

13 Dec 2019

## Trade Finance Loan Book & Compliance as at 30 Nov 2019

In accordance with the Corporate Bond Issue Information Memorandums released to the ASX on 18 May 2015, CML Group (ASX code: CGR) wish to advise that as at 30 Nov 2019 it was compliant with all Financial Covenants contained within the Memorandums. The calculations are tabled below.

***The purpose of this release is to confirm compliance with Corporate Bond Covenants, which is now a small component of CML's funding pool and should not be relied upon as an indicator of business volume or overall performance.***

At the end of Nov 2019 CML had a trade finance loan book funded by Corporate Bonds of over \$54.3m (Oct 2019: \$53.7m), of which it had supplied actual funding of \$24.4m (Oct 2019: \$24.3m). This represents a Loan to Value ratio of 45% (Oct 2019: 45.3%).

Please note all Financial Covenant definitions are contained in the Information Memorandum released to the ASX on 18 May 2015.

### Determination Date Statement Summary

1. We refer to the Conditions of the Bond. This is a Determination Date Statement as referred to in Condition 5.2(b) ("Financial Covenants"). Terms used in the Condition shall have the same meaning in this Determination Date Statement unless given a different meaning in this statement.

2. We confirm that for the period from 1 Nov 2019 to 30 Nov 2019 we are in Compliance with the requirements set out in Condition 5.2 (b)-("Financial Covenants").

3. We confirm that:

|     |                                          |              |
|-----|------------------------------------------|--------------|
| (a) | Required reserve=                        | \$15,159,664 |
| (b) | Discount=                                | \$1,487,979  |
| (c) | RR=                                      | 0.85%        |
| (d) | Credit Reserve=                          | \$10,867,814 |
| (e) | Cash=                                    | \$20,825,007 |
| (f) | Closing balance=                         | \$54,257,795 |
| (g) | Loss ratio=                              | 8.90%        |
| (h) | Aged Ratio=                              | 9.54%        |
| (i) | Aggregate o/bal of all Aged Receivables= | \$5,178,357  |
| (j) | Dilution Reserve=                        | \$2,798,870  |
| (k) | Dilution Reserve Percentage=             | 2.29%        |
| (l) | Dilution Ratio=                          | 0.28%        |
| (m) | Aggregate amount of all Dilutions=       | \$150,628    |
| (n) | Total amount of Aggregate Deductible=    | \$5,000      |
| (o) | Aggregate Purchase price=                | \$24,430,989 |
| (P) | Excluded Receivables Amount=             | \$4,142,686  |



Steve Shin

CML Group Limited

Company Secretary

## **ABOUT CML GROUP**

CML provides cash flow and integrated business solutions, to help its clients focus on their core business.

CML's primary business is 'factoring' or 'receivables finance'. Through the factoring facility CML provides an advance payment of up to 80% of a client's invoice to help their business overcome the cash pressure of delivering goods or services in advance of payment from their customer (often 30 to 60 days). This is a flexible line of credit that is utilised in line with sales volume. CML will consider an additional advance to a client (above the usual 80%) on occasion, for an additional fee and when there is adequate security from the client to cover the position.