

A photograph of a Cash Converters store building facade. The building has a prominent yellow horizontal band across the upper section with the 'cashconverters' logo in white. Below this, there are glass windows and doors, some with smaller 'cashconverter' signs. The sky is clear blue.

*cash***converters**

# FY2023 Investor Presentation

Full-year period ended 30 June 2023

**Cash Converters International Limited (ASX:CCV)**  
August 2023

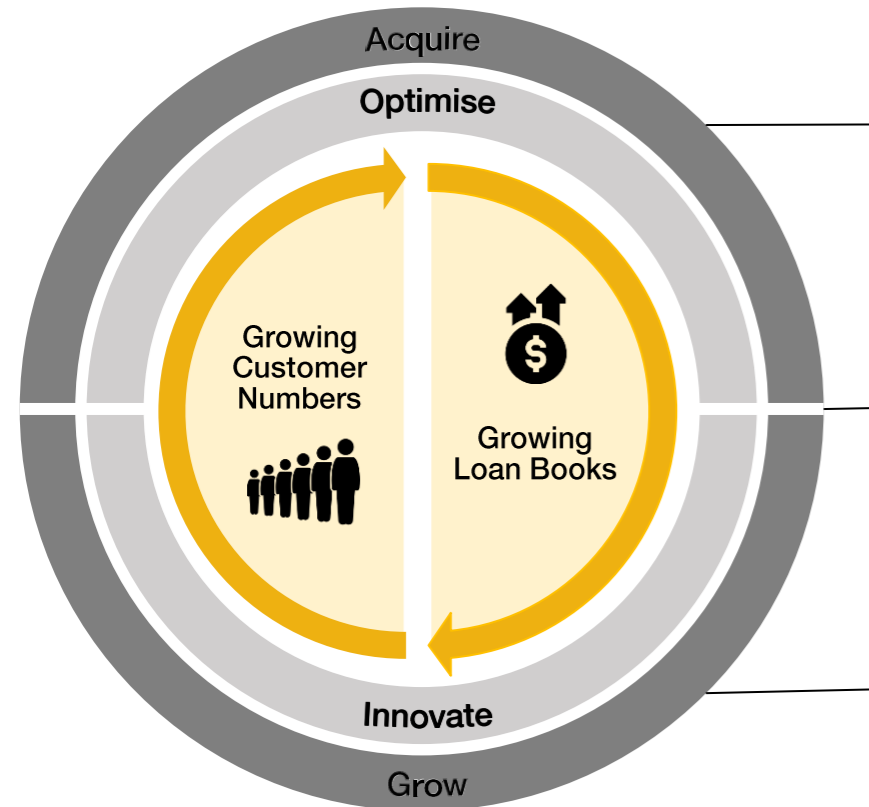
The Cash Converters logo, featuring the word 'cash' in a lowercase, italicized font and 'converters' in a bold, lowercase font, with a stylized arrow looping around the 'c' in 'converters'.

*cash***converters**

# About Us

The largest circular economy store network across the globe, supporting good borrowers that others won't

- Provide a solution to customer **cash needs** through our stores globally and online
- Our core competency is using our data to build a risk profile of borrowers that other lenders can't, allowing us to **help good borrowers that other lenders won't**
- Moving away from high cost, short term 'Payday' loans as we focus on delivering **longer term, lower cost** finance options
- Largest global store network repurposing pre-owned items, facilitate an increasingly important role in the **circular economy**



### Corporate Strategy

As the largest operator in our markets, we have the balance sheet and operational capability to leverage our market dominance, innovate new product releases and to grow by acquiring franchisees.

### Business Drivers

We lead the industry with the application of artificial intelligence, to help us make better credit decisions, allowing us to help more people. We are moving away from short term, high loss/cost loan products.

### Operating Strategy

Our scale, expertise and ability to optimise and innovate within our operation gives us the means to pursue our organic growth strategy in a responsible and profitable way.

**39+ years in operation**

ASX listed 1997

**683 stores globally**

**757,000+**

Personal loan applications processed p.a.

**595,000+**

Retail transactions in Australia p.a.

**Regulated by ASIC & AUSTRAC, member of AFCA**

Operating under the National Credit Act as a responsible lender

### As at 30 June 2023:

- Share Price \$0.225 cps
- Net Tangible Assets (NTA) \$0.291 cps
- EPS (basic, operating) \$0.032 cps
- Market Cap. ~\$140m
- Operating EBITDA \$57m
- Cash & Equivalents \$72m
- H2'23 Dividend Declared\* \$0.01 cps
- FY23 Dividends Paid \$0.02 cps

\*6th straight half year fully franked dividend

# Our Global Network

Across Australia, New Zealand and the United Kingdom, Cash Converters operates Corporate owned stores and is the Master Franchisor of a franchise network of stores.

The rest of the international operations are run by Master Franchisors that pay a royalty for the right to the intellectual property and brand to operate a network of Cash Converters stores.



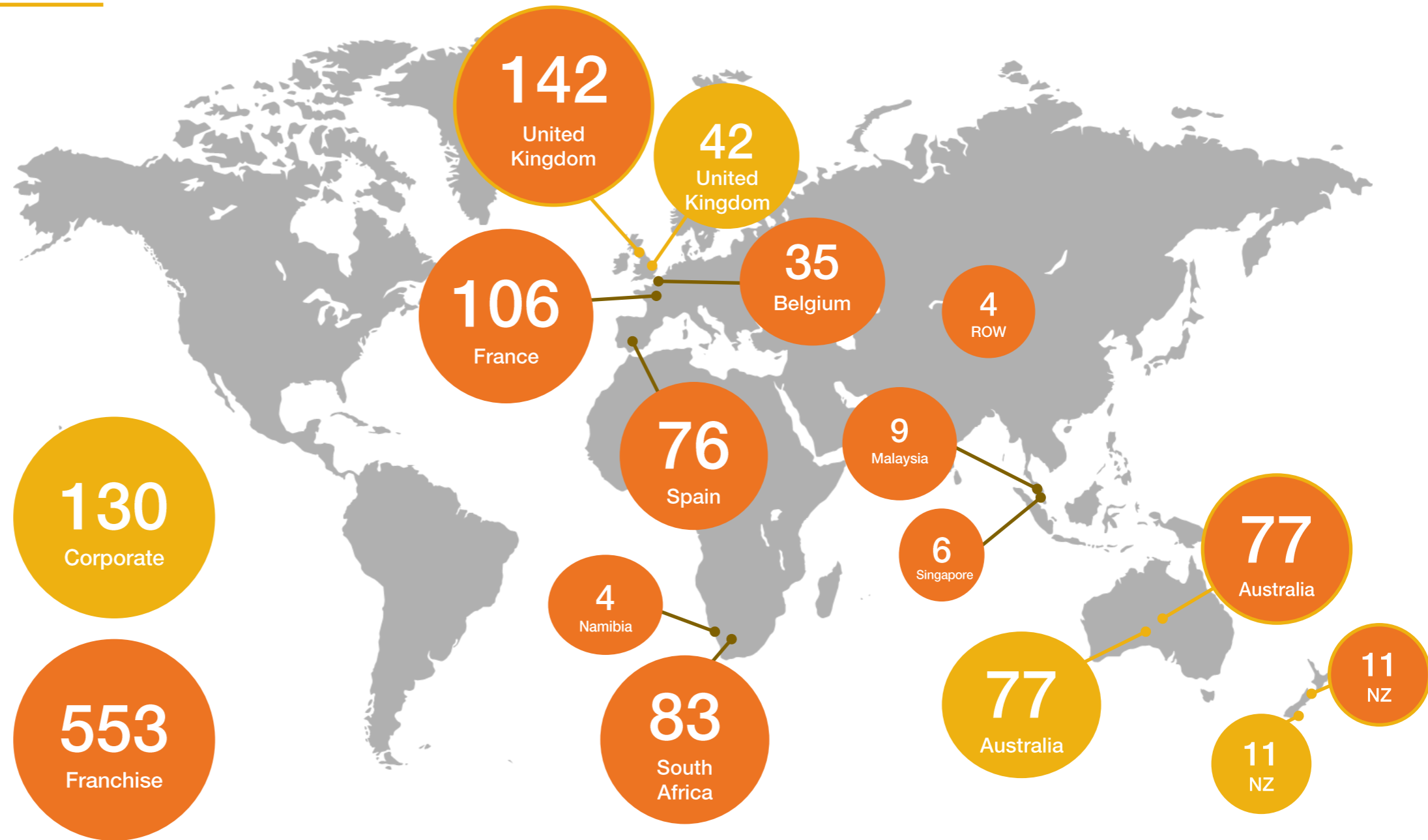
**14**  
Countries



**683**  
Stores



**~1000**  
Australian Staff



**130**  
Corporate

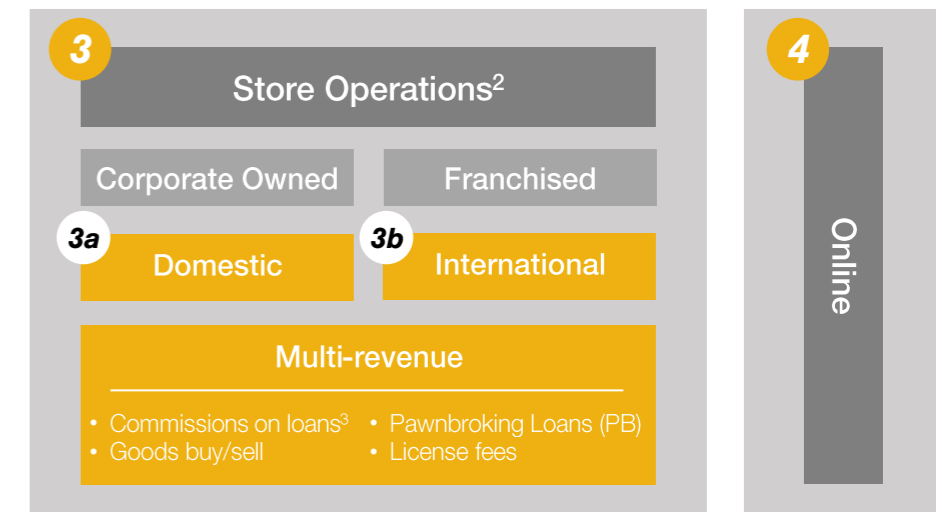
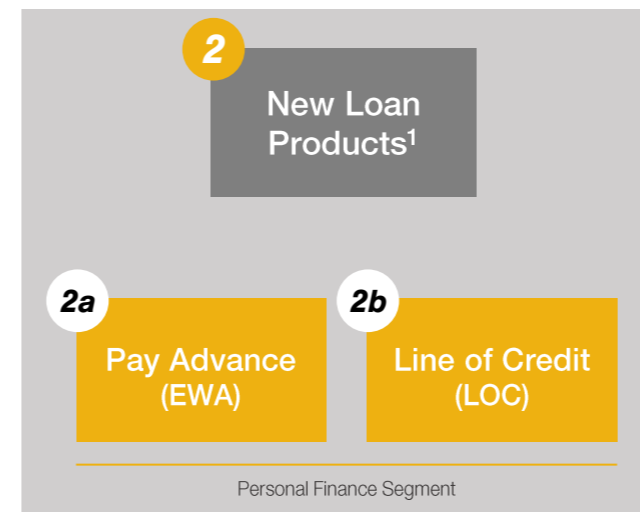
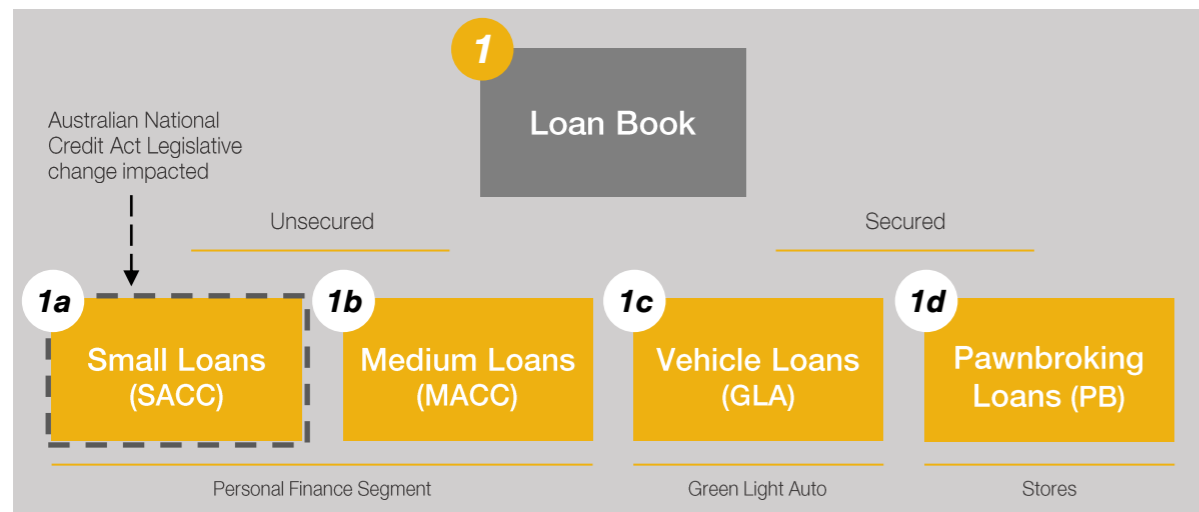
**553**  
Franchise

- Master Franchisor = Cash Converters
- Master Franchisor = Partner

# Business Model – ‘Powering up’ | FY24 – FY28

CCV has identified upside to the current business, leveraging our business model across an expanding geographic footprint

The Loan Book is structurally shifting away from the small loan product due to Australian legislative changes (implementation mandated on 12 June 2023)



## Meeting growing demand...

- Considerable demand across several socioeconomic classes for credit in different (under-served) consumer verticals
- CCV has been developing new lending products to meet consumer demand, in a responsible manner
- CCV is now demonstrating Gross Loan Book growth from new lending products (since early 2022)

## with scale...

- Leveraging CCV's efficient origination model and online platform, positions us well to generate future Loan Book growth
- Platform investment complete, Loan Book growth can be scaled at profitable EBITDA margins
- All loan products regulated, exiting SACC space due to regulatory changes

## Integrated business model

Integrated physical store and online business model continues to prove to be a strategic strength, leveraging our significant brand value & scale.

## Acquisitions and corporate structuring

Continued opportunity to acquire franchise store networks domestically and globally that are value accretive to CCV.

## Increasing global scale

Diversifying revenue and earnings through acquisitions and new greenfield stores in under-represented regions.

<sup>1</sup> New loan products are recently launched products or products in pilot, not yet materially generating revenue. All products shown in Australia, overseas may vary.

<sup>2</sup> In Australia, New Zealand and the United Kingdom, CCIL operates Corporate owned stores and is the Master Franchisor of a franchise network of stores. The rest of the international operations are run by Master Franchisors that pay CCIL a royalty for the right to the intellectual property and brand to operate a network of Cash Converters stores.

<sup>3</sup> Commissions on loans include fees and interest written in store (Cash Advance) and commission received from Personal Finance on loans referred.

# Our Ecosystem

Growing online presence integrated with our stores; serving a large and growing customer base in growing markets.

## Australian Addressable Market



**\$46bn+** Australian Circular Economy<sup>2</sup>

**\$2bn+** Australian Sub-prime Market Demand<sup>3</sup>

**311k+** Transacting Customers

**120k+** Borrowing Customers

**~2k** Accredited Brokers and Dealers

### Online

*Strategic investment pre-COVID – significant growth rates experienced*

- **24m** site views
- **122k** transactions
- **\$22m** online retail sales

- **677k** Applications (85% of Total Apps)
- **153k** Loans (59% of Total Loans)
- **\$156m** Outgoings (60% of Total Outgoings)<sup>4</sup>

### Store

- **473k** transactions
- **\$130m** retail sales
- **\$48.4m** inventory value (at 30 June 2023)

- **119k** Applications (15% of Total Apps)
- **106k** Loans (41% of Total Loans)
- **\$105m** Outgoings (40% of Total Outgoings)<sup>4</sup>

### B2B

*Digital platform developed and deployed pre-COVID*

- **\$86m** in applications received
- **\$34m** funded (up 58% on FY22)
- **New platform released, approval in minutes**

### B2C

- **Leveraging tech, entered B2C channel**
- **Released new online borrower direct product**

CCV – Key Metrics FY 2023

1. Net Promoter Score (NPS) measures customer satisfaction based on the likelihood of recommending Cash Converters.  
 2. Sourced from Gumtree Second-hand Economy Report (2020) – page 2 – “Aussies could earn their share of the \$46 billion second-hand economy...”  
 3. This represents the estimated Australian sub-prime market size, by credit demand, across vehicle and unsecured personal finance.  
 4. Outgoings include Small and Medium Loans principal advances (the cash amount of loan funding disbursed).  
 Note: All ecosystem statistics and market estimates relate to the period 1 July 2022 to 30 June 2023 (FY 2023). Store metrics include franchises.

# Our Competitive Advantage

Substantial scale and data repository provides our business with a competitive advantage.



## Large Customer Base

- ✓ Scale business and growing demand, transacting with over **100,000** active customers per month
- ✓ NPS **68+** indicates high trust and satisfaction
- ✓ Attracting younger, value and environmentally conscious customers
- ✓ Geographic customer diversification and businesses

## Leading Tech Platform

- ✓ Proprietary platforms built inhouse, growing digital volumes, built to scale up
- ✓ AI powered credit risk models, built over years with the largest industry data repositories
- ✓ Processed over **757,000** loan apps in FY23 - cash disbursed instantly via the New Payments Platform (NPP)

## Healthy Balance Sheet

- ✓ **\$71.6m** in cash at 30 June 2023, and undrawn funding lines
- ✓ Strong operating profit and cash flow generation, supportive financier
- ✓ H2 FY23 fully franked 1c dividend declared
- ✓ 6<sup>th</sup> straight 1c half dividend

## Sustainability

- ✓ Facilitating circular economy, **2m** second-hand items purchased p.a.
- ✓ Inventory sourced through our stores which act as our supply chain
- ✓ Essential and responsible financial service provider to millions of Australians

## Regulation

- ✓ Already meeting National Credit Act for all credit products
- ✓ Industry leading lending and compliance platform supports agile new product release



# FY2023 Highlights

Full-year period ended 30 June 2023

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# FY2023 Highlights

<b>\$302.7m</b> Revenue  Up 23% on pcp (\$245.9m in FY2022)	<b>\$57.2m</b> Operating EBITDA  Up 8% on pcp (\$52.7m in FY2022)	<b>\$20.1m</b> Operating NPAT  Up 6% on pcp (\$19.0m in FY2022)	<b>\$271.4m</b> Gross Loan Book  Up 27% on pcp (\$213.9m in FY2022)	<b>\$71.6m</b> Cash & Equivalents  Up 23% on pcp (\$58.1m in FY2022)
<b>\$102.0m</b> Medium Loan Book  Up 34% on pcp (\$76.1m in FY2022)	<b>\$62.9m</b> Vehicle Loan Book  Up 35% on pcp (\$46.7m in FY2022)	<b>29%</b> Small Loan Book Share of Gross Loan Book  Down 6% on pcp (Was 35% Share in FY2022)	<b>11%</b> Net Loss Rate  Up from 8.3% on pcp	<b>1c</b> Final Dividend  2c Dividend paid FY23 (Follows 2c paid in FY22 & FY21)

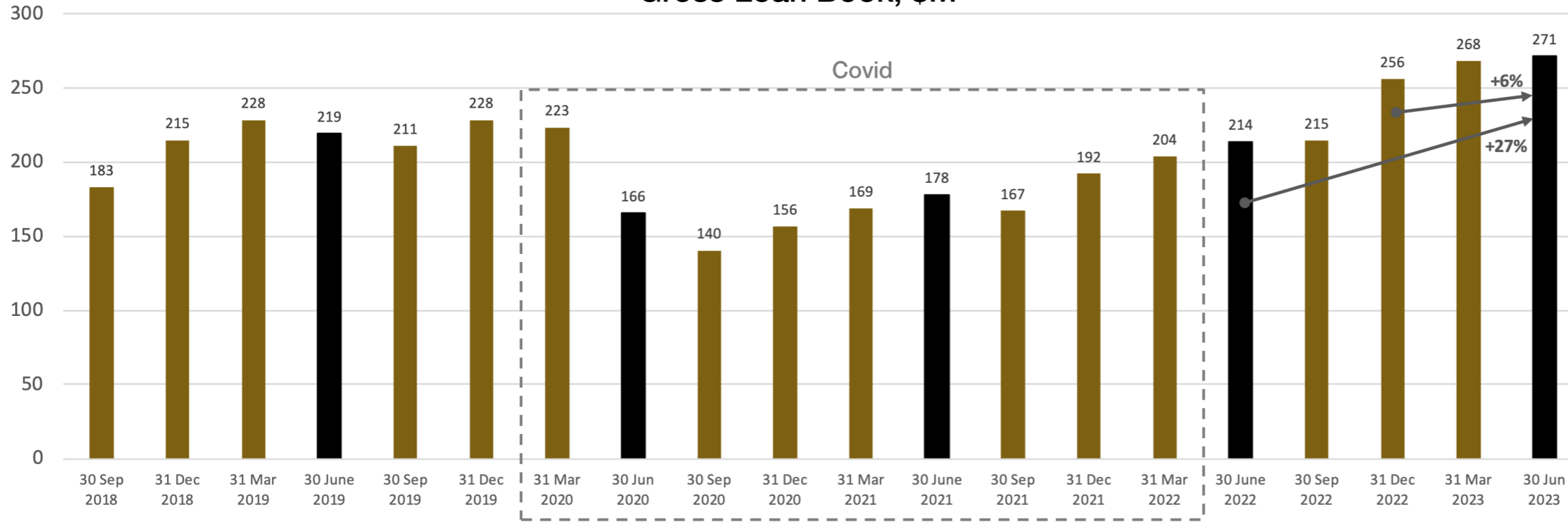
## Notes:

- Revenue growth driven by increasing volume across all loan books and store trading improvements.
- Operating EBITDA conversion in FY2023 reflects Bad Debt Expense and Net Loss Rate normalising post COVID stimulus period, increase in Compliance FTE expenses and inclusion of 100% of Cash Converters New Zealand.
- Operating NPAT excludes significant items - \$115.2m predominantly non-cash impairment to carrying value of SACC related goodwill written down due to legislative changes, booked in H1 FY2023.
- Net Loss Rate (NLR) increasing from post COVID stimulus lows but in line with expectations as loan books continue to perform well, remains well below historical levels pre-Covid.



# FY2023 Highlights

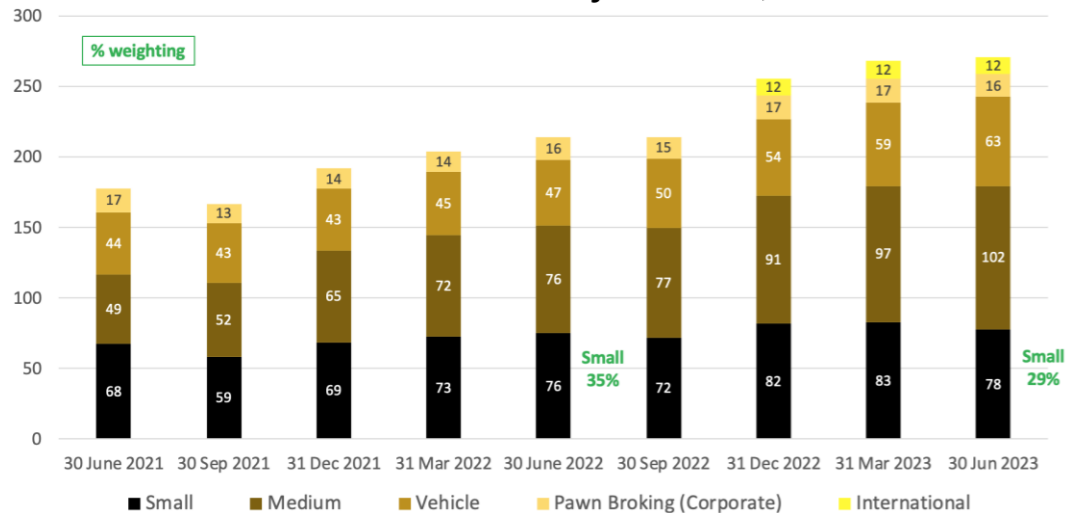
### Gross Loan Book, \$M



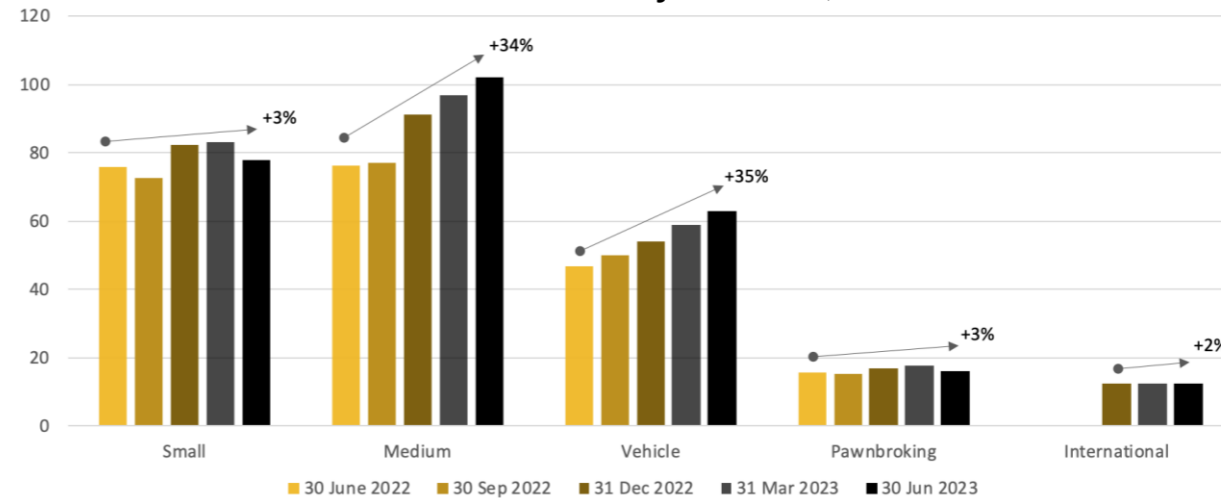
Transitioning out of SACC personal loans in the Small loans segment

- ✓ Small loans weighting has dropped to 29% of the loan book from 35% at end June 2022
- ✓ Other and newly launched loan products increasingly contributing to growth

### Gross Loan Book By Product, \$M



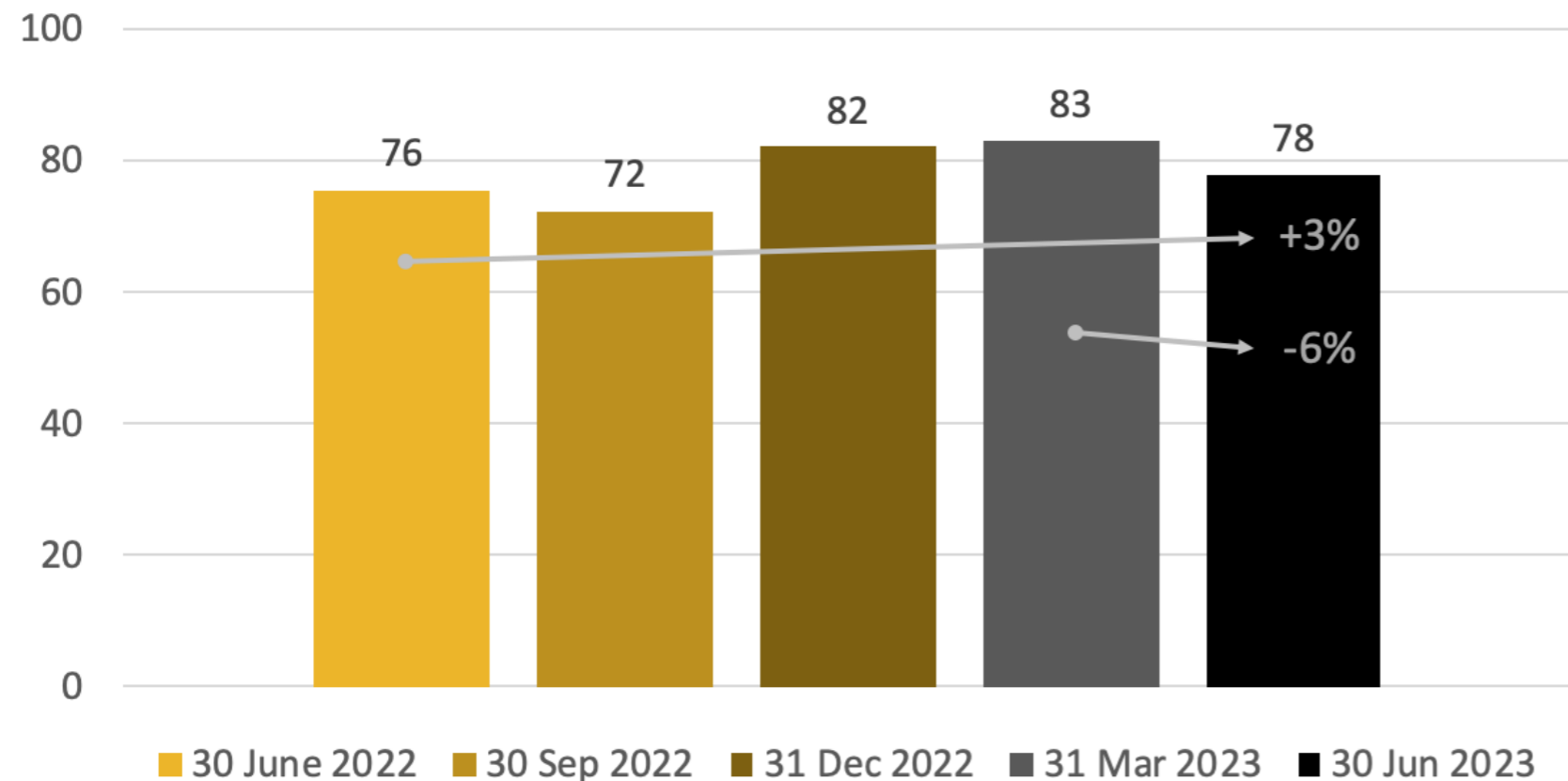
### Gross Loan Book By Product, \$M



# Personal Finance

## Small Loan Book

Small Loans Gross Loan Book, \$M



## Performance (v FY2022)

- ✓ Transitioning customers out of SACC loans (due to legislative change) into other (non-SACC) products
- ✓ Small loan book now down to 29% of total gross loan book (from 35% in FY2022)

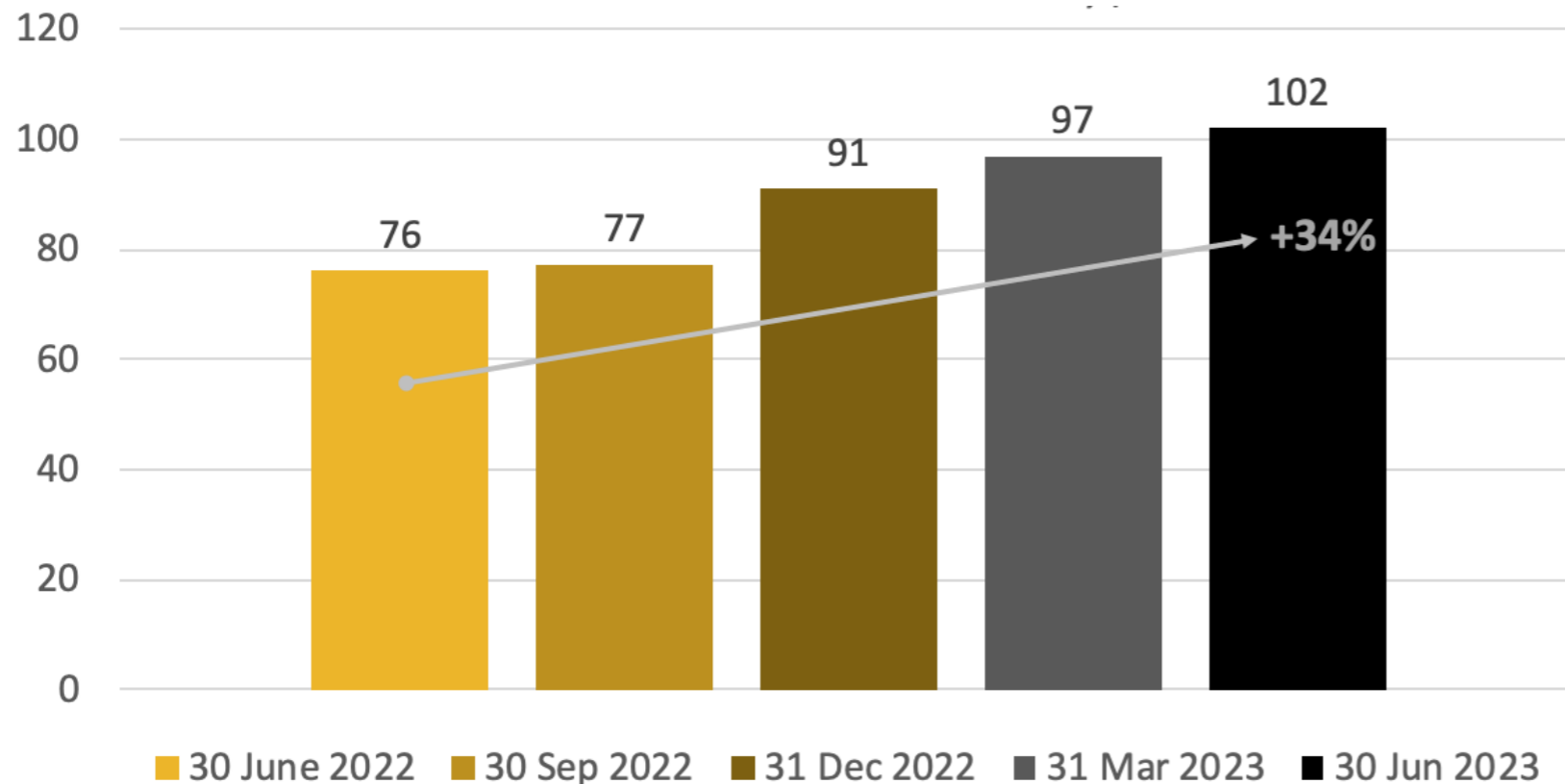
## Characteristics

- ✓ Offered online and instore
- ✓ SACC product has Protected Earnings Amount ('PEA') cap at 10% for all customers

# Personal Finance

Medium Loan Book

Medium Loans Gross Loan Book, \$M



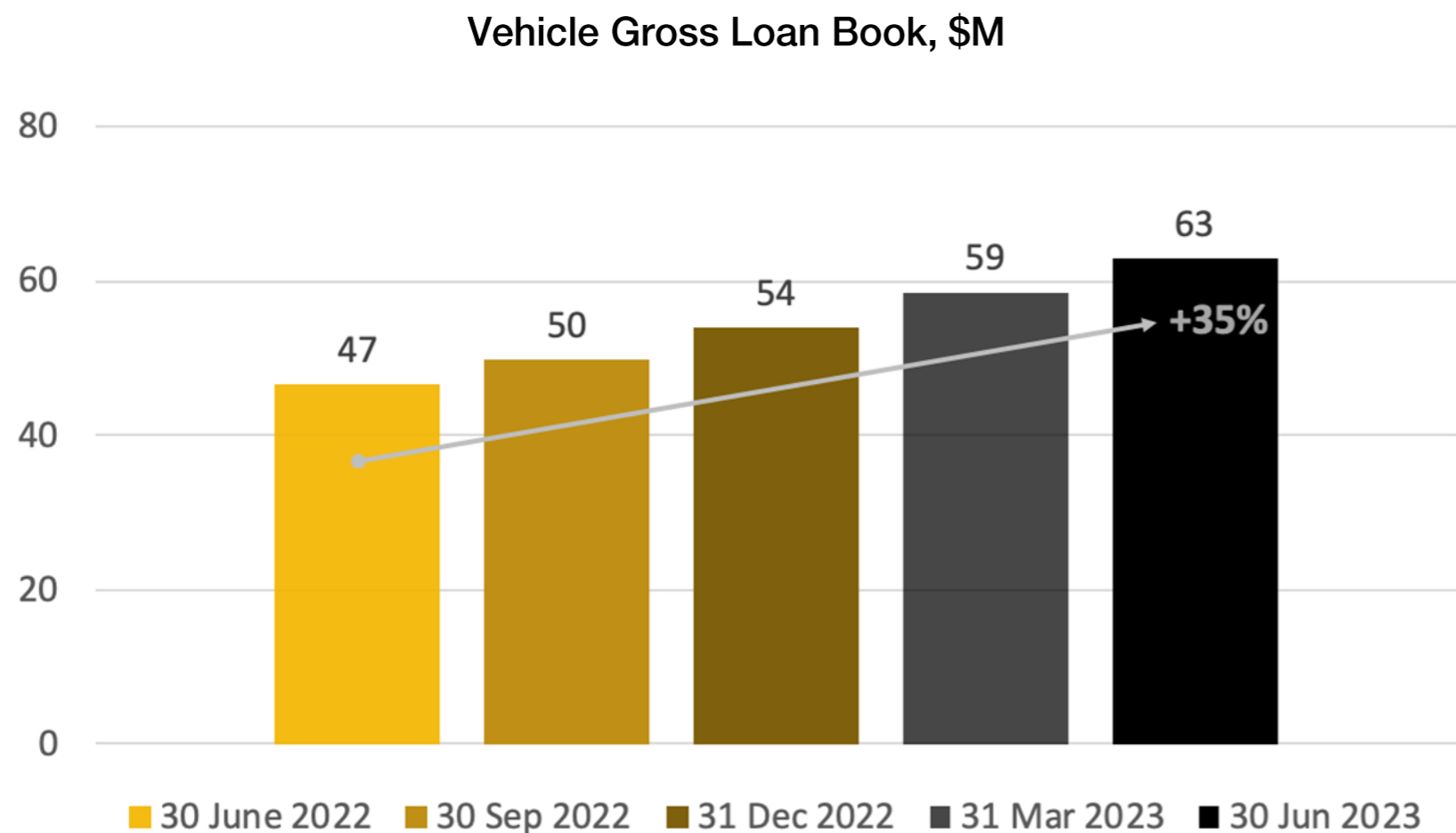
## Performance (v FY2022)

- ✓ Medium loan book now at \$102.0m, up 34%
- ✓ Medium Amount Credit Contract (MACC) loan book \$100 million, Line of Credit new and growing
- ✓ Increasing personal loan demand across the market
  - ✓ Application growth strong, up 30%
  - ✓ Value of loan amounts funded and new loan books growing

## Characteristics

- ✓ Offered online and instore
- ✓ Unsecured, up to \$5k
- ✓ Key pillar of growth in Non-SACC loan product strategy

# Vehicle (Green Light Auto)



## Performance (v FY2022)

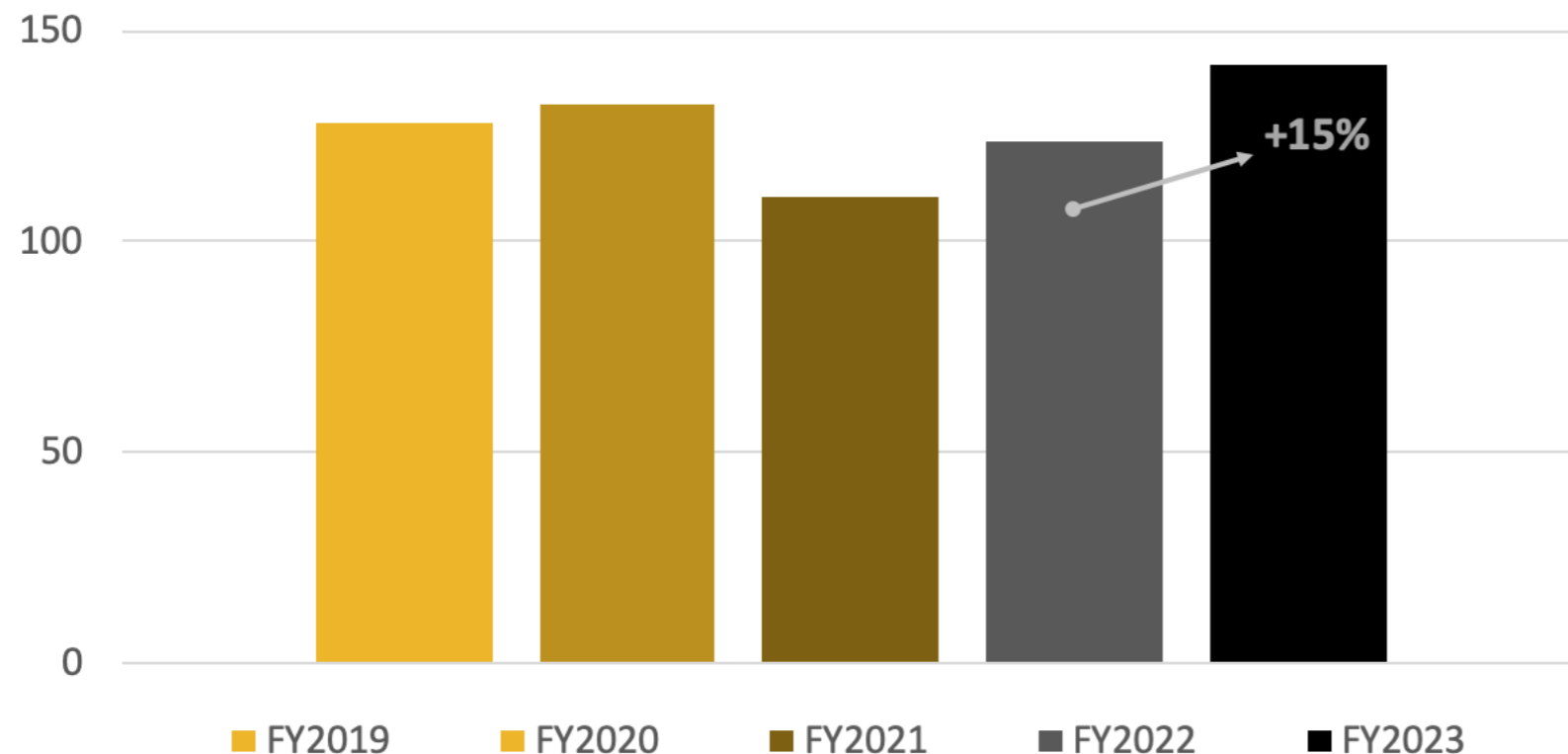
- ✓ Strong growth in loan book; up 35% to \$62.9m
- ✓ Application growth up 27% (strong recovery post Covid impact)
- ✓ Value of loan amount funded grew 58%
- ✓ New brokers added to platform
- ✓ Increasing vehicle financing demand across the market

## Characteristics

- ✓ Branded 'Green Light Auto' (GLA)
- ✓ Secured vehicle loans
- ✓ Offered through network of brokers and dealers under 'Green Light Auto' brand - and direct to consumers by Cash Converters

# Stores

Store Revenue, \$M



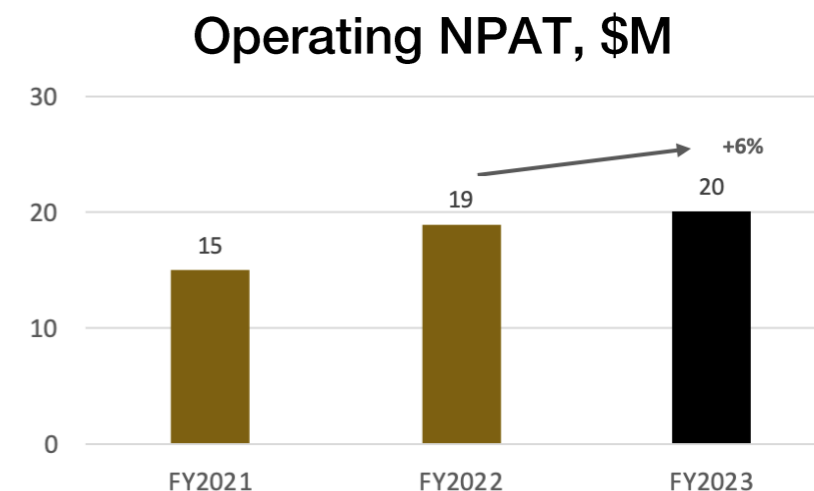
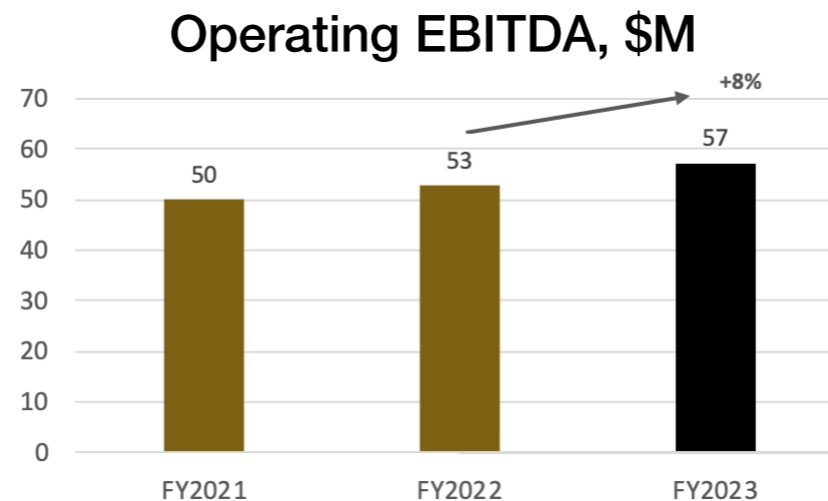
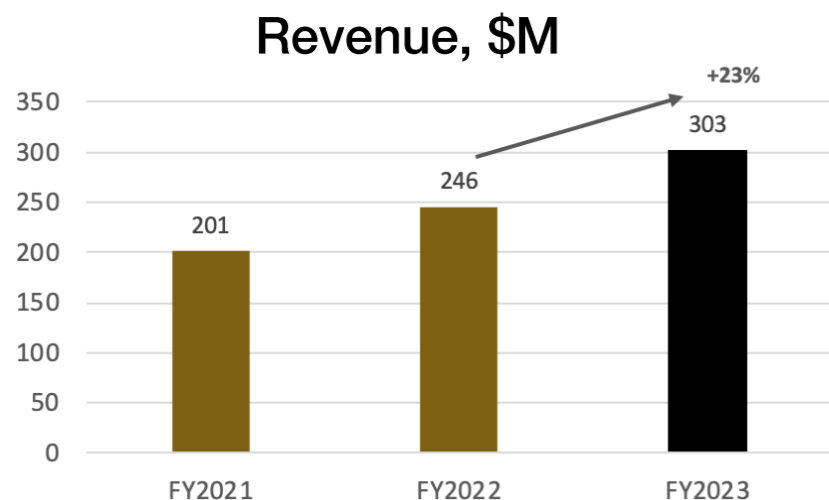
## Performance (v FY2022)

- ✓ Revenue up 15% to 5 year high, driven by changing inventory mix
- ✓ High end watches, luxury goods, electronics and jewellery top inventory categories
- ✓ Smaller store concept changing unit economics
- ✓ Greenfield site opportunities presenting as a result

## Characteristics

- ✓ Network of corporate operated and franchise owned stores in Australia and around the world
- ✓ Integrated store and online channels to market
- ✓ Online listing of store merchandise distributed from stores nationally

# Outlook – Powering Up



## Growth Drivers

- ✓ Record demand driving Medium & Vehicle loan book growth
- ✓ New product releases delivering new growing loan books
- ✓ Ongoing diversification away from 'Payday' loans (diminishing strategic contribution of the SACC loan products over time)
- ✓ Value accretive franchise store network acquisitions ongoing (globally)
- ✓ Available cash increased after funding loan books and store acquisitions
- ✓ Balance sheet strength, third consecutive 2c annual (fully franked) dividend payment, continuing to invest for future growth



# Our Strategy

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# Growth Strategy

We continue to invest our cash to sensibly acquire stores from franchisees, establish new loan books and expand our store network reach.



## Inorganic Expansion

- Acquire franchisees
- Establish new greenfield sites
- Evaluate aligned asset purchases
- Integrate and grow NZ
- Grow European 'Hub' (UK)



## Domestic Target 200 stores



## Organic Optimisation

- Transition out of 'Payday' loans
- New products meeting underlying demand
- Reach new customer segments
- Optimise operational cost base
- Grow balance sheet, free cash and earnings



## International



## Customer & Product

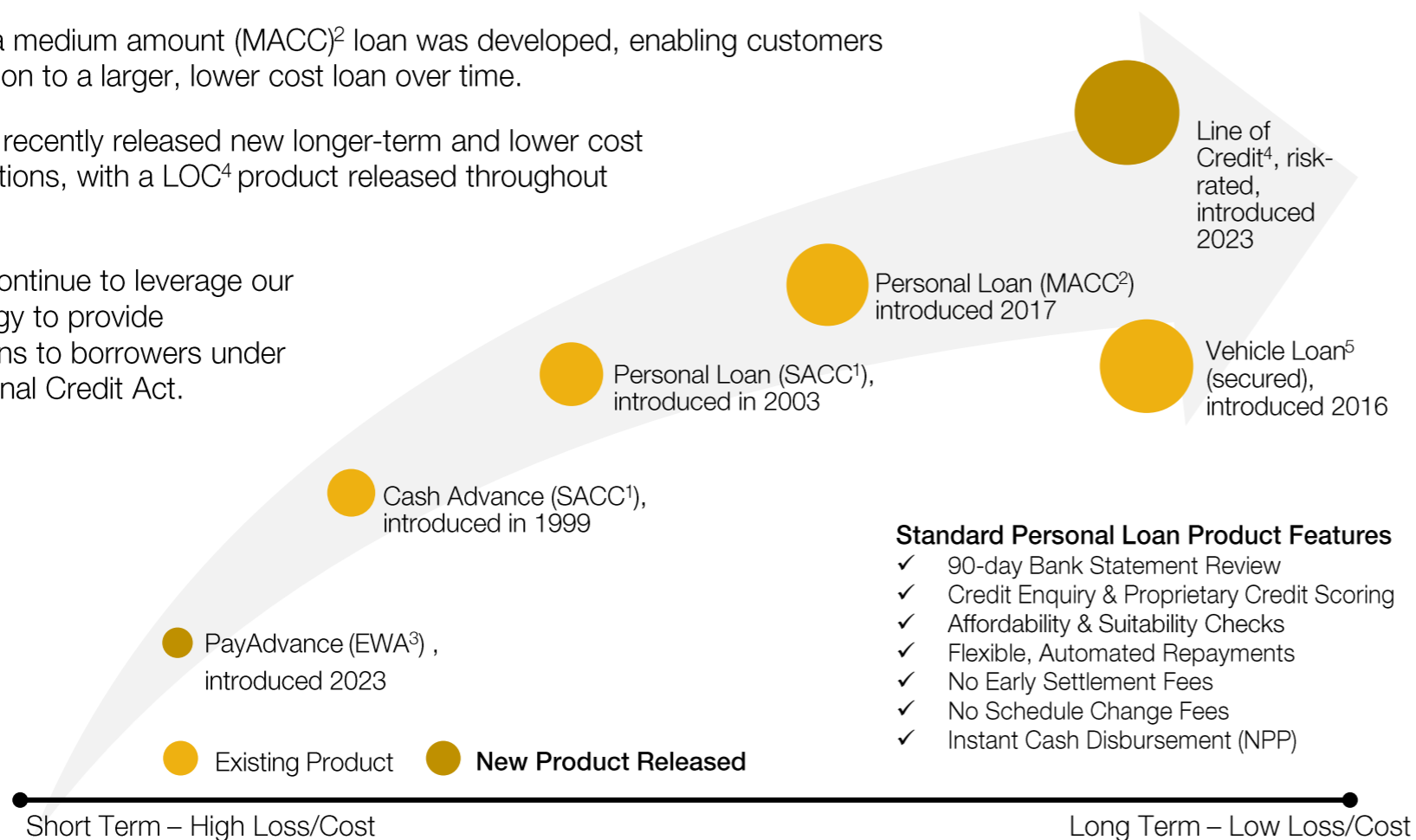
- Enhance customer life-time value
- Innovate new product releases
- Expand global customer numbers
- Loyalty Reward & Recognition
- Lowering costs, surprise and delight



# New Product Strategy

We are transitioning out of SACC personal loans, by leveraging our scale, data and technology to develop new and innovative products.

- As recently as 2016 the business offered one unsecured loan product in Australia, a Small Amount Credit Contract (SACC)<sup>1</sup>. We now have six secured and unsecured loan options on offer.
- Customers traditionally entered our Personal Finance business via the SACC product, taking a short term store based loan (Cash Advance), over time moving to a longer term Personal Loan.
- In 2017 a medium amount (MACC)<sup>2</sup> loan was developed, enabling customers to transition to a larger, lower cost loan over time.
- We have recently released new longer-term and lower cost loan solutions, with a LOC<sup>4</sup> product released throughout FY2023.
- We will continue to leverage our technology to provide protections to borrowers under the National Credit Act.



## Financial Sector Reform Act 2022

- As previously announced by the Company on 21 February 2023, an Act was passed by the Australian Senate in December 2022 contained several Financial Sector legislative changes implemented in June 2023. Some of these changes further enhanced regulation of the SACC loan products offered by the Company.
- Whilst uncertainty exists as to customer behaviour resulting from these changes, our customers' need for cash does not change. If anything, the need is growing with Australians struggling to manage household budgets in an inflationary environment.
- With the changing SACC legislation and the forecast reduction in earnings from SACC loan products going forward as a result, a non-cash impairment charge was booked (H1 FY2023) on the carrying value of goodwill on the balance sheet, predominantly originating from historic acquisitions, reflecting the diminishing strategic contribution of the SACC loan product going forward (no other products are impacted).
- The management team remains focused on delivering an exciting new product pipeline, in addition to executing on organic and inorganic strategic initiatives as outlined in previous market updates.

1. Small Amount Credit Contract (SACC) is a regulated unsecured personal loan product, transacted in-store and online, up to \$2,000. Cash Converters offers 'Cash Advance' and 'Personal Loan' 'SACC' products.  
 2. Medium Amount Credit Contract (MACC) is a regulated unsecured personal loan product, transacted in-store and online, up to \$5,000.  
 3. Earned Wage Access (EWA): 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.  
 4. Line of Credit (LOC): Risk rated loan ranging from \$400 to \$10,000 enabling a borrower to draw only what they need up to an approved credit limit. No establishment fees charged.  
 5. Vehicle Loan: 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.



# Appendices

# Gross Loan Books \$m

		30 Jun 2020	30 Jun 2021	30 Jun 2022	31 Dec 2022	30 Jun 2023	PCP Jun 2023 vs Jun 2022	Jun 2023 vs Dec 2022
Small Loan <sup>1</sup>	Loan Book	\$63.1m	\$67.6m	\$75.6m	\$82.2m	<b>\$78.0m</b>	<b>3%</b>	<b>-5%</b>
	% Of Total	38%	38%	35%	32%	<b>29%</b>		
Medium Loan <sup>2</sup>	Loan Book	\$31.7m	\$49.4m	\$76.1m	\$90.9m	<b>\$102.0m</b>	<b>34%</b>	<b>12%</b>
	% Of Total	19%	28%	36%	36%	<b>38%</b>		
Vehicle Loan (GLA) <sup>3</sup>	Loan Book	\$61.4m	\$44.3m	\$46.7m	\$54.0m	<b>\$62.9m</b>	<b>35%</b>	<b>17%</b>
	% Of Total	37%	25%	22%	21%	<b>23%</b>		
PB <sup>4</sup> (Corp)	Loan Book	\$9.4m	\$16.8m	\$15.5m	\$16.8m	<b>\$16.0m</b>	<b>3%</b>	<b>-5%</b>
	% Of Total	6%	9%	7%	7%	<b>6%</b>		
International Loan Book <sup>5</sup>	Loan Book	\$0.0m	\$0.0m	\$0.0m	\$12.2m	<b>\$12.5m</b>	-	<b>2%</b>
	% Of Total	0%	0%	0%	4%	<b>4%</b>		
<b>Total Gross Loan Book</b>		\$165.6m	\$178.1m	\$213.9m	\$256.1m	<b>\$271.4m</b>	<b>27%</b>	<b>6%</b>
<b>Half Year Net Loss Rate<sup>6</sup></b>		10.9%	6.1%	8.3%	8.6%	11.0%	-	-

1. Small loans include SACC and PayAdvance products.

2. Medium loans include MACC and Line of Credit products.

3. Green Light Auto (GLA) is a fully owned subsidiary of CCV offering secured vehicle loans through a network of brokers and dealers.

4. Pawnbroking Loan Book – Corporate Stores only.

5. Includes recent New Zealand franchise acquisition

6. Net Loss Rate (NLR) is defined as Bad Debt Written off Expense net of Recovery of Write Offs for the half year period, compared to average Gross Loan Book for the half year period.

# Loan Book Performance – Net bad debt expense & ECL

	30 Jun 2023	30 Jun 2022	Variance
	\$'000	\$'000	\$'000
Bad debts written off	55,483	36,684	18,799
Recovery of bad debts written off	(6,171)	(8,046)	1,875
<b>Net bad debt expense</b>	<b>49,312</b>	<b>28,638</b>	<b>20,674</b>
Movement in expected credit loss allowance	5,071	6,186	(1,115)
<b>Total loan related bad debts and allowances</b>	<b>54,383</b>	<b>34,824</b>	<b>19,559</b>
<b>Total gross loan book</b>	<b>271,355</b>	<b>213,950</b>	<b>57,405</b>

- Net Bad Debt Expense for the period was \$49.3 million, up from \$28.6 million in the prior period (pcp). This was anticipated, with significant loan book growth throughout the period.
- Success in growing the loan book will result in an ECL expense in the same accounting period (up front expense) whilst changes in credit quality of loans written in prior periods may see adjustments made.

# Free Cash Flow

	30 Jun 2023	30 Jun 2022	Variance
	\$'000	\$'000	\$'000
<b>Operating EBITDA</b>	<b>57,236</b>	<b>52,728</b>	<b>4,508</b>
Cash based operating adjustments	(2,670)	-	(2,670)
Net non-cash items	6,179	7,879	(1,700)
Net funding of personal loan books	(45,445)	(35,384)	(10,061)
Working capital changes	(39)	2,071	(2,110)
Interest and finance costs	(15,856)	(12,478)	(3,378)
Income tax	(10,941)	(6,907)	(4,034)
<b>Cash flow from operations</b>	<b>(11,536)</b>	<b>7,909</b>	<b>(19,445)</b>
<b>Cash flows from investing activities</b>	<b>(22,628)</b>	<b>1,886</b>	<b>(24,514)</b>
<b>Cash flows from financing activities</b>	<b>47,012</b>	<b>(23,420)</b>	<b>70,432</b>
<b>Net change in cash and cash equivalents</b>	<b>12,848</b>	<b>(13,625)</b>	<b>26,473</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>58,085</b>	<b>72,166</b>	<b>(14,081)</b>
Effects of exchange rates changes	632	(456)	1,088
<b>Cash and cash equivalents at end of period</b>	<b>71,565</b>	<b>58,085</b>	<b>13,480</b>

- The Group's Cash balance grew to \$71.6m (June 2022: \$58.1m), after funding loan book growth and the acquisition of Cash Converters New Zealand.
- Operating cash flow generated is used to fund loan book growth reflected in the net outflow of \$45.5m in the current period. The comparative period reflects reduced outflow following loan book contraction experienced in periods of government funding COVID stimulus.
- The half has seen strong organic inventory growth of \$1.5m compared to pcp.
- Strong operating EBITDA facilitating loan book funding and Investing activities including the acquisition of Cash Converters New Zealand and a loan to the Master Franchisor in Spain & Portugal.
- Financing activities includes cash inflows from borrowings supporting loan book growth and strategic acquisitions, and dividends paid of \$12.6m.

# Reconciliations

	30 Jun 2023	30 Jun 2022	Variance
	\$'000	\$'000	\$'000
<b>EBITDA<sup>1</sup> Reported Basis</b>	<b>(62,587)</b>	<b>41,532</b>	<b>(104,119)</b>
Impairment and other significant items	119,823	11,196	
<b>EBITDA Operating Basis</b>	<b>57,236</b>	<b>52,728</b>	<b>4,508</b>
<b>EBIT<sup>1</sup> Reported Basis</b>	<b>(75,019)</b>	<b>27,850</b>	<b>(102,869)</b>
Impairment and other significant items	119,823	11,196	
<b>EBIT Operating Basis</b>	<b>44,804</b>	<b>39,046</b>	<b>5,758</b>
<b>(Loss)/Profit before tax Reported Basis</b>	<b>(91,019)</b>	<b>15,385</b>	<b>(106,404)</b>
Impairment and other significant items	119,823	11,196	
<b>Profit before tax Operating Basis</b>	<b>28,804</b>	<b>26,581</b>	<b>2,223</b>
<b>NPAT Reported Basis</b>	<b>(97,155)</b>	<b>11,177</b>	<b>(108,332)</b>
Impairment and significant items	119,823	11,196	
Tax effect	(2,564)	(3,359)	
<b>NPAT Operating Basis</b>	<b>20,104</b>	<b>19,014</b>	<b>1,090</b>

1. The Company calculates EBIT as earnings before interest expense and tax and presents EBITDA calculated as EBIT before depreciation and amortisation. EBIT and EBITDA are non-IFRS measures and are alternative performance measures reported in addition to but not as a substitute for the performance measures reported in accordance with IFRS. These measures focus directly on operating earnings and enhance comparability between periods. Non-IFRS measures calculated and disclosed have not been audited in accordance with Australian Accounting Standards although the calculation is compiled from financial information that has been audited

# Segment Revenue & Operating EBITDA

	30 Jun 2023	30 Jun 2022	Variance	Variance
	\$'000	\$'000	\$'000	%
<b>REVENUE</b>				
Personal Finance	114,032	94,336	19,696	21%
Vehicle Financing	15,048	12,149	2,899	24%
Store Operations	142,045	123,637	18,408	15%
New Zealand	13,810	N/A	N/A	N/A
UK	11,404	10,962	442	4%
<b>TOTAL</b>	<b>296,339</b>	<b>241,084</b>	<b>55,255</b>	<b>23%</b>
Head Office	6,358	4,853	1,505	31%
<b>TOTAL</b>	<b>302,697</b>	<b>245,937</b>	<b>56,760</b>	<b>23%</b>
<b>OPERATING EBITDA</b>				
Personal Finance	50,564	44,111	6,453	15%
Vehicle Financing	6,078	7,972	(1,894)	(24%)
Store Operations	20,575	16,486	4,089	25%
New Zealand	(833)	853	(1,686)	(198%)
UK	3,339	3,042	297	10%
<b>TOTAL</b>	<b>79,723</b>	<b>72,464</b>	<b>7,259</b>	<b>10%</b>
Head Office	(22,487)	(19,736)	(2,751)	(14%)
<b>TOTAL</b>	<b>57,236</b>	<b>52,728</b>	<b>4,508</b>	<b>9%</b>

- Personal Finance and Store Operations strong revenue & operating EBITDA growth on pcp as demand continues to grow. Cost of living pressures continue to impact customers and awareness of sustainability and the importance of the circular economy continues to grow.
- Credit demand continues to recover following the prior period which was impacted by Covid related Government stimulus.
- Vehicle Finance revenue growing in line with growing loan book and ECL movement (Prior year EBITDA result included a provision release).
- Head Office cost increase a result of an FTE increase, primarily in risk and compliance (AML/CTF) FTE.
- Franchise business recovering internationally.

# ESG Framework

Operating for over 39 years, we understand the importance of adding value to the lives of our customers by operating a sustainable business over the long term.



## Environmental

- Our retail trade is driven by pre-owned (second-hand) items, which directly contributes to the Circular Economy.
- This extends the useful life of products, reducing waste and lessening demand for new manufacturing and mining.
- We run a neighborhood-oriented business, reducing the need for customer travel and delivery services.
- Each store serves as its own “supply chain.” We do not rely on mass supply, distribution or warehousing facilities.
- Our store operations leave a small carbon footprint when compared to big-box or other mass retailers.
- We promote environmental stewardship by reducing consumption, recycling paper products and responsibly disposing of computers, electronics and related accessories.



## Social

- Our business serves as an essential and responsible financial resource for customers who are predominantly underserved by traditional sources.
- We improve the reach and access to financial services through neighborhood-based stores and digital channels.
- Our transactions are simple, transparent, regulated and safe.
- We foster a culture that values diversity, inclusion and development for all.
- We directly contribute to the identification and prevention of fraud and criminal activity working closely with legislators and regulators to contribute to a trustworthy, reliable financial services industry.



## Governance

- We support a culture that reflects real people who are passionate and proud, caring and respectful, and our team are tenacious customer problem solvers.
- We maintain a culture of zero-tolerance for compliance risk that is monitored and overseen by our Board.
- Our Board of eight directors has four independents.
- Our Board Investment, Audit & Risk, and Governance Remuneration & Nomination Committees all require a composition of majority independent directors.
- Protecting the privacy, integrity and security of our customers’ data and our enterprise network is a top priority.





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