

Business Update

Cash Converters International Limited (ASX: CCV) ("Cash Converters" or "the Company") is pleased to provide an update regarding the renewal of its lending facility ("Facility") with Fortress Investment Group ("Fortress"), along with an overview of how the Company has performed in the second half of the year ending 30 June 2020 (H2 FY20).

Renewal of \$150 Million Securitisation Lending Facility

In March 2016, Cash Converters entered a \$100 million securitisation facility against its Small Amount Credit Contract (SACC) loan book with Fortress. In November 2017, this facility was extended to fund the Medium Amount Credit Contract (MACC) and Green Light Auto (GLA) books – increasing the facility limit to \$150 million.

With the Facility term originally due to expire in December 2020, Cash Converters has on 30 June 2020 finalised an agreement with Fortress to extend the term through to 18 December 2022.

Cash Converters Chief Executive Officer, Sam Budiselik, stated, *"The renewal of this Facility is significant, especially considering the current economic environment, and we welcome the continued support of Fortress. This agreement provides the consistency and certainty necessary for Cash Converters to progress towards its objectives with greater confidence, ultimately allowing us to meet the cash needs of more customers."*

H2 FY20 Performance

Cash Converters has responded effectively to the rapidly changing economic and business environment created by COVID-19. Since March 2020, when travel and social restrictions were first initiated, all Australian stores remained open and all digital business lines continued to operate without interruption.

It is evident that the Government's economic stimulus has had the desired effect of bringing much needed financial support to many Australians. As a result of this support, there has been a sector-wide decline in demand for short term credit which is likely to continue to impact this financial year.

Data produced by the National Credit Providers Association (NCPA) shows that between January - April 2020 SACC applications in Australia decreased 18%, alongside a 24% decrease in the number of SACC applications approved, compared to the same period in 2019.

The Company prudently tightened its credit criteria to enable continued responsible lending throughout this period – albeit at reduced volumes to previous years. While outgoings (principal

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advanced) were below forecast, the provision of economic stimulus payments allowed customers to make additional loan repayments and, in many cases, settle loans early. While a decrease in expected revenue is anticipated in FY21 the Company's balance sheet remains strong in part due to the aforementioned increase in settlements.

Chief Executive Officer, Sam Budiselik, commented, *"While early signs of recovery are visible, the ultimate impact of COVID-19 is yet to be fully realised by Australia's economy. The scale of support provided by the Government has been unprecedented and we have seen its impact in the softening of demand in our personal finance products. However, as Australia's economy starts to emerge from 'lock-down' we have seen the beginning of a recovery in lending volumes, and while we enter the new financial year with smaller loan books, we operate from a position of balance sheet strength.*

"We anticipate that, as Government stimulus continues through the first half of this financial year, lending volumes will increase only moderately, and our loan book levels will therefore remain subdued. Looking further ahead to FY22, we are confident that both lending volumes and our loan books will return in line with a wider market recovery.

"Our balance sheet, bolstered by the renewal of our Facility, and the prudent measures we have taken in recent months ensures that Cash Converters is ideally positioned now and into the future."

Cash Converters will release its Full-Year Financial Results in August 2020.

Authorised for release by the Company Secretary of Cash Converters International Limited.

For further information please contact:

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