,649

Revenue from external customers by geographic regions is set out in note 5 operating segments.

Note 7. Expenses

	Consolidated	
	2024 \$'000	2023 \$'000
Profit before income tax includes the following specific expenses:		
Depreciation		
Leasehold improvements	1,017	377
Computer hardware and office equipment	3,035	2,870
Motor vehicles	879	821
Leased motor vehicle assets	191,300	211,779
Right-of-use assets	7,332	7,680
Total depreciation	203,563	223,527
Amortisation		
Customer contracts	14,027	13,911
Software	5,917	4,504
Total amortisation	19,944	18,415
Total depreciation and amortisation	223,507	241,942
Finance costs		
External borrowing costs for corporate debt	19,682	18,386
External borrowing costs for lease portfolio	100,964	68,609
Net interest income on interest rate swap contracts	(26,247)	(16,522)
Cash flow hedge ineffectiveness	138	(121)
Net foreign exchange losses	37	577
Interest on lease liabilities – right-of-use assets	942	858
Interest on lease make good	113	128
Total finance costs	95,629	71,915
Net fair value loss		
Net fair value loss on investments	477	32
Superannuation expense		
Defined contribution superannuation expense	12,905	10,730

Notes to the financial statements

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Note 8. Income tax

	Consolidated	
	2024 \$'000	2023 \$'000 (Restated)
Income tax expense		
Current tax	55,242	(21,912)
Deferred tax – origination and reversal of temporary differences	(19,393)	56,917
Aggregate income tax expense	35,849	35,005
Deferred tax included in income tax expense comprises:		
Increase/(decrease) in deferred tax liabilities	(19,393)	56,917
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	125,510	119,003
Tax at the statutory tax rate of 30%	37,653	35,701
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Entertainment expenses	114	73
Non-deductible expenses	569	1,409
Assessed loss	(285)	–
	38,051	37,183
Difference in overseas tax rates	(616)	(881)
Adjustment recognised for prior periods	(1,586)	(1,297)
Income tax expense	35,849	35,005

	Consolidated	
	2024 \$'000	2023 \$'000
Amounts credited directly to equity		
Deferred tax liabilities	(7,684)	(1,037)
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	11,554	12,384
Potential tax benefit at statutory tax rates	2,888	3,095

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.

	Consolidated	
	2024 \$'000	2023 \$'000 (Restated)
Deferred tax liability/(asset)		
Deferred tax liability/(asset) comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Property, plant and equipment	126,053	84,231
Prepayments	5,493	5,515
Intangibles	19,954	24,085
Employee benefits	(8,114)	(7,174)
Accrued expenses	(5,847)	(5,329)
Provisions	(3,467)	(5,758)
Right-of-use assets	4,945	6,668
Lease liabilities	(6,567)	(8,057)
Allowance for expected credit loss	(4,166)	(622)
Contract liabilities	(9,183)	(7,433)
Assessed loss	(48,000)	-
Other	-	3,750
	71,101	89,876
Amounts recognised in equity:		
Derivative financial instruments	3,327	9,227
Share-based payments	(2,471)	-
	856	9,227
Deferred tax liability	71,957	99,103
Movements:		
Opening balance	99,103	42,790
Charged/(credited) to profit or loss	(19,393)	56,917
Credited to equity	(7,684)	(1,037)
Exchange differences	(69)	433
Closing balance	71,957	99,103

	Consolidated	
	2024 \$'000	2023 \$'000
Income tax refund due		
Income tax refund due	-	4,723
Amount expected to be recovered within 12 months	-	4,723

	Consolidated	
	2024 \$'000	2023 \$'000
Provision for income tax		
Provision for income tax	40,271	-
Amount expected to be settled within 12 months	40,271	-

Notes to the financial statements

30 June 2024

Note 9. Cash and cash equivalents

	Consolidated	
	2024 \$'000	2023 \$'000
Cash at bank	204,479	92,848
Amount expected to be recovered within 12 months	204,479	92,848

Note 10. Restricted cash

	Consolidated	
	2024 \$'000	2023 \$'000
Secured deposits	24,473	26,605
Securitisation collection and capital accounts	39,148	27,589
Securitisation reserves	122,766	113,372
	186,387	167,566
Amount expected to be recovered within 12 months	186,387	167,566

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 other operations of the Group.

Note 11. Finance lease, trade and other receivables

	Consolidated	
	2024 \$'000	2023 \$'000 (Restated)
Trade receivables	272,216	215,756
Less: Allowance for expected credit losses	(2,897)	(1,898)
	269,319	213,858
Finance lease receivables	838,700	590,195
Less: Allowance for expected credit losses	(2,107)	(2,493)
	836,593	587,702
Interest receivable	321	–
Other receivables (refer note 4)	–	12,500
	1,106,233	814,060
Amount expected to be recovered within 12 months	470,036	421,672
Amount expected to be recovered after more than 12 months	636,197	392,388
	1,106,233	814,060

Allowance for expected credit losses

The Group has recognised a loss of \$619,000 (2023: \$1,975,000) in profit or loss in respect of the expected credit losses for the year ended 30 June 2024.

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

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2024 %	2023 %	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Consolidated						
Not overdue	0.2%	0.3%	1,096,638	796,973	2,107	2,493
30 to 60 days overdue	19.9%	22.1%	5,990	2,989	1,194	660
60 to 90 days overdue	19.6%	19.3%	2,392	1,546	468	298
90 to 120 days overdue	20.6%	21.4%	1,940	1,784	400	382
Over 120 days overdue	21.1%	21.0%	3,956	2,659	835	558
			1,110,916	805,951	5,004	4,391

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

	Consolidated	
	2024 \$'000	2023 \$'000
Opening balance	4,391	2,389
Additional provisions recognised	619	1,975
Exchange differences	(6)	27
Closing balance	5,004	4,391

	Consolidated	
	2024 \$'000	2023 \$'000
Lease receivables – finance lease		
Committed at the reporting date, receivable:		
1 year or less	282,255	220,733
Between 1 and 2 years	248,492	175,232
Between 2 and 3 years	212,193	148,118
Between 3 and 4 years	143,454	82,482
Between 4 and 5 years	78,604	37,095
Over 5 years	4,424	23,291
Total commitment	969,422	686,951
Less: Future finance charges	(130,722)	(96,756)
Net commitment recognised as assets	838,700	590,195

Note 12. Inventories

	Consolidated	
	2024 \$'000	2023 \$'000
End-of-term operating lease assets held for disposal	45,012	29,798
Less: Provision for impairment	(1,524)	(215)
	43,488	29,583
Amount expected to be recovered within 12 months	43,488	29,583

The Group has recognised inventory cost of sales of \$235,474,000 (2023: \$225,859,000) and inventory impairment of \$1,448,000 (2023: \$217,000) in profit or loss for the year ended 30 June 2024.

Notes to the financial statements

30 June 2024

Note 13. Derivative financial instruments

	Consolidated	
	2024 \$'000	2023 \$'000
Interest rate swap contracts – cash flow hedges	14,197	40,687
Amount expected to be recovered within 12 months	9,043	16,197
Amount expected to be recovered after more than 12 months	5,154	24,490
	14,197	40,687

Refer to note 34 for further information on fair value measurement.

Note 14. Prepayments

	Consolidated	
	2024 \$'000	2023 \$'000
Prepayments	21,406	21,164
Amount expected to be recovered within 12 months	21,406	21,164

Prepayment includes amounts held as prepaid registration of vehicles.

Note 15. Investments – equity accounted

	Consolidated	
	2024 \$'000	2023 \$'000
Investment in DingGo AU Pty Ltd	2,650	1,637
Amount expected to be recovered after more than 12 months	2,650	1,637
Reconciliation		
Reconciliation of the carrying amounts at the beginning and end of the current and previous financial year are set out below:		
Opening carrying amount	1,637	–
Transfer from investments – fair valued on gaining significant influence	–	1,329
Investments during the year	1,198	782
Share of loss after income tax	(185)	(474)
Closing carrying amount	2,650	1,637

Interests in associates

Interests in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the Group are set out below:

Name	Principal place of business/ Country of incorporation	Ownership interest	
		2024 %	2023 %
DingGo AU Pty Ltd	Australia	28.82%	19.96%

Note 16. Investments – fair valued

	Consolidated	
	2024 \$'000	2023 \$'000
Investments in listed equity securities	534	1,011
Investments in other companies	5,427	5,427
	5,961	6,438
Amount expected to be recovered after more than 12 months	5,961	6,438

Refer to note 34 for further information on fair value measurement.

Note 17. Leased motor vehicle assets

	Consolidated	
	2024 \$'000	2023 \$'000
Lease portfolio assets – at cost	1,213,260	1,143,418
Less: Accumulated depreciation	(100,892)	(132,604)
	1,112,368	1,010,814
Amount expected to be recovered within 12 months	394,239	282,705
Amount expected to be recovered after more than 12 months	718,129	728,109
	1,112,368	1,010,814

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 2022	967,019
Additions	363,733
Disposals	(119,590)
Exchange differences	11,431
Depreciation expense	(211,779)
Balance at 30 June 2023	1,010,814
Additions	473,466
Disposals	(177,952)
Exchange differences	(2,660)
Depreciation expense	(191,300)
Balance at 30 June 2024	1,112,368

Refer to note 37 for maturity analysis of operating lease receivables.

Notes to the financial statements

30 June 2024

Note 18. Property, plant and equipment

	Consolidated	
	2024 \$'000	2023 \$'000
Leasehold improvements – at cost	6,122	5,397
Less: Accumulated depreciation	(2,086)	(1,076)
	4,036	4,321
Computer hardware and office equipment – at cost	12,800	9,756
Less: Accumulated depreciation	(9,107)	(6,312)
	3,693	3,444
Motor vehicles – at cost	5,276	4,536
Less: Accumulated depreciation	(880)	(955)
	4,396	3,581
	12,125	11,346
Amount expected to be recovered after more than 12 months	12,125	11,346

Reconciliations

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

Consolidated	Leasehold improvements \$'000	Computer hardware and office equipment \$'000	Motor vehicles \$'000	Total \$'000
Balance at 1 July 2022	573	4,251	3,619	8,443
Additions	4,101	2,037	988	7,126
Disposals	–	–	(386)	(386)
Exchange differences	24	26	181	231
Depreciation expense	(377)	(2,870)	(821)	(4,068)
Balance at 30 June 2023	4,321	3,444	3,581	11,346
Additions	736	3,291	2,895	6,922
Disposals	–	(2)	(1,164)	(1,166)
Exchange differences	(4)	(5)	(37)	(46)
Depreciation expense	(1,017)	(3,035)	(879)	(4,931)
Balance at 30 June 2024	4,036	3,693	4,396	12,125

Note 19. Intangibles

	Consolidated	
	2024 \$'000	2023 \$'000
Goodwill – at cost	523,355	523,980
Customer contracts – at cost	141,541	141,766
Less: Accumulated amortisation	(73,259)	(59,368)
Less: Accumulated impairment	(125)	(125)
	68,157	82,273
Software – at cost	45,670	34,641
Less: Accumulated amortisation	(23,675)	(17,764)
	21,995	16,877
	613,507	623,130
Amount expected to be recovered after more than 12 months	613,507	623,130

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 2022	519,547	95,591	15,827	630,965
Additions	–	–	5,533	5,533
Exchange differences	4,433	593	21	5,047
Amortisation expense	–	(13,911)	(4,504)	(18,415)
Balance at 30 June 2023	523,980	82,273	16,877	623,130
Additions	–	–	11,044	11,044
Exchange differences	(625)	(89)	(9)	(723)
Amortisation expense	–	(14,027)	(5,917)	(19,944)
Balance at 30 June 2024	523,355	68,157	21,995	613,507

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

	Consolidated	
	2024 \$'000	2023 \$'000
Australian CGU	441,493	441,493
United Kingdom CGU	53,412	53,760
New Zealand CGU	28,450	28,727
Total	523,355	523,980

Notes to the financial statements

30 June 2024

Note 19. Intangibles continued

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% (2023: 0%) for the three CGUs;
- Revenue growth was projected at 8.7% (2023: 4.8%) per annum for the Australian CGU, 8.2% (2023: 15.2%) per annum for the United Kingdom CGU and 6.3% (2023: 4.4%) 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 12.24% (2023: 11.77%) was used for the Australian CGU, 8.77% (2023: 9.43%) for the United Kingdom CGU and 10.09% (2023: 10.5%) 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 20. Right-of-use assets

	Consolidated	
	2024 \$'000	2023 \$'000
Right-of-use assets – at cost	55,987	55,162
Less: Accumulated depreciation	(36,555)	(29,447)
	19,432	25,715
Amount expected to be recovered after more than 12 months	19,432	25,715

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:

Consolidated	Office premises \$'000	Motor vehicles \$'000	Others \$'000	Total \$'000
Balance at 1 July 2022	27,134	396	316	27,846
Additions	4,699	653	–	5,352
Lease modification and termination	(63)	–	–	(63)
Exchange differences	260	–	–	260
Depreciation expense	(7,225)	(359)	(96)	(7,680)
Balance at 30 June 2023	24,805	690	220	25,715
Additions	273	663	460	1,396
Lease modification and termination	(127)	(5)	(197)	(329)
Exchange differences	(18)	–	–	(18)
Depreciation expense	(6,703)	(492)	(137)	(7,332)
Balance at 30 June 2024	18,230	856	346	19,432

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

- note 7 for details of interest on lease liabilities and other lease expenses;
- note 27 and note 43 for details of lease liabilities at the beginning and end of the reporting period;
- note 33 for the maturity analysis of lease liabilities; and
- consolidated statement of cash flows for repayment of lease liabilities.

Note 21. Trade and other payables

	Consolidated	
	2024 \$'000	2023 \$'000
Trade payables	283,415	252,957
Accrued expenses	31,561	22,846
	314,976	275,803
Amount expected to be settled within 12 months	314,976	275,803

Refer to note 33 for further information on financial instruments.

Trade payables include rental and residual values payable to principal and agent financiers as well as running fleet cost suppliers.

Note 22. Derivative financial instruments

	Consolidated	
	2024 \$'000	2023 \$'000
Interest rate swap contracts – cash flow hedges	1,637	26
Amount expected to be settled within 12 months	589	11
Amount expected to be settled after more than 12 months	1,048	15
	1,637	26

Refer to note 33 for further information on financial instruments. Refer to note 34 for further information on fair value measurement.

Note 23. Employee benefits

	Consolidated	
	2024 \$'000	2023 \$'000
Annual leave	13,857	12,478
Long service leave	13,256	11,498
	27,113	23,976
Amount expected to be settled within 12 months	25,214	22,424
Amount expected to be settled after more than 12 months	1,899	1,552
	27,113	23,976

Notes to the financial statements

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Note 24. Provisions

	Consolidated	
	2024 \$'000	2023 \$'000
Lease make good	4,732	4,733
Residual value risk	23,100	18,339
Other provisions	9,373	8,788
	37,205	31,860
Amount expected to be settled within 12 months	11,184	11,676
Amount expected to be settled after more than 12 months	26,021	20,184
	37,205	31,860

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 \$23,100,000 (2023: \$18,339,000) has been recognised as a residual value provision 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	Total \$'000
Consolidated – 2024				
Carrying amount at the start of the year	4,733	18,339	8,788	31,860
Additional provisions recognised	156	4,901	1,016	6,073
Exchange differences	(6)	(140)	(6)	(152)
Unused amounts reversed	(151)	–	(425)	(576)
Carrying amount at the end of the year	4,732	23,100	9,373	37,205

Note 25. Lease portfolio borrowings

	Consolidated	
	2024 \$'000	2023 \$'000
Lease portfolio borrowings – non-securitized	59,659	75,830
Lease portfolio borrowings – securitized	1,655,621	1,220,574
	1,715,280	1,296,404
Amount expected to be settled within 12 months	580,472	514,290
Amount expected to be settled after more than 12 months	1,134,808	782,114
	1,715,280	1,296,404

Refer to note 33 for further information on financial instruments.

Lease portfolio borrowings – non-securitized

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 – securitized

The Group has established limited recourse securitisation warehouse trusts with total commitments from external financiers of \$1,865,812,000 (2023: \$1,369,186,000). 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 2024, the Group had utilised \$1,655,621,000 (2023: \$1,220,574,000) of securitized lease portfolio borrowings.

Note 26. Borrowings

	Consolidated	
	2024 \$'000	2023 \$'000
Bank loans	301,487	301,662
Capitalised borrowing costs	(2,085)	(848)
	299,402	300,814
Amount expected to be settled after more than 12 months	299,402	300,814

Refer to note 33 for further information on financial instruments.

The total secured liabilities are as follows:

	Consolidated	
	2024 \$'000	2023 \$'000
Bank loans	301,487	301,662
Lease portfolio borrowings – non-securitized (note 25)	59,659	75,830
Lease portfolio borrowings – securitized (note 25)	1,655,621	1,220,574
	2,016,767	1,598,066

Corporate borrowings

During the year, the Group extinguished the outstanding bank loan facility held at the end of the previous financial year. The Group entered into a new banking facility with a maturity date of 29 September 2026. No cash movements were undertaken as drawn down amounts did not change. The bank loan 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.

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Note 26. Borrowings continued

Financing arrangements

The Group has access to the following lines of credit:

	Consolidated	
	2024 \$'000	2023 \$'000
Total facilities		
Corporate borrowings (bank loans)	301,487	301,662
Corporate Borrowings (ancillary facilities)	66,022	121,529
Lease portfolio borrowings – non-securitised	203,241	152,110
Lease portfolio borrowings – securitised	1,865,812	1,369,186
	2,436,562	1,944,487
Used at the reporting date		
Corporate borrowings (bank loans)	301,487	301,662
Corporate Borrowings (ancillary facilities)	15,870	15,631
Lease portfolio borrowings – non-securitised	59,659	75,830
Lease portfolio borrowings – securitised	1,655,621	1,220,574
	2,032,637	1,613,697
Unused at the reporting date		
Corporate borrowings (bank loans)	-	-
Corporate Borrowings (ancillary facilities)	50,152	105,898
Lease portfolio borrowings – non-securitised	143,582	76,280
Lease portfolio borrowings – securitised	210,191	148,612
	403,925	330,790

Note 27. Lease liabilities – right-of-use assets

	Consolidated	
	2024 \$'000	2023 \$'000
Lease liabilities – right-of-use assets	20,528	25,956
Amount expected to be settled within 12 months	6,622	6,209
Amount expected to be settled after more than 12 months	13,906	19,747
	20,528	25,956

Note 28. Vehicle maintenance funds

	Consolidated	
	2024 \$'000	2023 \$'000
Vehicle maintenance funds	145,777	140,509
Amount expected to be settled within 12 months	64,194	49,787
Amount expected to be settled after more than 12 months	81,583	90,722
	145,777	140,509

Note 29. Contract liabilities

	Consolidated	
	2024 \$'000	2023 \$'000
Contract liabilities	77,372	72,642
Amount expected to be settled within 12 months	60,456	57,039
Amount expected to be settled after more than 12 months	16,916	15,603
	77,372	72,642
Reconciliation		
Reconciliation at the beginning and end of the current and previous financial year are set out below:		
Opening balance	72,642	62,341
Transfer to revenue – included in the opening balance	(26,305)	(43,283)
Increase in cash received excluding amounts recognised as revenue during the year	31,035	53,584
Closing balance	77,372	72,642

Note 30. Issued capital

	Consolidated			
	2024 Shares	2023 Shares	2024 \$'000	2023 \$'000
Ordinary shares – fully paid	341,984,920	341,984,920	505,968	505,968
Less: treasury shares	(659,531)	–	(2,074)	–
	341,325,389	341,984,920	503,894	505,968

Movements in treasury shares

Details	Date	Shares	\$'000
Balance	1 July 2022	–	–
Balance	30 June 2023	–	–
Acquisition of shares through on-market purchase	31 August 2023	1,579,974	(4,313)
Acquisition of shares through on-market purchase	6 September 2023	895,398	(2,418)
Share awards settled through direct market acquisition	26 October 2023	(2,460,300)	6,700
Acquisition of shares through on-market purchase	9 May 2024	335,537	(1,057)
Acquisition of shares through on-market purchase	10 May 2024	25,450	(80)
Acquisition of shares through on-market purchase	13 May 2024	36,000	(115)
Acquisition of shares through on-market purchase	14 May 2024	121,478	(390)
Acquisition of shares through on-market purchase	15 May 2024	125,994	(401)
Balance	30 June 2024	659,531	(2,074)

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.

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Note 30. Issued capital continued

Treasury shares

Treasury shares are shares in SG Fleet Group Limited held by the Group's Employee Share Trust ('Trust') for the purposes of issuing shares under the Group's employee share scheme and executive incentive plans. Shares issued to employees, upon satisfaction of relevant vesting conditions, are recognised on a first in first out basis.

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 2023.

Note 31. Reserves

	Consolidated	
	2024 \$'000	2023 \$'000
Foreign currency reserve	(4,442)	(2,908)
Hedging reserve – cash flow hedges	10,880	29,640
Share-based payments reserve	7,245	8,765
Capital reserve	(119,158)	(119,158)
	(105,475)	(83,661)

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:

Consolidated	Foreign currency \$'000	Cash flow hedge \$'000	Share-based payments \$'000	Capital \$'000	Total \$'000
Balance at 1 July 2022	(8,554)	31,697	5,902	(119,158)	(90,113)
Foreign currency translation	5,646	–	–	–	5,646
Movement in hedges – gross	–	(3,094)	–	–	(3,094)
Deferred tax	–	1,037	–	–	1,037
Share-based payments	–	–	4,622	–	4,622
Share awards settled through direct market acquisition	–	–	(1,759)	–	(1,759)
Balance at 30 June 2023	(2,908)	29,640	8,765	(119,158)	(83,661)
Foreign currency translation	(1,534)	–	–	–	(1,534)
Movement in hedges – gross	–	(26,444)	–	–	(26,444)
Deferred tax	–	7,684	–	–	7,684
Share-based payments	–	–	5,180	–	5,180
Share awards settled through direct market acquisition	–	–	(6,700)	–	(6,700)
Balance at 30 June 2024	(4,442)	10,880	7,245	(119,158)	(105,475)

Note 32. Dividends

Dividends

Dividends paid during the financial year were as follows:

	Consolidated	
	2024 \$'000	2023 \$'000
Final dividend for the year ended 30 June 2023 of 7.271 cents per ordinary share paid on 15 September 2023 (2023: Final dividend for the year ended 30 June 2022 of 6.811 cents)	24,845	23,293
Interim dividend for the year ended 30 June 2024 of 9.600 cents per share paid on 20 March 2024 (2023: Interim dividend for the year ended 30 June 2023 of 8.913 cents)	32,831	30,481
	57,676	53,774

On 26 August 2024, the Directors declared a fully franked final dividend for the year ended 30 June 2024 of 9.332 cents per ordinary share and in addition a special dividend of 15.000 cents per ordinary share, to be paid in total on 25 September 2024 to eligible shareholders on the register on 11 September 2024. This equates to a total estimated distribution of \$83,182,000, based on the number of ordinary shares on issue as at 30 June 2024. The financial effect of dividends declared after the reporting date are not reflected in the 30 June 2024 financial statements and will be recognised in subsequent financial reports.

Franking credits

	Consolidated	
	2024 \$'000	2023 \$'000
Franking credits available for subsequent financial years based on a tax rate of 30%	3,468	20,327

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.

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30 June 2024

Note 33. 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 operates in Australia, New Zealand and the United Kingdom and is exposed to foreign exchange risk arising with respect to the New Zealand dollar and British pound. The foreign exchange risk is due to the translation of the New Zealand and United Kingdom entities on consolidation.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The Group manages its exposures to the New Zealand dollar and British pound by ensuring that its assets and liabilities in New Zealand and the United Kingdom are predominantly in the respective local currencies.

Price risk

The Group is exposed to market price risk on the investments it holds at fair value, however the risk is not considered significant.

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:

Consolidated	2024 Balance \$'000	2023 Balance \$'000
Cash at bank	204,479	92,848
Securitisation accounts	161,914	140,961
Secured deposits	24,473	26,605
Bank loans (unhedged)	(110,000)	(55,000)
Net exposure to cash flow interest rate risk	280,866	205,414

An increase/decrease in interest rates of 50 (2023: 100) basis points would have a favourable/adverse effect on profit before tax of \$1,404,000 (2023: \$2,054,000) per annum and equity of \$983,000 (2023: \$1,438,000) 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 2024:

- \$191,487,000 (2023: \$246,660,000) of bullet swaps maturing in September 2026 with a weighted average fixed rate of 4.51% (2023: 0.65%) in respect of corporate debt borrowings; and
- \$1,639,415,000 (2023: \$1,328,158,000) of amortising swaps with tenors of up to 5 years and a weighted average fixed rate of 4.11% (2023: 3.00%), 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 finance, trade and other 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 26 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 2024

Note 33. 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
Consolidated – 2024					
Non-derivatives					
<i>Non-interest bearing</i>					
Trade payables	283,415	-	-	-	283,415
<i>Interest-bearing – variable</i>					
Corporate borrowings (bank loans)	20,405	20,405	311,689	-	352,499
Lease portfolio liabilities – non-securitised	27,308	17,286	17,652	-	62,246
Lease portfolio facilities – securitised	616,992	442,646	673,001	17,435	1,750,074
<i>Interest-bearing – fixed rate</i>					
Lease liabilities – right-of-use assets	7,325	6,104	7,631	1,090	22,150
Total non-derivatives	955,445	486,441	1,009,973	18,525	2,470,384
Derivatives					
Interest rate swaps net settled	589	1,048	-	-	1,637
Total derivatives	589	1,048	-	-	1,637

	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
Consolidated – 2023					
Non-derivatives					
<i>Non-interest bearing</i>					
Trade payables	252,957	-	-	-	252,957
<i>Interest-bearing – variable</i>					
Corporate borrowings (bank loans)	18,962	311,142	-	-	330,104
Lease portfolio liabilities – non-securitised	28,978	24,712	25,093	-	78,783
Lease portfolio facilities – securitised	547,018	339,379	453,967	8,457	1,348,821
<i>Interest-bearing – fixed rate</i>					
Lease liabilities – right-of-use assets	7,114	6,963	13,026	1,350	28,453
Total non-derivatives	855,029	682,196	492,086	9,807	2,039,118
Derivatives					
Interest rate swaps net settled	11	15	-	-	26
Total derivatives	11	15	-	-	26

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

Note 34. 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.

Consolidated – 2024	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets				
Investments in listed equity securities	534	–	–	534
Investment in other companies	–	–	5,427	5,427
Derivative financial instruments – Interest rate swap contracts	–	14,197	–	14,197
Total assets	534	14,197	5,427	20,158
Liabilities				
Derivative financial instruments – Interest rate swap contracts	–	1,637	–	1,637
Total liabilities	–	1,637	–	1,637

Consolidated – 2023	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets				
Investments in listed equity securities	1,011	–	–	1,011
Investment in other companies	–	–	5,427	5,427
Derivative financial instruments – Interest rate swap contracts	–	40,687	–	40,687
Total assets	1,011	40,687	5,427	47,125
Liabilities				
Derivative financial instruments – Interest rate swap contracts	–	26	–	26
Total liabilities	–	26	–	26

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 have been valued using a discounted cash flow model.

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

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Note 34. 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:

Consolidated	Other investments \$'000
Balance at 1 July 2022	5,908
Additions	848
Transfer to 'Investments accounted for using the equity method' on gaining significant influence	(1,329)
Balance at 30 June 2023	5,427
Balance at 30 June 2024	5,427

Note 35. 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:

	Consolidated	
	2024 \$	2023 \$
Short-term employee benefits	5,690,798	5,346,622
Post-employment benefits	149,822	134,789
Long-term benefits	179,022	49,942
Share-based payments	1,373,056	1,939,825
	7,392,698	7,471,178

Note 36. Remuneration of auditors

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

	Consolidated	
	2024 \$	2023 \$
Audit services – KPMG (2023: Ernst & Young)		
Audit or review of the financial statements	1,060,677	1,026,050
Other services – KPMG (2023: Ernst & Young)		
Tax services	270,560	–
	1,331,237	1,026,050

Note 37. Maturity analysis – operating lease receivable

	Consolidated	
	2024 \$'000	2023 \$'000
Committed at the reporting date, receivable:		
Within one year	289,718	271,050
One to two years	188,335	154,923
Two to three years	139,748	114,306
Three to four years	86,233	63,920
Four to five years	43,134	25,276
	747,168	629,475

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

Note 38. Contingent liabilities and contractual commitments

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. The aggregate value of these commitments amounts to \$781,312,000 (2023: \$713,858,000). 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 \$23,100,000 (2023: \$18,339,000) has been recognised as a residual value provision 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 39. 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 41.

Associates

Interests in associates are set out in note 15.

Key management personnel

Disclosures relating to key management personnel are set out in note 35 and the remuneration report included in the Directors' report.

Transactions with related parties

During the year, DingGo Pty Ltd (Associate entity) provided accident management services to the Group's customers resulting in a related party expense within Mobility Services cost of sales of \$2,142,045 (2023: \$797,000). DingGo Pty Ltd has two (2023: one) operating leases managed by the Group. As at 30 June 2024 there was \$2,465 (2023: \$Nil) receivable from DingGo Pty Ltd.

Receivable from and payable to related parties

There were no other 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

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Note 40. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2024 \$'000	2023 \$'000
Profit after income tax	18,010	59,343
Total comprehensive income	18,010	59,343

Statement of financial position

	Parent	
	2024 \$'000	2023 \$'000
Total current assets	–	149
Total assets	1,083,295	1,087,433
Total current liabilities	41,304	–
Total liabilities	368,371	332,823
Equity		
Issued capital	716,356	716,356
Retained profits/(accumulated losses)	(1,432)	38,254
Total equity	714,924	754,610

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 42 for further details.

The parent entity has also provided guarantees and indemnities for bank facilities. Refer to note 26 for further details.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2024 and 30 June 2023.

Capital commitments – Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2024 and 30 June 2023.

Material accounting policy information

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 41. 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	
		2024 %	2023 %
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%	100%
SG Fleet NZ Limited	New Zealand	100%	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%
Autonomy 2020-1 Warehouse Trust	Australia	100%	100%
Autonomy Bespoke 2021 Trust	Australia	100%	100%
Autonomy Bespoke 2021 RV Trust	Australia	100%	100%
Autonomy 2021-1 Warehouse Trust	Australia	100%	100%
Autonomy NZ 2021-2 Warehouse Trust	New Zealand	100%	100%

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Note 42. 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)	SG Fleet Salary Packaging Pty Limited *	SG Fleet NZ Limited
SG Fleet Solutions Pty Limited *	NLC Pty Limited*	SG Fleet UK Limited
SG Fleet Holdings Pty Limited *	NLC Finance Pty Ltd*	SG Fleet UK Holdings Limited
SG Fleet Investments Pty Ltd *	NLC Insurance Pty Ltd	Fleet Hire Holdings Limited
SG Fleet Management Pty Limited *	Vehicle Insurance Underwriters Pty Ltd	SG Fleet Solutions UK Limited
SG Fleet Australia Pty Limited *	LeasePlan Australia 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 43. Cash flow information

Reconciliation of profit after income tax to net cash (used in)/from operating activities

	Consolidated	
	2024 \$'000	2023 \$'000 (Restated)
Profit after income tax expense for the year	89,661	83,998
Adjustments for:		
Depreciation and amortisation	223,507	241,942
Net gain on disposal of property, plant and equipment	(236)	(19)
Net fair value loss on investments	477	32
Share of loss – associates	185	474
Finance costs – non-cash	2,256	7,119
Share-based payments	5,180	4,622
Net movement in fair value of derivatives	1,657	(349)
Change in operating assets and liabilities:		
Increase in finance lease, trade and other receivables	(43,572)	(51,423)
Decrease/(increase) in inventories	(13,905)	17,577
Decrease in income tax refund due	4,723	952
Increase in prepayments	(242)	(182)
Increase in lease portfolio assets and finance lease receivables	(544,115)	(381,997)
Increase in trade and other payables	44,619	24,263
Increase in contract liabilities	4,730	10,301
Increase in provision for income tax	40,271	–
Increase/(decrease) in deferred tax liabilities	(19,462)	57,350
Increase in employee benefits	3,137	1,167
Increase/(decrease) in other provisions	5,345	2,078
Net cash (used in)/from operating activities	(195,784)	17,905

Non-cash investing and financing activities

	Consolidated	
	2024 \$'000	2023 \$'000
Additions and modifications to the right-of-use assets	1,067	5,289

Changes in liabilities arising from financing activities

Consolidated	Lease portfolio borrowings \$'000	Bank loans \$'000	Lease liabilities – right-of-use assets \$'000	Total \$'000
Balance at 1 July 2022	1,199,266	299,723	27,319	1,526,308
Net cash (used in)/from financing activities	87,765	–	(6,935)	80,830
Non-cash additions/changes	–	–	5,289	5,289
Exchange differences	9,373	1,939	283	11,595
Balance at 30 June 2023	1,296,404	301,662	25,956	1,624,022
Net cash (used in)/from financing activities	420,958	–	(6,475)	414,483
Non-cash additions/changes	–	–	1,067	1,067
Exchange differences	(2,082)	(175)	(20)	(2,277)
Balance at 30 June 2024	1,715,280	301,487	20,528	2,037,295

Note 44. Earnings per share

	Consolidated	
	2024 \$'000	2023 \$'000 (Restated)
Profit after income tax attributable to the owners of SG Fleet Group Limited	89,661	83,998

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	341,858,903	341,984,920
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	1,016,678	736,857
Performance and restricted equity rights over ordinary shares	2,090,412	1,190,233
Weighted average number of ordinary shares used in calculating diluted earnings per share	344,965,993	343,912,010

	Cents	Cents
Basic earnings per share	26.23	24.56
Diluted earnings per share	25.99	24.42

The weighted average number of ordinary shares used in calculating basic earnings per share excludes 659,531 treasury shares (2023: Nil).

Notes to the financial statements

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Note 45. 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 \$5,180,000 (2023: \$4,622,000).

Share option plan

During the year the Group granted 1,793,576 (2023: 2,089,010) share options. 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. Options granted carry no dividend or voting rights and can be exercised only once the vesting conditions have been met until their expiry date.

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

2024 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	812,395	–	(685,738)	–	126,657
28/10/2020	14/08/2025	\$1.68	1,823,951	–	(497,441)	–	1,326,510
28/10/2020	21/08/2026	\$1.68	3,235,700	–	(1,506,775)	(218,750)	1,510,175
26/10/2021	26/08/2027	\$2.93	1,765,028	–	–	–	1,765,028
03/11/2022	20/08/2028	\$2.17	2,089,010	–	–	–	2,089,010
30/10/2023	20/08/2029	\$2.45	–	1,793,576	–	–	1,793,576
			9,726,084	1,793,576	(2,689,954)	(218,750)	8,610,956
Weighted average exercise price			\$2.07	\$2.45	\$1.85	\$1.68	\$2.23

2023 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	–	–	(148,585)	812,395
28/10/2020	14/08/2025	\$1.68	1,823,951	–	–	–	1,823,951
28/10/2020	21/08/2026	\$1.68	3,235,700	–	–	–	3,235,700
26/10/2021	26/08/2027	\$2.93	1,765,028	–	–	–	1,765,028
03/11/2022	20/08/2028	\$2.17	–	2,089,010	–	–	2,089,010
			7,785,659	2,089,010	–	(148,585)	9,726,084
Weighted average exercise price			\$2.05	\$2.17	\$0.00	\$2.35	\$2.07

The weighted average share price during the financial year was \$2.50 (2023: \$1.98) per ordinary share.

Outstanding options exercisable as at 30 June 2024 was 2,963,342 (2023: 2,636,346). The weighted average remaining contractual life of options outstanding at the end of the financial year was 3.28 years (2023: 1.0 years).

Performance rights and restricted equity rights

The Group provides two types of share rights being performance rights and Restricted equity rights.

(a) Performance rights

During the year the Group granted 1,682,109 performance rights (2023: 1,834,315). 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.

(b) Restricted equity rights

During the year the Group granted 567,124 restricted equity rights (2023: Nil). The restricted equity rights are subject to a service condition and there are no performance conditions attached. Restricted equity 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. Restricted equity rights do not carry any exercise price and vesting is conditional on continuity of employment on the vesting date.

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

2024 Grant date	Vesting date	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
28/10/2020	22/08/2023	1,130,194	–	(1,014,451)	(115,743)	–
26/10/2021	27/08/2024	734,790	–	–	(33,626)	701,164
09/09/2022	01/07/2023	577,044	–	(565,523)	(11,521)	–
03/11/2022	21/08/2025	1,257,271	–	–	(61,331)	1,195,940
23/08/2023	01/07/2024	–	647,464	–	(3,005)	644,459
30/10/2023	21/08/2026	–	1,034,645	–	–	1,034,645
30/10/2023	21/08/2026	–	274,930	–	(4,465)	270,465
30/10/2023	21/08/2027	–	292,194	–	(4,745)	287,449
		3,699,299	2,249,233	(1,579,974)	(234,436)	4,134,122

2023 Grant date	Vesting date	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
25/11/2019	15/08/2022	590,916	–	(537,562)	(53,354)	–
28/10/2020	15/08/2022	147,888	–	(147,888)	–	–
28/10/2020	22/08/2023	1,130,194	–	–	–	1,130,194
08/09/2021	01/07/2022	402,469	–	(376,445)	(26,024)	–
26/10/2021	27/08/2024	734,790	–	–	–	734,790
09/09/2022	01/07/2023	–	577,044	–	–	577,044
03/11/2022	21/08/2025	–	1,257,271	–	–	1,257,271
		3,006,257	1,834,315	(1,061,895)	(79,378)	3,699,299

Performance rights and restricted equity rights are exercisable as at 30 June 2024 was nil (2023: nil). The weighted average remaining contractual life of the rights outstanding at the end of the financial year was 15 months (2023: 6 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
30/10/2023	21/08/2026	\$2.62	\$2.45	45.00%	6.16%	4.49%	\$0.680

For the performance rights and restricted equity 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
23/08/2023	01/07/2024	\$2.75	\$0.00	6.16%	\$2.610
30/10/2023	21/08/2026	\$2.55	\$0.00	6.16%	\$2.160
30/10/2023	21/08/2026	\$2.55	\$0.00	6.16%	\$2.120
30/10/2023	21/08/2027	\$2.55	\$0.00	6.16%	\$1.990

Notes to the financial statements

30 June 2024

Note 46. Events after the reporting period

Apart from the dividend declared as disclosed in note 32, no other matter or circumstance has arisen since 30 June 2024 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.

Consolidated entity disclosure statement

as at 30 June 2024

Entity name	Entity type	Place formed/ Country of incorporation	Ownership interest %	Tax residency
SG Fleet Group Limited	Body Corporate	Australia	–	Australia
SG Fleet Solutions Pty Limited	Body Corporate	Australia	100%	Australia
SG Fleet Holdings Pty Limited	Body Corporate	Australia	100%	Australia
SG Fleet Investments Pty Ltd	Body Corporate	Australia	100%	Australia
SG Fleet Management Pty Limited	Body Corporate	Australia	100%	Australia
SG Fleet Australia Pty Limited	Body Corporate	Australia	100%	Australia
SG Fleet Salary Packaging Pty Limited	Body Corporate	Australia	100%	Australia
NLC Pty Limited	Body Corporate	Australia	100%	Australia
NLC Finance Pty Ltd	Body Corporate	Australia	100%	Australia
NLC Insurance Pty Ltd	Body Corporate	Australia	100%	Australia
Vehicle Insurance Underwriters Pty Ltd	Body Corporate	Australia	100%	Australia
LeasePlan Australia Limited	Body Corporate	Australia	100%	Australia
SG Fleet NZ Limited	Body Corporate	New Zealand	100%	New Zealand
SG Fleet UK Limited	Body Corporate	United Kingdom	100%	United Kingdom
SG Fleet UK Holdings Limited	Body Corporate	United Kingdom	100%	United Kingdom
Fleet Hire Holdings Limited	Body Corporate	United Kingdom	100%	United Kingdom
SG Fleet Solutions UK Limited	Body Corporate	United Kingdom	100%	United Kingdom
Autonomy 2020-1 Warehouse Trust	Trust	Australia	100%	Australia
Autonomy Bespoke 2021 Trust	Trust	Australia	100%	Australia
Autonomy Bespoke 2021 RV Trust	Trust	Australia	100%	Australia
Autonomy 2021-1 Warehouse Trust	Trust	Australia	100%	Australia
Autonomy NZ 2021-2 Warehouse Trust	Trust	New Zealand	100%	New Zealand

Determination of Tax Residency

Section 295 (3A) of the *Corporations Act 2001* requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. In the context of an entity which was an Australian resident, 'Australian resident' has the meaning provided in the Income Tax Assessment Act 1997. The determination of tax residency may involve judgement as determination of tax residency is fact dependent.

In determining tax residency, the consolidated entity has applied the following interpretations:

- Australian tax residency – The consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in Tax Ruling TR 2018/5.
- Foreign tax residency – the consolidated entity has applied current legislation and where available judicial precedent in determination of foreign tax residency.

Trusts

Australian tax law does not contain specific residency tests for trusts. Generally, these entities are taxed on a flow-through basis so there is no need for a general residency test.

Directors' declaration

30 June 2024

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 2024 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;
- 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 42 to the financial statements; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

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

26 August 2024
Sydney



Robbie Blau
Chief Executive Officer

Independent auditor's report

to the shareholders 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). The **Financial Report** comprises:

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the **Group's** financial position as at 30 June 2024 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

- Statement of financial position as at 30 June 2024;
- Statement of profit or loss, statement of other comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended;
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 June 2024;
- Notes, including material 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 Group 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 (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.



Key Audit Matters

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

- Recognition of residual value risk provision; and
- Measurement of deferred maintenance income.

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.

Recognition of residual value risk provision (\$23.1m)

Refer to Note 24 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 judgement applied by us in assessing the Group's residual value risk provision.</p> <p>The determination of the probable residual value risk provision is based on the Group's judgement in determining the shortfalls between the guaranteed residual value amount owed to financiers and the residual value of the assets transferred to the Group. It also takes into account market conditions, such as inherent volatility of the asset's disposal value due to changes in market conditions between the balance date and future date at which the assets will be disposed.</p> <p>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.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • Assessing the appropriateness of the Group's accounting treatment and measurement methodology against the requirements of accounting standards; • 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; • Assessing the mathematical accuracy of the underlying calculation formulas in the residual value risk provision model; • Comparing the estimated residual values for a sample of vehicles to independently sourced market data such as recent external auction prices for comparable assets; • Checking relevant data inputs such as residual value and lease term for a sample of vehicles to source documents such as lease contracts; and • Assessing the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standard.

Independent auditor's report

to the shareholders of SG Fleet Group Limited



Measurement of deferred maintenance income (within Contract Liabilities - \$77.4m)

Refer to Note 2 and Note 29 to the Financial Report

The key audit matter

The measurement of deferred maintenance income is a Key Audit Matter due to the audit effort involved in assessing the Group's estimations of key inputs to their model to calculate deferred maintenance income. We focussed on maintenance services billed to customers, maintenance costs incurred and margin calculations.

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 mathematical accuracy of the underlying calculation formulas in the deferred maintenance income model, including margin calculations;
- Assessing the accuracy of the Group's previous estimates of total maintenance costs to inform our evaluation of estimates incorporated in the model;
- Checking relevant data inputs such as amounts of maintenance services billed to customers and maintenance costs incurred for a sample of deferred maintenance income balances to source documents such as lease contracts and supplier invoices; and
- Assessing the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standard.

Emphasis of matter – Restatement of comparative balances

We draw attention to Note 4 to the financial statements, which describes the background of accounting errors and the respective reasons for the restatements to the balances disclosed as comparatives in this financial report. Our opinion is not modified in respect of this matter.

The financial report of SG Fleet Group Limited for the year ended 30 June 2023 was audited by another auditor who issued an unmodified opinion on that financial report on 22 August 2023.

Other Information

Other Information is financial and non-financial information in SG Fleet Group Limited's annual report 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 in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*;
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that 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: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our Auditor's Report.

Independent auditor's report

to the shareholders of SG Fleet Group Limited



Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of SG Fleet Group Limited for the year ended 30 June 2024, 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 27 of the Directors' report for the year ended 30 June 2024.

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

KPMG

Joshua Pearse

Partner

Sydney

26 August 2024

Shareholder information

30 June 2024

The shareholder information set out below was applicable as at 31 July 2024.

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	645	0.08
1,001 to 5,000	795	0.67
5,001 to 10,000	480	1.10
10,001 to 100,000	698	5.36
100,001 and over	50	92.79
	2,668	100.00
Holding less than a marketable parcel	389	

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	183,248,160	53.58
Citicorp Nominees Pty Limited	56,019,912	16.38
JP Morgan Nominees Australia Pty Limited	17,118,618	5.01
HSBC Custody Nominees (Australia) Limited	12,924,127	3.78
UBS Nominees Pty Ltd	9,822,003	2.87
BNP Paribas Noms Pty Ltd	9,581,316	2.80
Robert Pinkas Blau	6,375,337	1.86
Netwealth Investments Limited (Wrap Services A/C)	3,544,376	1.04
Hsbc Custody Nominees (Australia) Limited-GSI Eda	2,263,209	0.66
Misamada Nominees Pty Limited (Misamada A/C)	1,901,065	0.56
Neweconomy Com Au Nominees Pty Limited (900 Account)	1,367,806	0.40
MDJZ Fernandes Pty Ltd (MDJZ Fernandes A/C)	1,330,845	0.39
HSBC Custody Nominees (Australia) Limited – A/C 2	1,302,327	0.38
Merrill Lynch (Australia) Nominees Pty Limited	873,924	0.26
Shevin Pty Limited (The Shevin A/C)	779,732	0.23
Certane Ct Pty Ltd (SG Fleet Grp Eq PI Alloc)	644,459	0.19
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
Macdonald Gilbert Bell	465,960	0.14
	311,305,945	91.04

Shareholder information

30 June 2024

Equity security holders continued

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares	8,610,956	33
Performance rights over ordinary shares	2,230,585	91
Restricted equity rights	557,914	80

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

Name	Class	Number held
Robbie Blau	Options over ordinary shares	4,543,902

Substantial holders

Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Bluefin Investments Limited	183,248,160	53.58
Wilson Asset Management Group	18,571,838	5.43
Regal Funds Management Pty Ltd	18,196,006	5.32

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

There are no restricted securities.

Share buy-back

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

Corporate directory

30 June 2024

Directors	<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 – Non-Executive Director</p> <p>Colin Brown – Alternate Director for Peter Mountford</p>
Company secretary	Tawanda Mutengwa
Notice of annual general meeting	The annual general meeting of SG Fleet Group Limited will be held virtually at 3:00 pm on Tuesday, 22 October 2024. Further details will be provided in the Notice of Meeting.
Registered office and Principal place of business	<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: globalenquiries@sgfleet.com</p>
Share register	<p>The Registrar Boardroom Pty Ltd Level 8, 210 George Street, Sydney, NSW 2000</p> <p>Telephone: +61 2 9290 9600 E-mail: enquiries@boardroomlimited.com.au Website: www.boardroomlimited.com.au</p>
Auditor	<p>KPMG Level 38, Tower 3, International Towers Sydney 300 Barangaroo Avenue Sydney NSW 2000</p>
Stock exchange listing	SG Fleet Group Limited shares are listed on the Australian Securities Exchange (ASX code: SGF)
Website	www.sgfleet.com
Corporate Governance Statement	<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 http://investors.sgfleet.com/Investors/?page=Corporate-Governance-Statement.</p>
Enquiries	investorenquiries@sgfleet.com

20 September 2024

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, 22 October 2024, commencing at 3.00 pm AEDT.

Shareholders can participate in the meeting using the online platform at <https://web.lumiagm.com/349-998-654> 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, 20 September 2024 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 Pty Limited as per the details below.

Boardroom Pty Limited
Email: 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 Group Limited
Level 2, Building 3, 20 Bridge Street
Pymble, Sydney, NSW 2073 Australia
Locked Bag 1003, Gordon, NSW 2072 Australia

Notice of Annual General Meeting 2024

SG FLEET GROUP LIMITED ABN 40 167 554 574

Notice is given that the Annual General Meeting of SG Fleet Group Limited (the **Company**) will be held virtually on **Tuesday, 22 October 2024** commencing at **3.00 pm AEDT**.

Shareholders can participate in the meeting using the online platform at <https://web.lumiagm.com/349-998-654> via a computer or mobile device. Relevant instructions are included in the Online Shareholders' Meeting Guide 2024 annexed to this Notice of Meeting and marked Annexure A.

Shareholders are strongly encouraged to lodge their Voting Forms prior to 3.00 pm AEDT on Sunday, 20 October 2024, 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 prior to the meeting in order to assist with the provision of timely responses.

SG FLEET GROUP LIMITED ABN 40 167 554 574

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 2024.

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 2024 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 Edwin Jankelowitz

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

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

4. Re-election of Tex Gunning

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

"That Tex Gunning, who retires by rotation and being eligible, be elected as a Director of the Company".

5. Ratification of Appointment of KPMG as Company Auditor

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

"That, having received ASIC consent for EY to resign as the auditor of the Company, and KPMG, having been nominated by a shareholder and consenting in writing to act in the capacity of Auditor of the Company, for the purposes of sections 327B and 327C of the *Corporations Act 2001* (Cth) and for all other purposes, Shareholders ratify the appointment of KPMG as auditor of the Company and that the Directors be authorised to fix the remuneration of the auditor."

6. 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, Options and Performance Rights (to a maximum value of \$770,769) as his long-term incentive award for the financial year ended 30 June 2024 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.

7. 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, Options and Performance Rights (to a maximum value of \$289,655) as his long-term incentive award for the financial year ended 30 June 2024 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.

8. 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 6 (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 6 by or on behalf of Robbie Blau or any of his associates; and
- (b) as a proxy on Resolution 6 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 6:

- (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 7 (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 7 by or on behalf of Kevin Wundram or any of his associates; and
- (b) as a proxy on Resolution 7 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 7:

- (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 5 September 2024

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, 20 October 2024 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/sgfagm2024>

Mail:

Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001
Australia

Hand delivery:

Boardroom Pty Limited
Level 8, 210 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, 20 October 2024**).

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 2024 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 2024 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 2024 is set out in the Directors’ Report which forms part of the Company’s 2024 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 Edwin Jankelowitz

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 Jankelowitz was re-elected, he retires, and being eligible, offers himself for re-election.

The experience, qualifications and other information about Mr Jankelowitz are set out below.

Mr Jankelowitz was appointed to the Board in August 2015 as an Independent Non-Executive Director. He holds a Bachelor of Commerce from the University of the Witwatersrand, and is qualified as a Chartered Accountant (SA). He has spent over 40 years in corporate offices and has been Chairman of a number of listed companies. From July 1967 to November 1979, he was with Adcock Ingram Ltd in Head Office and was promoted over time to Group Company Secretary and then Finance Director. From January 1980 to March 1983, he was a consultant in business management and tax.

At Caxton Limited, from 1983 to 1997, he held the positions of Finance Director, Managing Director and then Chairman. Mr Jankelowitz 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. He was also a member of the Income Tax Special Court in South Africa for 20 years (1977–1997).

Mr Jankelowitz is the Chairman of the Audit, Risk and Compliance Committee.

Board recommendation for Resolution 3

The Directors (Mr Jankelowitz abstaining) recommend that shareholders vote in favour of the re-election of Mr Jankelowitz as a Director.

Resolution 4 – Re-election of Mr Tex Gunning

Rule 8.1(c) of the Company’s Constitution provides that a director appointed by the Board under rule 8.1(b), who is not a managing director, holds office until the conclusion of the next AGM following his or her appointment.

Mr Gunning was appointed to the Board as Non-Executive Director in September 2021, following the completion of the Acquisition of LeasePlan Australia Limited and LeasePlan New Zealand Limited by the Company (as disclosed to the ASX on 1 September 2021). In accordance with the Constitution, Mr Gunning holds office until the conclusion of this year’s AGM, and being eligible, offers himself for election.

The experience, qualifications and other information about Mr Gunning are set out below.

Mr Gunning is an Economics graduate of Erasmus University. Tex previously served as the Chief Executive Officer and Chairman of the Managing Board of LeasePlan. Mr Gunning has also 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. Mr Gunning has also served as CEO of Vedior between 2007 and 2008 after which the company was sold to Randstad. Subsequently, Mr Gunning led for five years the merger of the ICI paint division with Akzo paint, restructuring and selling the US business to PPG. Mr Gunning has 25 years of experience with Unilever, of which seven years as President East Asia Pacific. Mr Gunning currently serves as a supervisory board member of The Nexus Institute.

Explanatory Notes

Board recommendation for Resolution 4

The Directors (Mr Gunning abstaining) recommend that shareholders vote in favour of the election of Mr Gunning as a Director.

Resolution 5 – Ratification of Appointment of KPMG as the Company’s Auditor

In November 2023, the Board of SG Fleet appointed KPMG as auditor, following ASIC’s consent to the resignation of EY, in accordance with section 329(5) of the Corporations Act.

In accordance with section 327C of the Corporations Act, KPMG holds office until the Company’s next Annual General Meeting, being this meeting.

KPMG has conducted the audit of the Company’s financial statements for the financial year ended 30 June 2024. The Board has also noted that KPMG is registered as an auditor under section 1280 of the Corporations Act, and is a well-established firm, with the expertise and skill necessary to meet the Company’s requirements.

In accordance with section 328B of the Corporations Act, a notice in writing nominating KPMG as auditor has been given to the Company by a shareholder. A copy of the notice is included in this Notice of Meeting and set out in Annexure B.

The ratification of KPMG’s appointment will be by vote of shareholders as an ordinary resolution. KPMG 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.

Board recommendation for Resolution 5

The Directors recommend that shareholders vote in favour of Resolution 5.

Resolutions 6 and 7 – Grant of Options and Performance Rights as FY2025 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 FY2025 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/or Performance Rights.

FY2025 LTI

Number of Performance Rights and Options	<p>CEO: Options and Performance Rights to a maximum value of \$770,769.</p> <p>CFO: Options and Performance Rights to a maximum value of \$289,655.</p> <p>The maximum number of Options to be granted to the CEO and CFO will be determined based on the formula: Long-term outperformance opportunity multiplied by the proportion to be allocated to Options divided by the fair value of the Options at the Grant Date.</p> <p>The maximum number of Performance Rights to be granted to the CEO and CFO will be determined based on the formula: Long-term outperformance opportunity multiplied by the proportion to be allocated to Performance Rights divided by the fair value of the Performance Rights at the Grant Date.</p>
Performance period	Three-year performance period commencing on 1 July 2024 and ending on 30 June 2027.
Vesting period	Vesting will occur on the date the results for the financial year ending 30 June 2027, and subject to approval by the Board.

Maximum number of Options and Performance Rights to be granted

The CEO’s long-term outperformance opportunity amounts to \$770,769 and the CFO’s long-term outperformance opportunity amounts to \$289,655.

In accordance with the terms of the Company’s Equity Incentive Plan, the CEO and CFO can elect to receive Options or Performance Rights or any combination of Options or Performance Rights up to their long-term outperformance opportunity.

Prior to the Grant Date, the CEO and CFO will determine the proportion of their long-term outperformance opportunity to be allocated to Options and the proportion to be allocated to Performance Rights.

The maximum number of Options to be granted to the CEO and CFO will be determined based on the formula: Long-term outperformance opportunity multiplied by the proportion to be allocated to Options divided by the fair value of the Options at the Grant Date.

The maximum number of Performance Rights to be granted to the CEO and CFO will be determined based on the formula: Long-term outperformance opportunity multiplied by the proportion to be allocated to Performance Rights divided by the fair value of the Performance Rights at the Grant Date.

The fair value of the Options and the Performance Rights will be determined by an independent expert.

Explanatory Notes

Example calculation of number of Performance Rights and Options to be allocated to the CEO and CFO

	CEO	CFO
Long-term Outperformance Opportunity	770,769	289,655
Proportion to be allocated to Performance Rights and Options (As selected by CEO and CFO)		
Performance Rights	25%	33%
Options	75%	67%
Amount to be allocated to Performance Rights and Options		
Performance Rights	192,692	95,586
Options	578,077	194,069
Independent Expert's valuation of Performance Rights and Options		
Performance Rights	2.16	2.16
Options	0.68	0.68
Number of instruments to be issued to CEO and CFO		
Performance Rights	89,209	44,253
Options	850,113	285,395

Issue price of Options and Performance Rights

As the Options and Performance Rights will form part of the CEO and the CFO's remuneration, they will be granted at no cost to the CEO and CFO.

Timing of awards of Options and Performance Rights

If shareholder approval is obtained, it is anticipated that the Options and Performance Rights will be granted to the CEO and CFO as soon as practicable after the 2024 AGM, and in any event no later than 12 months after the 2024 AGM.

Performance measures

70% of the LTI awards to the CEO and the CFO will be subject to a Financial Performance Measure and 30% to a Strategic Performance Measure.

The Financial Performance Measure is growth in Underlying Earnings Per Share (EPS). The Underlying EPS performance condition will be tested based on the compound annual growth rate (CAGR) of the Company's Underlying EPS over the three-year performance period.

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 Company 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 5.4% CAGR	Nil
5.4% CAGR (threshold performance)	42.9%
Between 5.4% and 12.6% CAGR	42.9% to 100%
12.6% CAGR or above (Outperformance)	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.

The Strategic Performance Measure will be tested on the achievement of a defined set of strategic goals which have been set by the Board. The achievement or non-achievement of the Strategic Component will be assessed and determined by the Nomination and Remuneration Committee at the end of the performance period.

Vesting and exercise of Performance Rights and Options

Each Share Option and each Share Performance Right entitles the CEO and the CFO 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.

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.

The exercise price of the Options will be the daily volume weighted average market price (VWAP) of the Company's shares traded on the ASX during the 10 days prior to the grant date of the Options. The exercise price is payable in cleared funds unless a "net settlement" (or cashless exercise) mechanism is approved by the Board. The commercial effect of the net settlement is that only the value net option profit will be provided in the form of fully paid ordinary shares or cash-equivalent payment.

Further details relating to the exercise price for the Options granted to the CEO and the CFO will be disclosed to the ASX in their respective Appendix 3Ys.

Explanatory Notes

Dividend and voting rights

Prior to vesting and exercise, Options and Performance Rights do not entitle the CEO or CFO to any dividends or voting rights.

Cessation of employment

Where the employment of the CEO or the CFO is terminated for cause or by resignation, all unvested Options and Performance Rights and vested but unexercised Options will automatically lapse, unless if the Board decides otherwise. 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 change of control event 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, the Board has the discretion to determine that all or a specified number of a the CEO or the CFO's Options and Performance Rights vest, lapse or be forfeited. 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 the CEO nor the CFO obtain an inappropriate or unfair benefit, for example, if there is a material misstatement in a Group company's accounts.

Additional information provided in accordance with ASX Listing Rule 10.14 and 10.15

- The CEO and the CFO 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 the CEO or the CFO.
- 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 the CEO and the CFO 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.

- If shareholder approval is obtained, the Company intends to grant Options and Performance Rights to the CEO and CFO as the Long-Term Incentive component of their annual remuneration for the financial year ended 30 June 2024. If shareholder approval is not obtained, it is intended that an equivalent award will be provided in cash, subject to the same performance and other conditions as described in these Explanatory Notes.
- For purposes of Listing Rule 10.15.5, details of any securities issued under the scheme are set out in Table 2 of Annexure C 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 6 and 7

The Non-Executive Directors recommend that shareholders vote in favour of Resolutions 6 and 7.

Annexure A – Online Shareholders' Meeting Guide 2024

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/349-998-654 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: 349-998-654

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), 22nd October 2024

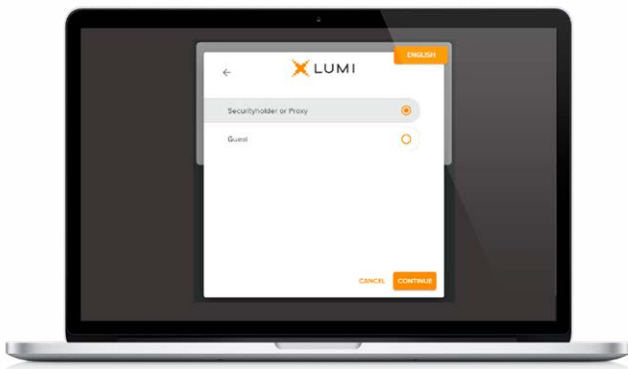
Using the Lumi AGM platform

ACCESS

The first 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/Proxies

Your username is your **Voting Access Code** and your password is your **Postcode or Country Code**, or, for non-Australian residents, your **three-letter country code**.

Proxy holders should obtain their log in credentials from the registrar by calling 1300 737 760.

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.

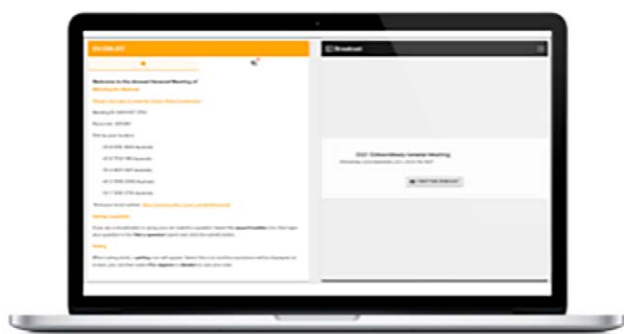
Annexure A – Online Shareholders' Meeting Guide 2024

Navigation

Once successfully authenticated, the home page will appear. You can view meeting instructions, ask questions and open the virtual meeting.

A link to the virtual meeting will be provided on the home page. Click the link to open the meeting. The meeting will open in a separate browser tab on your device.

To Vote and ask Questions during the meeting, navigate back to the browser tab with the LUMI AGM platform open.

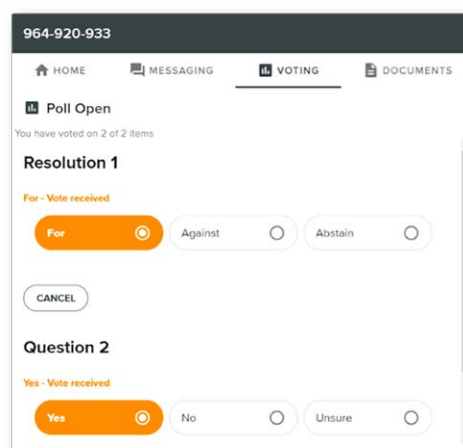


Voting

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.

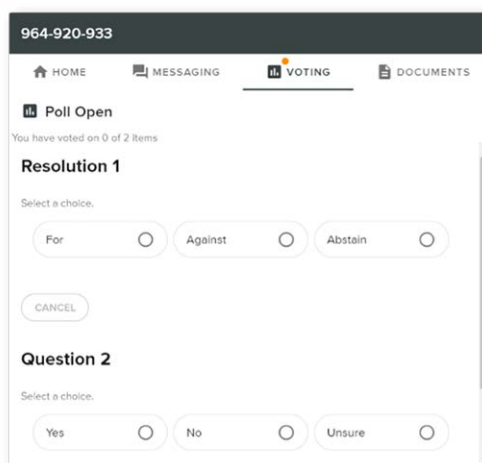


To vote, simply select your voting direction from the options displayed on screen. Your selection will change colour and a confirmation message will appear.

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 2024

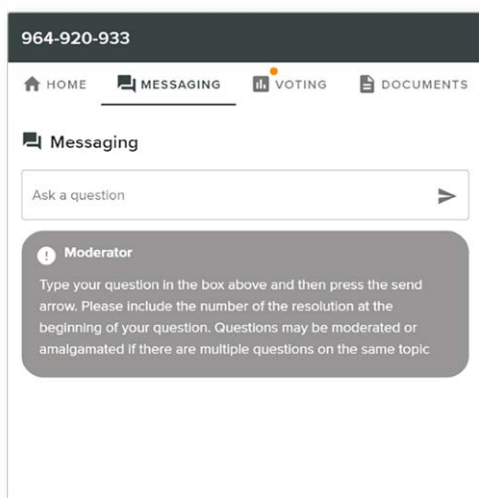
Questions

Any shareholder or appointed proxy is eligible to ask questions.

If you would like to ask a question. Select the messaging tab.

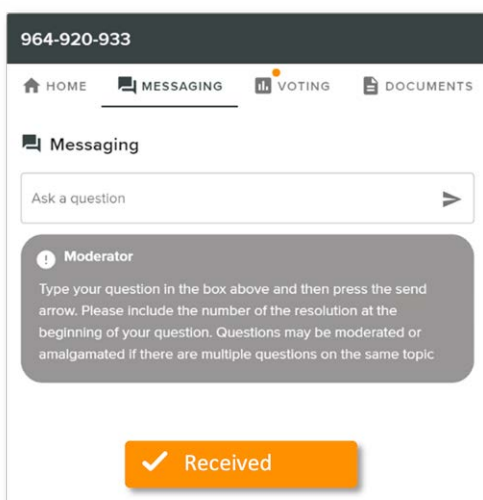


Messages can be submitted at any time from the start of the meeting, up until the Chair closes the Q&A session.



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.

Meeting ID: 349-998-654

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), 22nd October 2024

Annexure A – Country codes

For overseas shareholders, select your country code from the list below and enter it into the password field.

ABW	Aruba	DZA	Algeria	LBR	Liberia	ROU	Romania
AFG	Afghanistan	ECU	Ecuador	LBY	Libyan Arab Jamahiriya	RUS	Russian Federation
AGO	Angola	EGY	Egypt	LCA	St Lucia	RWA	Rwanda
AIA	Anguilla	ERI	Eritrea	LIE	Liechtenstein	SAU	Saudi Arabia Kingdom Of
ALA	Aland Islands	ESH	Western Sahara	LKA	Sri Lanka	SDN	Sudan
ALB	Albania	ESP	Spain	LSO	Lesotho	SEN	Senegal
AND	Andorra	EST	Estonia	LTU	Lithuania	SGP	Singapore
ANT	Netherlands Antilles	ETH	Ethiopia	LUX	Luxembourg	SGS	Sth Georgia & Sth Sandwich Isl
ARE	United Arab Emirates	FIN	Finland	LVA	Latvia	SHN	St Helena
ARG	Argentina	FJI	Fiji	MAC	Macao	SJM	Svalbard & Jan Mayen
ARM	Armenia	FLK	Falkland Islands (Malvinas)	MAF	St Martin	SLB	Solomon Islands
ASM	American Samoa	FRA	France	MAR	Morocco	SCG	Serbia & Outlying
ATA	Antarctica	FRO	Faroe Islands	MCO	Monaco	SLE	Sierra Leone
ATF	French Southern	FSM	Micronesia	MDA	Republic Of Moldova	SLV	El Salvador
ATG	Antigua & Barbuda	GAB	Gabon	MDG	Madagascar	SMR	San Marino
AUS	Australia	GBR	United Kingdom	MDV	Maldives	SOM	Somalia
AUT	Austria	GEO	Georgia	MEX	Mexico	SPM	St Pierre And Miquelon
AZE	Azerbaijan	GGY	Guernsey	MHL	Marshall Islands	SRB	Serbia
BDI	Burundi	GHA	Ghana	MKD	Former Yugoslav Rep Macedonia	STP	Sao Tome And Principe
BEL	Belgium	GIB	Gibraltar	MLI	Mali	SUR	Suriname
BEN	Benin	GIN	Guinea	MLT	Mauritania	SVK	Slovakia
BFA	Burkina Faso	GLP	Guadeloupe	MMR	Myanmar	SVN	Slovenia
BGD	Bangladesh	GMB	Gambia	MNE	Montenegro	SWE	Sweden
BGR	Bulgaria	GNB	Guinea-Bissau	MNG	Mongolia	SWZ	Swaziland
BHR	Bahrain	GNQ	Equatorial Guinea	MNP	Northern Mariana Islands	SYC	Seychelles
BHS	Bahamas	GRC	Greece	MOZ	Mozambique	SYR	Syrian Arab Republic
BIH	Bosnia & Herzegovina	GRD	Grenada	MRT	Mauritania	TCA	Turks & Caicos Islands
BLM	St Barthelmy	GRL	Greenland	MSR	Montserrat	CD	Chad
BLR	Belarus	GTM	Guatemala	MTQ	Martinique	TGO	Togo
BLZ	Belize	GUF	French Guiana	MUS	Mauritius	THA	Thailand
BMU	Bermuda	GUM	Guam	MWI	Malawi	TJK	Tajikistan
BOL	Bolivia	GUY	Guyana	MYS	Malaysia	TKL	Tokelau
BRA	Brazil	HKG	Hong Kong	MYT	Mayotte	TKM	Turkmenistan
BRB	Barbados	HMD	Heard & McDonald Islands	NAM	Namibia	TLS	Timor -Leste
BRN	Brunei Darussalam	HND	Honduras	NCL	New Caledonia	TMP	East Timor
BTN	Bhutan	HRV	Croatia	NER	Niger	TON	Tonga
BUR	Burma	HTI	Haiti	NFK	Norfolk Island	TTO	Trinidad & Tobago
BVT	Bouvet Island	HUN	Hungary	NGA	Nigeria	TUN	Tunisia
BWA	Botswana	IDN	Indonesia	NIC	Nicaragua	TUR	Turkey
CAF	Central African Republic	IMN	Isle Of Man	NIU	Niue	TUV	Tuvalu
CAN	Canada	IND	India	NLD	Netherlands	TWN	Taiwan
CCK	Cocos (Keeling) Islands	IOT	British Indian Ocean Territory	NOR	Norway Montenegro	TZA	Tanzania United Republic of
CHE	Switzerland	IRL	Ireland	NPL	Nepal	UGA	Uganda
CHL	Chile	IRN	Iran	NRU	Nauru	UKR	Ukraine
CHN	China	IRQ	Islamic Republic of Iraq	NZL	New Zealand	UMI	United States Minor
CIV	Cote D'ivoire	ISM	Isle of Man	OMN	Oman	URY	Uruguay
CMR	Cameroon	ISL	Iceland	PAK	Pakistan	USA	United States of America
COD	Democratic Republic of Congo	ISR	Israel	PAN	Panama	UZB	Uzbekistan
COK	Cook Islands	ITA	Italy	PCN	Pitcairn Islands	VNM	Vietnam
COL	Colombia	JAM	Jamaica	PER	Peru	VUT	Vanuatu
COM	Comoros	JER	Jersey	PHL	Philippines	WLF	Wallis & Futuna
CPV	Cape Verde	JOR	Jordan	PLW	Palau	WSM	Samoa
CRI	Costa Rica	JPN	Japan	PNG	Papua New Guinea	YEM	Yemen
CUB	Cuba	KAZ	Kazakhstan	POL	Poland	YMD	Yemen Democratic
CYM	Cayman Islands	KEN	Kenya	PRI	Puerto Rico	YUG	Yugoslavia Socialist Fed Rep
CYP	Cyprus	KGZ	Kyrgyzstan	PRK	Dem Peoples Republic of Korea	ZAF	South Africa
CXR	Christmas Island	KHM	Cambodia	PRT	Portugal	ZAR	Zaire
CZE	Czech Republic	KIR	Kiribati	PRY	Paraguay	ZMB	Zambia
DEU	Germany	KNA	St Kitts And Nevis	PSE	Palestinian Territory Occupied	ZWE	Zimbabwe
DJI	Djibouti	KOR	Korea Republic of	PYF	French Polynesia		
DMA	Dominica	KWT	Kuwait	QAT	Qatar		
DNK	Denmark	LAO	Laos	REU	Reunion		
DOM	Dominican Republic	LBN	Lebanon				

Annexure B – Notice of Nomination of Auditor

14 August 2024

The Company Secretary
SG Fleet Group Limited
Level 2, Building 3, 20 Bridge Street
PYMBLE, NSW 2073

To the Company Secretary

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 KPMG as auditor of the company at the Annual General Meeting to be held on Tuesday, 22 October 2024.

Please distribute copies of this notice of this nomination as required by section 328B(3) of the Act

Signed and dated 14 August 2024



David Fernandes
Director

Annexure C

Table 1 – Details of Directors’ current total remuneration package

	Cash salary and fees \$	Current year bonus \$	Non Monetary \$	Super-annuation \$	Leave benefits \$	Deferred bonus equity settled \$	Other equity settled \$	Total \$
Mr Blau	1,200,737	969,619	–	27,399	97,951	39,093	673,335	3,008,134
Mr Wundram	635,711	364,001	–	27,399	45,906	22,681	255,047	1,350,745

Table 2 – Details of securities previously issued under the scheme

Grant date	Mr Blau	Mr Wundram	Vested/Lapsed
17 October 2023 (FY2024 Long Term Incentives)	299,626 Options 269,227 Performance Rights	112,364 Options 100,964 Performance Rights	Vesting will occur on the date the results for the financial year ending 30 June 2026, and subject to approval of the Board
25 October 2022 (FY2023 Long-Term Incentives)	867,705 Options 94,349 Performance Rights	335,091 Options 36,436 Performance Rights	Vesting will occur on the date the results for the financial year ending 30 June 2025, and subject to approval of the Board
26 October 2021 (FY2022 Long-Term Incentives)	723,551 Options 64,186 Performance Rights	271,332 Options 24,070 Performance Rights	Vested
27 October 2020 (FY2021 Long-Term Incentives)	1,326,510 Options 115,349 Performance Rights	497,441 Options 43,256 Performance Rights	Vested
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	Vested

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
- ☎ **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, 20 October 2024.**

🖥 TO APPOINT A PROXY ONLINE

📱 BY SMARTPHONE

STEP 1: VISIT <https://www.votingonline.com.au/sgfagm2024>

STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)

STEP 3: Enter your Voting Access Code (VAC):



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 Chairman of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chairman 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 Chairman 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, 20 October 2024**. 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/sgfagm2024>

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia

👤 **In Person** Boardroom Pty Limited
Level 8, 210 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.

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 **Chairman of the Meeting (mark box)**

OR if you are **NOT** appointing the Chairman 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 Chairman of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held virtually at <https://web.lumiagm.com/349-998-654> on **Tuesday, 22 October 2024 commencing at 3.00 pm AEDT** 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.

The Chairman of the Meeting is authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chairman of the Meeting as my/our proxy or the Chairman of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 2,6,& 7. I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy in respect of this Resolution even though Resolution 1 is connected with the remuneration of a member of the key management personnel for the Company.

The Chairman of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolutions 2, 6 & 7). If you wish to appoint the Chairman 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 Edwin Jankelowitz	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Re- election of Tex Gunning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of Appointment of KPMG as Company Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Grant of Options and Performance Rights to the Chief Executive Officer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	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	Securityholder 2	Securityholder 3
<div style="border: 1px solid black; height: 30px; width: 100%;"></div>	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>
Sole Director and Sole Company Secretary	Director	Director / Company Secretary

Contact Name..... Contact Daytime Telephone..... Date / / 2024