

Cash Converters Exiting Small Amount Credit Contract (SACC) 'Payday' Lending

Cash Converters International Limited (ASX: CCV) ("Cash Converters" or "the Company") advises that in response to ongoing regulatory developments in Australia and in conjunction with a continued commitment to deliver better outcomes for customers through lower-cost lending solutions, the Company will cease offering Small Amount Credit Contract (SACC) loans as of 30 September 2025.

CEO and Managing Director Sam Budiselik commented: "Exiting this product line is a continuation of our stated strategy to simplify our product range, delivering lending solutions focused on providing our customers lower cost, flexible lending options as a regulated and responsible lender. We believe that exiting the SACC market will enable us to continue improving the credit quality of our loan books, as evidenced by lower loss rates, that have been made possible with advances in our proprietary machine learning powered credit risk models.

As the composition of our earnings continues to evolve, we remain focused on executing our growth strategy - **growing new loan books** and **acquiring franchise stores** in the key corporate markets of Australia and the UK. A SACC market exit is also expected to improve our standing in debt markets, potentially resulting in a broader range of funding options and lower funding costs becoming available to the Company as a result."

Strategic Rationale

As reported in the H1 FY2025 result, SACC loans (commonly referred to as Payday loans) represent less than 18% of the total gross loan book (down from 32% in H1 FY2023). The decision to exit SACC lending follows a comprehensive internal review, commencing with the regulatory changes introduced in June 2023.

In addition to announcing the wind down of the vehicle loan book on 21 June 2024, the exit from the SACC market is another step towards simplifying a lower cost product range on offer to customers.

The Company will continue to offer the following regulated personal loan products in Australia:

- Medium Amount Credit Contracts (MACC) – currently the Company's largest personal finance product segment, representing 37% of the total gross loan book as at 31 December 2024.
- Line of Credit (LoC) product – A new flexible and lower-cost finance option growing strongly, with the loan book increasing from \$7.0 million in H1 FY2024 to \$21.8 million in H1 FY2025.

Growth Outlook

Cash Converters remains well positioned for continued growth, with key strategic initiatives including:

- **Franchise store acquisitions:** Continued acquisition of franchise stores in Australia and the UK. In FY2024, 47 stores in the UK and 3 in Australia were acquired, contributing to earnings growth. With 145 franchise stores remaining in the UK and 74 in Australia, a pipeline of potential acquisition opportunities remains under review.
- **Growth of new loan books:** The new Line of Credit loan book continues to grow strongly in line with growing credit market demand.
- **Retail expansion and luxury focus:** Luxury-focused store formats and AI-driven product authentication are enabling higher-margin inventory sales and a growing contribution to earnings from the store network.
- **Technology and customer experience:** Ongoing investment in industry leading customer facing digital assets and machine learning powered lending models, enabling lower cost (and loss) lending to service new customer segments.
- **Strong financial foundation:** The Company maintains a robust balance sheet with \$57.3 million in cash and equivalents as at H1 FY2025 and headroom in the securitisation facility to support continued loan book growth.

Sam Budiselik
CEO & Managing Director

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

About Cash Converters

Cash Converters International Limited (ASX: CCV) is a leading consumer lender and second-hand goods retailer operating globally. Key corporate markets include Australia, New Zealand and the United Kingdom where the Company operates as Master Franchisor, executing a strategy to acquire franchise stores. Cash Converters is actively transforming its loan book to focus on longer-term, lower-cost lending solutions while expanding its retail presence in luxury goods. With a strong commitment to sustainability, Cash Converters plays a vital role in the circular economy. To learn more, please visit: www.cashconverters.com. For investor inquiries, contact us at info@cashconverters.com