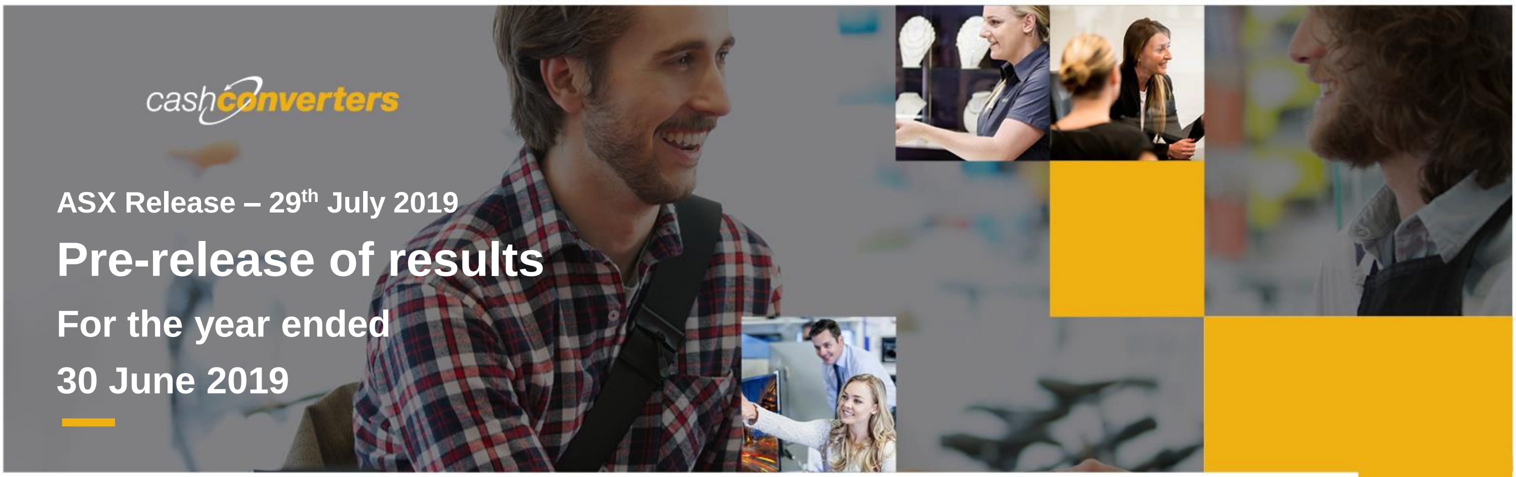

ASX Release – 29th July 2019

Pre-release of results

For the year ended 30 June 2019

Cash Converters International Limited (ASX: CCV) ('Cash Converters' or the 'Company') provides the following update to its results for the year ended 30 June 2019 (FY2019) (unaudited) ahead of the release of its Appendix 4E and full year financial statements on 28th August 2019.

The Company has delivered strong revenue growth in FY2019 of over 8%, with increases in retail sales, pawnbroking interest and demand for financial services products. However, the growth of the auto lending and personal loan books has come with an associated increase in bad debt expense which has reduced profitability. In the second half of the financial year, management conducted a review of its credit scorecards which has tightened approval criteria.

While the underlying fundamentals of the business remain sound a number of adjustments recorded in the second half of the financial year ("FY2019 adjustments") will lead to the Company expecting to report a statutory net loss after tax of between $2 million - $4 million (FY2018 $22.5 million profit). These adjustments are detailed below.

	Unaudited FY2019
Revenue	~$283 m
EBITDA	$20 m - $22 m
EBITDA before FY2019 adjustments	$45 m - $47 m
Net profit/(loss) after tax	$(2 m) - $(4 m)
NPAT before FY2019 adjustments	**$18 m - $20 m**

FY2019 Adjustments

The following adjustments have impacted the result in the second half of the year.

Accelerated amortisation and depreciation – $3.5 million
Given the rapidly changing technology environment, the Company has completed a comprehensive review of capitalised software and other assets on the balance sheet. As a result, amortisation and depreciation have been accelerated where the useful life has been determined to no longer be appropriate. This change will see all current software assets with a useful life of no longer than 5 years.

UK IT Project – $1.6 million
The Company has written-off an investment in a third-party loan management software platform being developed for the UK business. An alternative solution was determined to be more appropriate.

Credit risk review – circa $5.0 million
The Company engaged external consultants to conduct reviews of the unsecured SACC and MACC personal finance loan books and the secured GLA loan books. As a result of these reviews, the Company will bring forward the point at which some loans are written-off, increasing the bad debt expense for the year. Management believes this more accurately reflects the recoverability profile of the outstanding loans. The business has implemented further enhancements to its credit risk analytics for SACC and MACC decisioning and Green Light Auto has also undergone a complete overhaul of its credit scorecard. The result is tightened credit criteria for approvals across all products.

Restructuring Costs - $1.4 million
Further costs of $0.3 million relating to restructuring costs incurred during the second half year, adding to the $1.1 million

disclosed in the Half-year report. This brings the total restructuring costs to $1.4 million for the year.

Other costs - $0.5 million
The net impact of other adjustments including an increase in provisioning for inventory, unredeemed pawnbroking contracts and the reversal of unvested LTI share options.

McKenzie class action settlement
As previously disclosed at the half year, the Company settled the McKenzie class action for $16.4 million, paid in November 2018. However, the Lynch proceeding continued to trial in November 2018 and an outcome is not yet known. The company continues to incur legal fees associated with the defence of the action. Total spend for the year was $3.2 million, an increase from the half year of a further $0.7 million. (FY18 $2.7 million).

The table below details the reconciliation between the expected statutory net loss and the net profit after tax before the adjustments.

	H1-2019 $m	H2-2019 $m	FY2019 $m
Statutory net profit/(loss) after tax	**(5.2)**	**1.2-3.2**	**(2) - (4)**
Adjustments			
Accelerated amortisation & depreciation	-	3.5	3.5
UK IT Project	-	1.6	1.6
Credit risk review	-	5.0	5.0
Restructuring costs	1.1	0.3	1.4
Other costs	-	0.5	0.5
McKenzie class action settlement	16.4	-	16.4
Class action legal fees	2.5	0.7	3.2
Estimated tax effect of adjustments	(6.0)	(3.3)	(9.3)
NPAT before adjustments	**8.8**	**9.5-11.5**	**18-20**

Chief Executive Officer, Brendan White stated, *"Since joining the Company in March 2019 I have had the opportunity to review the business operations and meet many of our loyal customers and colleagues. Cash Converters enjoys a unique position in the community, servicing over 750,000 active customers across our business segments. As reflected by a strong Net Promoter Score, our customers remain the central focus of our business and we continue to strive to deliver a customer experience that exceeds expectations. By further leveraging our technology platform, digital channels and extensive store network we will continue to build upon the momentum of revenue growth and operational efficiencies in 2019, thereby delivering value for all stakeholders in the year ahead. I look forward to updating the market further on our emerging business strategy when the full year audited results are delivered towards the end of August."*

Mr Brendan White
Chief Executive Officer
brendan.white@cashconverters.com

Mr Martyn Jenkins
Chief Financial Officer
martyn.jenkins@cashconverters.com

Tel: 08 9221 9111
Cash Converters International Limited,
37 St Georges Terrace, Perth WA 6000
ABN 39 069 141 546 ASX: CCV