

Q1 FY2024 Unaudited Trading Update

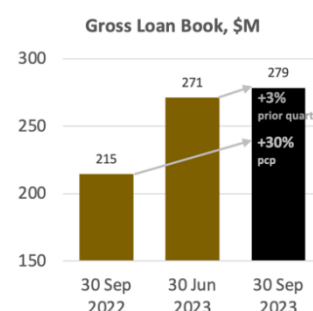
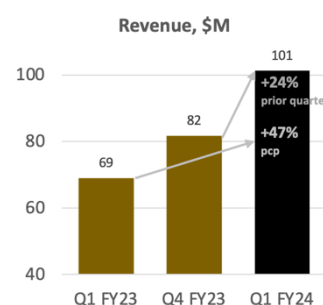
Continued Loan Book Growth Driving Strong Revenue Performance

Cash Converters International Limited (ASX: CCV) (“Cash Converters” or “the Company”) is pleased to provide the following market update for the quarter ended 30 September 2023 (Q1 FY2024).

Group Operating Results \$m	Q1 FY2024	Q4 FY2023 (prior quarter)	%	Q1 FY2023 (pcp)	%
Revenue	101.4	81.7	+24%	69.0	+47%
Gross Loan Book	278.5	271.4	+3%	214.5	+30%

Highlights

- Revenue up 47% pcp to \$101.4m, and up 24% on the prior quarter – driven by loan book growth, inclusion of trading results from the New Zealand and UK franchises acquired and continued Australian corporate store trading improvement.
- Gross Loan Book up 30% pcp to \$278.5m, up 3% on the prior quarter – overall lending momentum continued into Q1 FY2024, with Principal Advanced (new funds lent out) in Q1 FY2024 up 13% pcp:
 - ✓ Continuing SACC¹ loan phase out in line with regulatory changes
 - ✓ Medium² & Vehicle⁴ loan books growing strongly
 - ✓ New loan products released and loan books growing
 - ✓ Bad debt expense normalising in line with growing loan book
- Balance sheet remains strong with Cash and Cash Equivalents of \$58.4m after funding loan book growth and settlement of the UK franchise acquisitions.



Cash Converters Managing Director, Sam Budiselik stated:

“We are pleased to present an update on business performance during Q1 FY2024 that has delivered a strong financial result for the quarter. Revenue at \$101.4m was up 24% on the prior quarter and 47% on the prior comparative period (pcp). The robust demand for credit experienced throughout FY2023 has carried over into Q1 FY2024.

Our gross loan book closed Q1 FY2024 at another record high reaching \$278.5m, this represents an uplift of 30% on the prior comparative period. Combined Principal Advanced (new funds lent out) across all loan products for the quarter was \$82.5m, up 13% pcp.

Building on this strong momentum we continue to execute on our strategic plan, which has a strong embedded growth pathway, expanding our personal finance product range and growing our combined loan book and store network. We continue to progress negotiations on potential strategic acquisitions across both the domestic and international franchise network, that will continue to drive our revenue and earnings growth for years to come.

During the quarter we successfully completed the settlement of the Capital Cash Ltd acquisition in the United Kingdom, which has added significant value to our European franchise operation. This acquisition is a key part of our strategy to expand our global footprint, diversifying our geographic operation and revenue streams and provides a base for continued expansion in the region. Integration of the acquired New Zealand master franchise into the wider business is also well underway, with work in progress to realise operational efficiencies by leveraging operational assets within the Australian business.

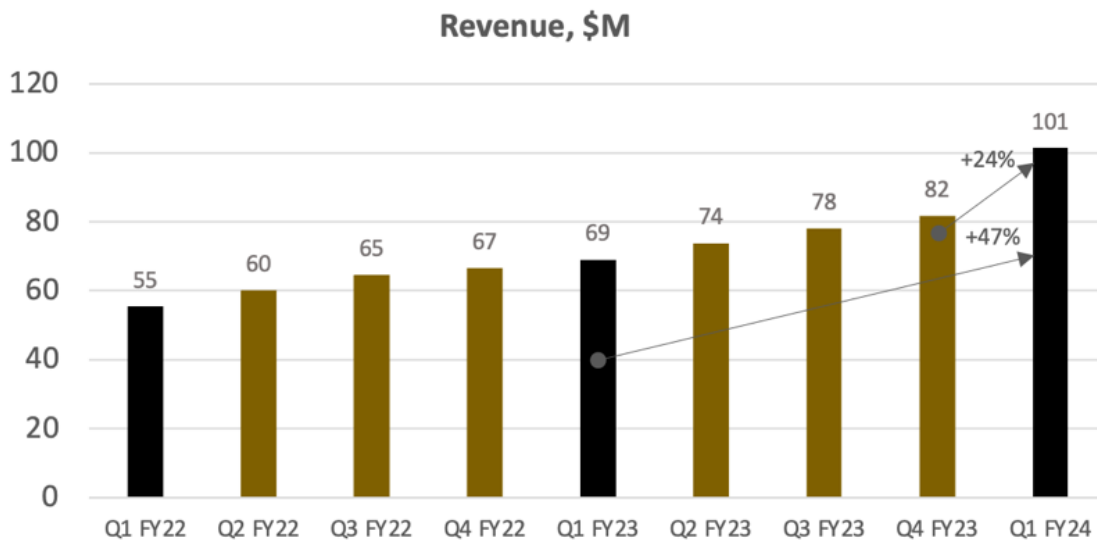
This result is particularly pleasing as it coincides with our continued strategic transition away from Small Amount Credit Contracts (SACC) as announced in FY2023. We achieved overall loan book growth, despite SACCs now accounting for only 23% of the total loan book (down from 34% at end Q1 FY2023). Our focus on offering longer-term, lower-cost loan options continues to be well-received, as evidenced by the growth in our Vehicle and Medium Amount loan books and the growing uptake of our new Line of Credit product.

The loan books we are focused on growing moving forward (i.e. non SACC loan books) require the upfront recognition of an expected credit loss allowance on all new lending. This upfront recognition results in an earnings lag relative to revenue growth. To the extent the actual loss rate is less than the losses recognised upfront we will release some of the allowance which would have a positive earnings effect. Over time, the contribution of newly launched loan products and the acquired international businesses and franchise store acquisitions is anticipated to generate operating leverage across our business that will yield enhanced earnings as a result of the growing revenue base.

Importantly, our unique retail mode also continues to facilitate the re-purposing of pre-owned goods, enabling us to lead the circular economy in the countries in which we operate, reducing landfill. Store network performance was strong for the quarter - a highlight was Australian corporate store retail sales up 12% from Q4 FY2023. The Australian corporate store pawnbroking loan book closed the quarter at \$14.7m, down slightly on the prior comparative period but in line with expected seasonal variations.”

Revenue – Strong Momentum Continues

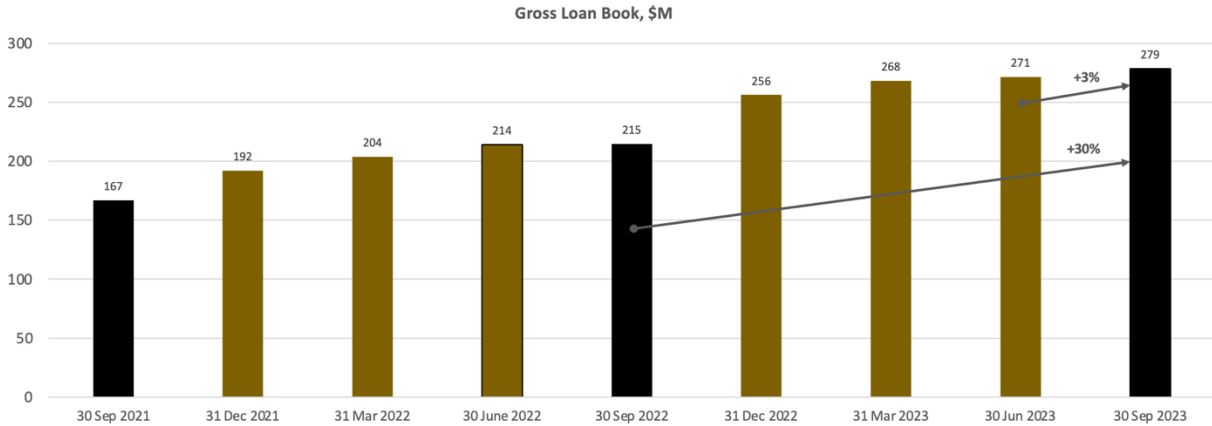
Revenue growth has continued into Q1 FY2024, up 47% pcp (to \$101.4 million).



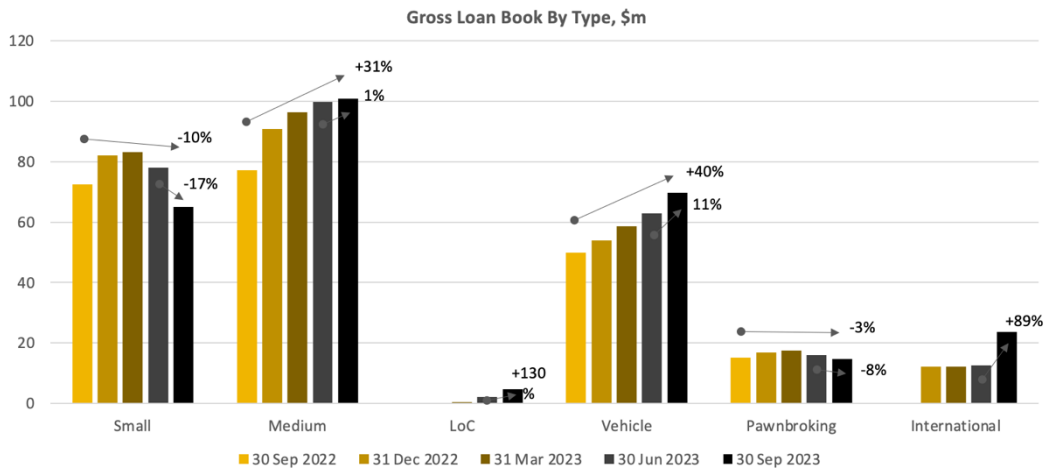
Operational integration of both the New Zealand and United Kingdom acquisitions is progressing well. Deeper operational integration is expected to provide more consistent controls and opportunities for cost synergies across the group.

Loan Books

The Gross Loan Book reached another record level, up to \$278.5m at 30 September 2023 (up 30% pcp and up 3% from the close of FY2023).



In line with the strategic product transition out of the SACC market due to regulatory change, SACCs continue to decline as a proportion of the growing overall Loan Book, down to 23%, from 34% pcp.



Personal Finance – Small, Medium and New Loan Products

The Personal Finance segment currently reflects earnings from unsecured loans; Small, Medium and Line of Credit Loans (LoC), distributed online and instore. Small Loans consist of SACC loans and the recently launched PayAdvance product. The Medium Loan Book, which includes MACC, grew 31% from 30 September 2022 and it is anticipated this loan book growth trend will continue. Whilst in its infancy, the new Line of Credit product is forecast to grow strongly.

Small and Medium loan applications increased 4% on the prior comparative period, to over 162,000, representing strong and growing underlying demand across our customer segment.

Vehicle Loans – B2B and B2C Channel Offering

Secured Vehicle loans origination also grew strongly, offered through a partner (B2B) network of brokers and dealers, by our fully owned subsidiary Green Light Auto (GLA). This resulted in the vehicle gross loan book growing to \$69.7 million, an increase of 40% pcp. Application numbers increased 30% on the prior year with the value of loans funded increasing 42% on Q1 FY23 to \$11.4 million, as new brokers were added to our platform and vehicle finance demand increased substantially.

Loan Book Performance

The loan book performed strongly. The quarterly Net Loss Rate⁷ (Net Bad Debt Expense⁸ over average Gross Loan Book) was 4.8% (Q1 FY2024), which remains in line with expectations. Operating as a responsible lender we have well-established credit risk models and a hardship management framework in place, to support customers who show signs of financial distress due to cost-of-living pressures.

Strategy Update & Outlook

The management team remains focused on driving underlying earnings growth, diversifying the loan product mix and seeking inorganic growth opportunities across the global Cash Converters franchise store network that are value accretive and support future revenue and earnings growth.

New Product Development

The new Line of Credit product was launched in June 2023 following a successful pilot throughout the second half of FY2023. New products will play a key role in the composition of the future loan book. The Company is committed to offering a wider choice of more flexible and lower cost finance options to customers as part of the continued transition away from SACC loans.

International Network Expansion

New Zealand: Integration of the New Zealand acquisition is well underway with further optimisation ongoing. We remain focused on unlocking the territory potential with continued loan book growth, network expansion opportunities under review and further integration into the Australian operations.

United Kingdom: We are pleased to have settled the acquisition of Capital Cash during the quarter. Capital Cash is the largest franchise store network in the UK consisting of 42 Cash Converters branded stores. This acquisition provides a strong platform in the United Kingdom and provides a base for further growth into Europe. The experienced Capital Cash management team has now joined our management team and continues to grow the Cash Converters business in the United Kingdom.

Summary Outlook – Growth Drivers:

- ✓ Exiting 'Payday' SACC lending, diversification of new and growing loan books
- ✓ Record underlying organic demand driving Medium & Vehicle loan book growth
- ✓ New product releases growing
- ✓ Bad debt rates in line with expectations
- ✓ Value accretive franchise store network acquisitions opportunities under evaluation
- ✓ Balance sheet strength and continuing to invest for future growth
- ✓ Historic dividend paying track record (6 straight half year dividend payments)

-ENDS-

Authorised for release by the Board of Cash Converters International Limited.

Use [EasyUpdate](#) (link to our share registry Computershare) to change your communication preferences, and access the [InvestorCentre](#) for any other shareholder services. Investor contact: info@cashconverters.com

About Cash Converters

Cash Converters International Limited (ASX: CCV) is an Australian based consumer lender and second-hand goods retailer with owner operated (corporate) and Franchise operated stores across Australia and overseas. Key corporate markets include Australia, New Zealand and the United Kingdom with large franchise operations spanning Europe, South Africa and parts of Asia. In total there are 686 stores operating across 14 countries.

The business generates multiple revenue streams with a significant portion of its profit derived from its lending operations. Cash Converters loan book is diversified and consists of multiple lending solutions ranging in duration from under one year to multiple years, secured and unsecured and loan sizes ranging from hundreds of dollars to financing vehicle purchases.

Cash Converters is a technology driven lender, originating and managing the ongoing customer journey through the use of proprietary technology and digital applications. Customer loan origination is also driven by its strong brand and bricks and mortar outlet stores and vehicle finance through a network of brokers and dealers.

Cash Converter's strategy is geared towards growth, recently acquiring Franchise store networks both domestically and in the UK. The Company's loan book is demonstrating significant growth as an innovative lender - bringing new lending solutions to consumers, with several recently launched loan products. The business model has successfully shown that the Company engages the customer across multiple lending solutions over time.

Cash Converters is a strong advocate of ESG 'in practice' at the consumer level. Its second hand goods stores contribute to the 'circular economy' repurposing over 2m items in Australia annually. Its lending business adheres to the Australian National Consumer Credit Protection Act and offers customers the key protections under the responsible lending framework overseen by regulators.

To learn more, please visit: www.cashconverters.com

Appendix 1: Gross Loan Books

		30 Jun 2022	30 Sep 2022	31 Dec 2022	31 Mar 2023	30 Jun 2023	30 Sep 2023	PCP Sep 2023 vs Sep 2022	Sep 2023 vs Jun 2023
Small Loan ¹	Loan Book	\$75.6m	\$72.4m	\$82.2m	\$83.2m	\$78.0m	\$65.0m	-10%	-17%
	% Of Total	35%	34%	32%	31%	29%	23%		
Medium Loan ²	Loan Book	\$76.1m	\$77.1m	\$90.9m	\$96.4m	\$99.9m	\$100.9m	31%	1%
	% Of Total	36%	36%	36%	36%	37%	36%		
Line of Credit ³	Loan Book	\$0.0m	\$0.0m	\$0.0m	\$0.4m	\$2.1m	\$4.6m	-	130%
	% Of Total	0%	0%	0%	0%	1%	2%		
Vehicle Loan (GLA) ⁴	Loan Book	\$46.7m	\$49.8m	\$54.0m	\$58.6m	\$62.9m	\$69.7m	40%	11%
	% Of Total	22%	23%	21%	22%	23%	25%		
PB ⁵ (Corp)	Loan Book	\$15.5m	\$15.2m	\$16.8m	\$17.4m	\$16.0m	\$14.7m	-3%	-8%
	% Of Total	7%	7%	7%	6%	6%	6%		
International Loan Book ⁶	Loan Book	\$0.0m	\$0.0m	\$12.2m	\$12.2m	\$12.5m	\$23.6m	0%	89%
	% Of Total	0%	0%	4%	5%	4%	8%		
Total Gross Loan Book		\$213.9m	\$214.5m	\$256.1m	\$268.2m	\$271.4m	\$278.5m	30%	3%
Quarterly Net Loss Rate ⁷		4.2%	4.6%	4.4%	5.4%	5.6%	4.8%	-	-

Loan Books are in Australian Dollars.

Notes:

¹ Small Loans include:

- Small Amount Credit Contract (SACC): a regulated unsecured personal loan product, transacted in-store and online, up to \$2,000 and up to 12 months.
 - Cash Advance: average 6-12 week term, \$500 loan amount, funds provided by store.
 - Personal Loan: average 6-9 month term, \$1000 loan amount, funds provided centrally.
- PayAdvance: has a one-off fee of 5% applied upon repayment, to an advance on earned, but not yet received salary or wages, with no other fees or charges applied, up to \$150.

² Medium Loans include:

- Medium Amount Credit Contract (MACC): a regulated unsecured personal loan product, transacted in-store and online, up to \$5,000 and up to 24 months.

³ **Line of Credit (LoC):** a revolving credit facility with a pre-approved credit limit, from \$400 to \$10,000 with a set minimum repayment over a maximum 36 month period per redraw.

⁴ **Green Light Auto (GLA):** a fully owned subsidiary of CCV offering secured vehicle loans through a network of brokers and dealers. Average Loan size \$18.5k.

⁵ **Pawnbroking Loan:** average loan size circa \$195 over 1-3 months. These relate only to Pawnbroking loans originated in corporate owned stores. Franchise store Pawnbroking loans are excluded as loan risk is directly held by the franchises (i.e. loan collateral is also held by the franchises).

⁶ **International Loan Book:** includes recent New Zealand and UK franchise acquisitions.

⁷ **Net Loss Rate (NLR):** defined as Bad Debt Written off Expense net of Recovery of Write Offs for the quarter or half year period as applicable, compared to average Gross Loan Book for the quarter or half year period as applicable.

⁸ **Net Bad Debt Expense:** consists of 'Bad Debt Written Off' net of 'Recovery of Write Offs' across loan products.

- Bad Debt Written Off: impacted by events occurring in two parts of the loan book: new loans written in the period and pre-existing loans still running (not yet reaching maturity).
- Recovery of Write Off: Written off amounts recovered through the collections process.
- 'Bad Debt Written Off' and 'Recovery of Write Offs' may not correspond to the same accounting period. For example, 'Recovery of Write Offs' may relate to an older period of underlying loans than the underlying loans relating to 'Bad Debts Written off'.