

16 November 2020

Trade Finance Loan Book & Compliance as at 31 Oct 2020

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 31 Oct 2020 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 Oct 2020 CML had a trade finance loan book funded by Corporate Bonds of over \$34.6m (Sep 2020: \$32.8m), of which it had supplied actual funding of \$16.0m (Sep 2020: \$14.4m). This represents a Loan to Value ratio of 46.1% (Sep 2020: 43.9%).

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 Oct 2020 to 31 Oct 2020 we are in Compliance with the requirements set out in Condition 5.2 (b)-("Financial Covenants").

3. We confirm that:

(a)	Required reserve=	\$11,004,218
(b)	Discount=	\$1,378,664
(c)	RR=	0.09%
(d)	Credit Reserve=	\$8,732,364
(e)	Cash=	\$22,003,181
(f)	Closing balance=	\$34,617,957
(g)	Loss ratio=	11.21%
(h)	Aged Ratio=	3.54%
(i)	Aggregate o/bal of all Aged Receivables=	\$1,226,906
(j)	Dilution Reserve=	\$888,190
(k)	Dilution Reserve Percentage=	1.14%
(l)	Dilution Ratio=	1.11%
(m)	Aggregate amount of all Dilutions=	\$363,971
(n)	Total amount of Aggregate Deductible=	\$5,000
(o)	Aggregate Purchase price=	\$15,971,683
(p)	Excluded Receivables Amount=	\$981,525

This announcement has been authorised by the Chief Executive Officer of CML, Daniel Riley.

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ABOUT CML GROUP

CML provides finance to SME businesses.

CML's primary service is receivables finance. Through the receivables finance 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 customers (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.

Other services include trade finance to assist clients finance purchases, as well as equipment finance to assist SME's with capital expenditure on items required to operate their business.