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ANNUAL REPORT 2024

Cash Converters International Limited
ABN 39 069 141 546
Annual Report – 30 June 2024

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Appendix 4E

Preliminary Financial Report for the year ended 30 June 2024
(previous corresponding period 30 June 2023)

Appendix 4E – Results for announcement to the market

	30-Jun 2024 \$'000	30-Jun 2023 \$'000	Change \$'000	%
Revenue from ordinary activities	382,563	302,697	79,866	26%
Profit / (Loss) from ordinary activities after tax attributable to members	17,397	(97,155)	114,552	nm
Significant items ¹	18	4,670	(4,652)	(100%)
Significant items ²	3,295	110,481	(107,186)	(97%)
Significant items ³	(805)	(644)	(161)	25%
Significant items ⁴	965	2,752	(1,787)	(65%)
Operating profit from ordinary activities after tax	20,870	20,104	766	4%
Net profit / (loss) for the period attributable to members	17,397	(97,155)	114,552	nm
Basic earnings / (losses) per fully paid ordinary share	2.78	(15.54)	cents per share	
Net tangible asset backing per ordinary share ⁵	28.40	29.11	cents per share	

¹ The operating profit for FY2024 excludes reversal of Store Operations segment non-cash impairment expense of \$0.636 million after tax effect and Cash Converters New Zealand impairment expense of \$0.654 million after tax effect. The operating profit for FY2023 excludes non-cash impairment expense of \$4.670 million after tax effect on the carrying value excluding goodwill of individual corporate store assets due to Australian legislative changes which came into effect on 12 June 2023, affecting lending volumes of the individual corporate stores.

² The operating profit for FY2024 excludes \$3.295 million non-cash goodwill impairment in the New Zealand segment. FY2023 operating profit excludes \$110.481 million non-cash goodwill impairment in the Personal Finance and Store Operations segments.

³ The operating profit for FY2024 excludes an indirect tax recovery, net of consulting fees, of \$0.805 million after tax effect from a historical class action settlement. (FY2023 : \$0.644 million after tax effect)

⁴ The operating profit for FY2024 excludes non-operating costs of \$0.965 million after tax effect related to ongoing merger and acquisition (M&A) due diligence for FY2024 and potential future acquisitions. (FY2023 : \$2.752 million after tax effect)

⁵ The calculation of net tangible assets per ordinary share includes right-of-use assets and lease liabilities.

^{nm} Not meaningful.

This report should be read in conjunction with any announcements made by the Company in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX Listing Rules.

Additional Appendix 4E disclosure requirements can be found in the directors' report and the 30 June 2024 financial statements and accompanying notes.

Dividends per ordinary share / distributions

	Amount per security (cents)	Franked amount per security	Record date	Paid / payable date
2023 final dividend	1.00	100%	15-Sep-23	13-Oct-23
2024 interim dividend	1.00	100%	26-Mar-24	12-Apr-24

Dividends

The directors of the Company have declared a final dividend of 1.00 cent per share with the release of the final year end results and reporting date of 29 August 2024. The dividend will be 100% franked and will be paid on 11 October 2024 to those shareholders on the register at the close of business on 13 September 2024.

With the declaration of this dividend, the Company's Dividend Reinvestment Plan ("DRP") remains suspended.

There is no provision for a final dividend in respect of the year ended 30 June 2024. Provisions for dividends to be paid by the Company are recognised in the Consolidated Statement of Financial Position as a liability and a reduction in retained earnings once the dividend has been declared.

Financial statements

Released with this Appendix 4E report are the following statements:

- Consolidated statement of profit or loss and other comprehensive income together with the notes to the Statement
- Consolidated statement of financial position together with the notes to the Statement
- Consolidated statement of changes in equity together with the notes to the Statement
- Consolidated statement of cash flows together with the notes to the Statement
- Consolidated Entity Disclosure Statement

This report is based on consolidated financial statements which have been audited.

Details of entities over which control has been gained or lost

On 6 July 2023, the Group acquired 100% of the issued capital of Cash Converters (UK) Stores Pty Ltd (formerly Capital Cash Limited ("Capital Cash")). Prior to its acquisition, Cash Converters (UK) Stores Pty Ltd ("CCUKS") was the largest franchise group in the United Kingdom ("UK") operating under the Cash Converters Master Franchisor arrangement, with 42 Cash Converters franchise stores in the United Kingdom. CCUKS contributed \$3.423 million profit before tax to the Group's profit from ordinary activities during the period (FY2023: nil).

On 1 June 2024, the Group acquired 100% of the issued capital of Themedawn Limited ("Themedawn"), a franchise group within the UK, which includes a network of 5 stores. Themedawn contributed profit before tax of \$0.056 million to the Group for the period from 1 June 2024 to 30 June 2024 (FY2023: nil).

During the period, the Group acquired the trade and other assets of three Cash Converters franchised stores in Australia: Penrith in New South Wales on 2 November 2023, Ipswich in Queensland on 8 November 2023 and Belmont in Western Australia on 12 December 2023. The stores contributed profit before tax of \$0.269 million to the Group for the periods from their respective dates of acquisition to 30 June 2024 (FY2023: nil).

Corporate directory

Directors

Mr Timothy Jugmans	Non-Executive Chairman
Mr Sam Budiselik	Chief Executive Officer & Managing Director
Mr Peter Cumins	Executive Deputy Chairman
Mr Lachlan Given	Non-Executive Director
Mr Robert Hines	Independent Non-Executive Director
Mr Henry Shiner	Independent Non-Executive Director
Mr Mark Ashby	Independent Non-Executive Director
Mr Andrew Spicer	Independent Non-Executive Director

Auditors

Deloitte Touche Tohmatsu
Brookfield Place, Tower 2
123 St Georges Terrace
Perth WA 6000
Australia

Company Secretaries

Ms Meagan Hamblin
Ms Kelly Moore

Stock Exchange

Australian Securities Exchange

Registered and principal office

Level 11, 141 St Georges Terrace
Perth WA 6000
Australia
Tel: +61 (8) 9221 9111
Web: www.cashconverters.com

Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000
Australia

ASX code: CCV

Share registrar

Computershare Investor Services Pty Ltd
Level 17
221 St Georges Terrace
Perth WA 6000
Australia
Tel: 1300 850 505

Letters to Shareholders

Chairman's Shareholder Letter

Cash Converters delivered a strong year of operating and financial results for its stakeholders in FY2024. We are particularly pleased to report strong top line revenue growth, driven by robust demand for our core loan products, outstanding results in-store primarily through improved customer service and a relentless focus on operational execution, an expanded product suite and the continued scaling of our store base through disciplined acquisitions across the geographies in which we operate.

Operational Results

Throughout the year, we saw robust customer demand for our core lending products, growing the consolidated loan book significantly. As already announced to the market, we continue to rebalance this book by moving away from short-term Small Amount Credit Contract ("SACC") loans and vehicle finance and growing the Medium Amount Credit Contract ("MACC") loans and Line of Credit ("LOC") products. Costs were well managed, and our loss rates remained in line with prior periods.

Strategy

Our strategy remains straightforward – to recruit and retain the very best people to serve our large and growing customer base, with responsible and compliant lending products, and to provide those customers with value-for-money retail alternatives. The Cash Converters brand is a household name in the markets in which we operate and we intend to continue scaling our store base while further leveraging this great brand through disciplined franchise buybacks (focusing on Australia and the UK where we have company owned stores).

Industry Dynamics

The consumer lending industry continues to evolve in terms of products and regulation. We are a respected responsible lender in our sector and play an important role in serving customers who may have difficulty in accessing traditional funding from a bank. We offer customers an industry-leading experience as they journey from loan inception through to servicing their repayment, resulting in a high number of repeat customers. Our stores are a major player in the circular economy, repurposing 1.7 million pre-owned goods in FY2024 in Australia alone. Our shopfronts continue to evolve, and we have introduced luxury goods in some demographic areas to further optimise product market fit and expand margins.

Governance, liquidity and capital management

During the financial year, the Board welcomed Mark Ashby and Andrew Spicer as Non-Executive Directors. Both have significant experience, including in the areas of public company governance, financial services, retail, and in building strong, sustainable businesses.

We recently announced the renewal of an expanded \$200 million securitisation facility to support further growth in our lending business. Our balance sheet remains strong, and our liquidity will continue to be enhanced through operating cashflow from both our organic business and new acquisitions

The Board is pleased to confirm the payment to our shareholders of a final 1.00 cent per share fully franked dividend for the year ended 30 June 2024. This is the eighth straight half yearly interval dividend payment of this amount.

I thank my fellow Board members for their contributions throughout the year, as well as all Cashies team members, including an outstanding leadership team led by Sam Budiselik, for serving our customers with passion, dignity and respect.

Finally, I would like to acknowledge and thank our shareholders for their continued support and look forward to working together on delivering a strong performance in FY2025.

Timothy Jugmans
Non-executive Chairman

Managing Director's Shareholder Letter

With consumers experiencing the difficulties of an inflationary economic cycle, our business continued to serve a substantial number of customers who used our lending products or had touch points with our store network. As we celebrate our 40th year of operation in Australia, our offering remains as relevant as ever as we sit central to the circular economy and remain focused on pursuing a world free from financial bias, providing choice and opportunity for all.

Financial Highlights

Cash Converters delivered strong results in FY2024 with strong contributions from both store and lending operations. Key achievements were (vs prior year):

- Revenue up 26% to \$382.6m
- Operating EBITDA up 21% to \$69.1m
- Statutory NPAT \$17.4m (prior year -\$97.2m)
- Gross loan book up 6% to \$288.0m
- Renewal of securitisation facility, increasing size to \$200.0m and on attractive terms.

Growing Store Network

Our company owned store network continued to grow following franchise store acquisitions (becoming corporate owned) across Australia and the UK. We acquired 3 stores in Australia and saw international store growth in the UK with the strategic acquisition of Cash Converters (UK) Stores Pty Ltd (formerly Capital Cash Limited ("Capital Cash")) (42 stores) and 5 additional franchise store acquisitions following. The UK acquisitions contributed to earnings delivering \$3.479 million profit before tax. A pipeline of further franchise store acquisition opportunities has been identified in both local and international markets.

Lending

The gross loan book continued to grow, up 6% year-on-year. This comes off the back of a number of portfolio shaping initiatives. As already evidenced in the prior year, we continued to lower our exposure to small (SACC) loans which now represent 19% of the total loan book, while the medium loan book continued to grow. Ongoing product innovation saw the launch and rising contribution from the new Line of Credit (LOC) product which approached 5% of the overall loan book at the end of FY2024.

We scored and assessed over 780,000 Australian loan applications in FY2024 as our integrated and proprietary machine learning based credit risk models continue to evolve and power our lending platform. We continue to enhance our technology platforms increasingly leveraging customer data insights to drive efficiency gains, control loss rates, and improve our customer experience. In FY2024, we successfully began using Open Banking technology to acquire bank statements from select loan applicants with plans to accelerate the adoption of Open Banking technology in FY2025.

As previously announced, the vehicle lending business (Green Light Auto) has ceased lending operations and we expect the run-down of this book to be substantially completed over the coming 24 to 36 months, freeing up capital for investment in other core growth initiatives.

People and culture

We have engaged with our colleagues over the course of FY2024 developing a new Vision, Values and Purpose program that will be deployed throughout FY2025. Employee engagement is taken seriously with a number of our leadership team members having associated KPIs focused on engagement scores, ensuring our values continue to deliver excellent customer service results and foster a cohesive and collaborative working environment.

Outlook

We are excited to continue building on the operating momentum across our global business acquiring franchise stores and growing our personal finance product loan books. We strongly believe that this strategy is delivering results and is demonstrating excellent prospects for continued earnings growth over time.

Sam Budiselik
Chief Executive Officer & Managing Director

Operating and financial review

Cash Converters International Limited (“Cash Converters” or “the Company”) and entities controlled by the Company and its subsidiaries (“the Group”) is diverse, predominantly generating earnings from its network of retail stores, buying and selling pre-owned goods and a burgeoning personal finance business.

Over time the Company has grown its store network by leveraging a franchising model, generating fees from licensing its brand and intellectual property globally. In more recent years the Company has embarked on a program to purchase these franchise stores back in Australia, New Zealand and the United Kingdom, operating the acquired stores under a Company controlled store network.

The business has established onshore operations in each of the markets where it directly owns stores, has built a sophisticated technology platform to offer products and services online and is supported by a corporate head office in Perth, Western Australia.

Business Model

The Company operates the largest global network of stores facilitating the circular economy, buying and selling pre-owned inventory. In FY2024 the Company conducted over **600,000** retail transactions selling over **1,000,000** individual items throughout its network of Australian corporately owned stores.

As one of the largest non-bank lenders in our customer segment, the Company also provides small personal loans as a cash solution for borrowers, with a number of products offered to a growing customer segment. In Australia alone the Company processed over **780,000** applications for personal finance during FY2024 and currently has over **93,000** active borrowers in its personal finance loan book.

What we do

Retail
We are the largest global store network focused on repurposing pre-owned items – **circular economy**

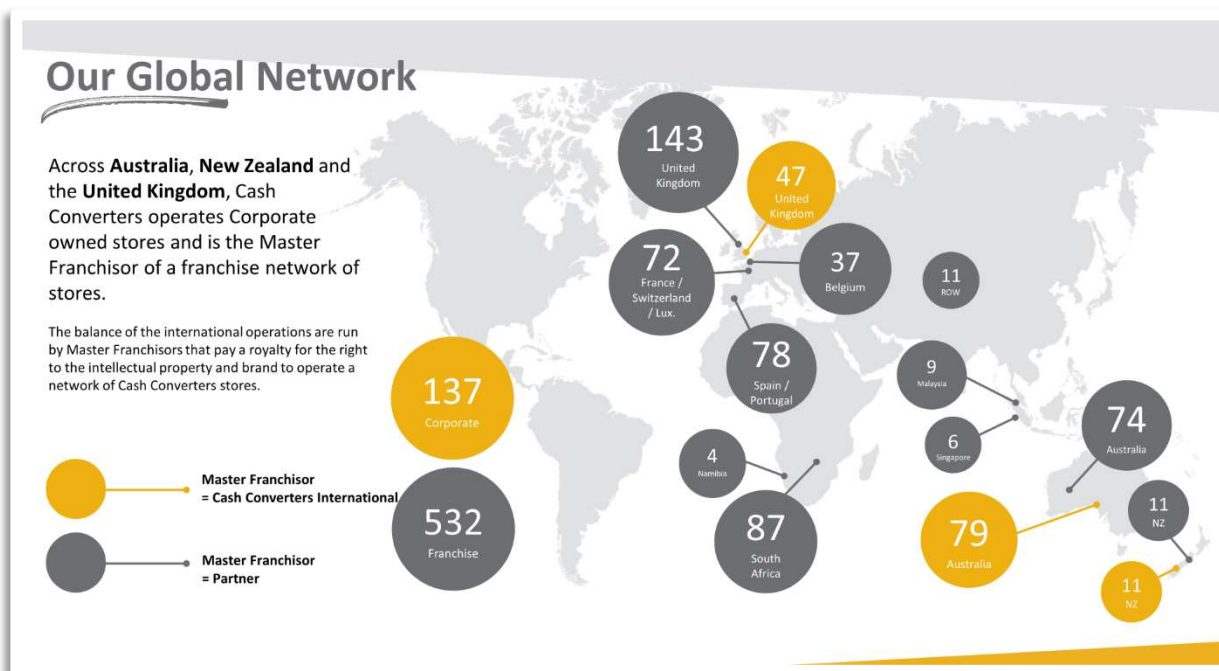
Lending
Providing solutions to meet the **cash needs** of a growing, under-served market

40 years in operation
Multi-channel global in-store and online presence
Regulated and responsible lender
Retail stores 669 stores globally and 1.7m repurposed items in Australia alone
Personal lending 780,000 Australian personal loan applications p.a.

Global network

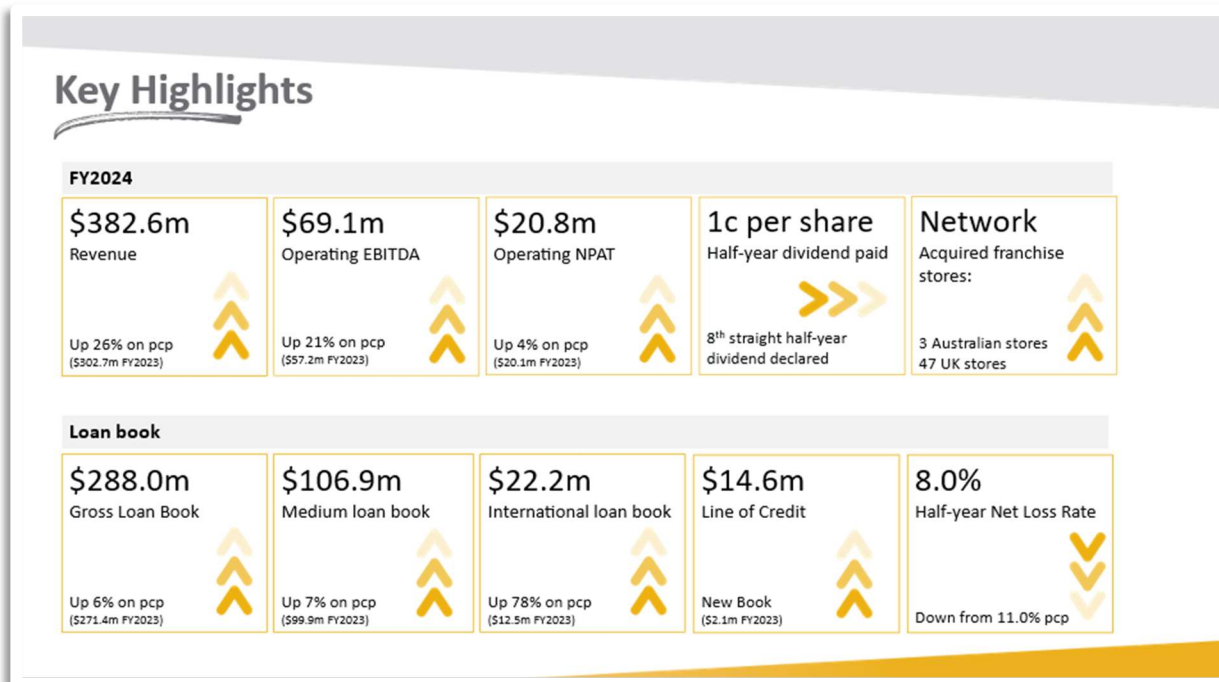
Across Australia, New Zealand and the United Kingdom, Cash Converters operates corporate owned stores and is the Master Franchisor of a franchise network of stores. The balance of the international operations are run by Master Franchisors that pay a royalty for the right to the intellectual property and brand to operate a network of Cash Converters stores.

In total, as at the date of this report, there are **669** stores operating across **17** countries.



Key financial performance highlights

The strength of the Company's diversified and integrated business model has continued to underpin the customer service proposition with physical store assets complementing industry-leading online digital assets. The business generates multiple revenue streams with a significant portion of its profit derived from its personal lending products and company owned store operations. Additional profit is generated from franchise operated store operations.



A strong operating result was achieved in the financial year, compared to the previous corresponding year, as outlined in the table below:

	As reported		Operating ¹	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Total Revenue	382,563	302,697	382,563	302,697
Profit / (loss) after tax	17,397	(97,155)	20,870	20,104
Profit / (loss) before tax	26,864	(91,019)	30,310	28,804
EBIT ²	49,312	(75,019)	52,758	44,804
EBITDA ²	65,708	(62,587)	69,154	57,236

- 1 The operating results are presented excluding non-cash impairment expense after tax of \$3.295 million against goodwill (FY2023: \$110.481 million), a non-cash impairment expense after tax of \$0.018 million (FY2023: \$4.670 million) on the carrying value excluding goodwill of the assets of certain individual corporate stores and before the recognition of a net \$0.160 million after tax on a non-recurring indirect tax recovery as well as merger and acquisition costs (FY2023: \$2.108 million). The operating result is presented to aid the comparability and usefulness of the financial information reflecting the underlying performance of the business. This information should be considered in addition to, but not instead of or superior to, the Group's financial statements prepared in accordance with IFRS. The operating results presented may be determined or calculated differently by other companies, limiting the usefulness of those measures for external comparative purposes.
- 2 The Company reports EBIT calculated as earnings before interest expense and tax and 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. The 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.

Revenue growth in the period was up 26% on the prior period. This was driven by strong trading activity in our Australian business and a growing contribution from our new UK corporate store network, following the successful integration over the period of the franchise network acquisition previously announced.

On 6 July 2023, the Group acquired 100% of the issued capital of Cash Converters (UK) Stores Pty Ltd (formerly Capital Cash Limited ("Capital Cash")). Prior to its acquisition, Cash Converters (UK) Stores Pty Ltd (CCUKS) was the largest franchise group in the United Kingdom ("UK") operating under the Cash Converters Master Franchisor arrangement, with 42 Cash Converters franchise stores in the United Kingdom. CCUKS contributed \$3.423 million profit before tax to the Group's profit from ordinary activities during the period (30 June 2023: nil).

1 June 2024, the Group acquired 100% of the issued capital of Themedawn Limited ("Themedawn"), a franchise group within the United Kingdom, which includes a network of 5 stores. Themedawn contributed profit before tax of \$0.056 million to the Group for the period from 1 June 2024 to 30 June 2024 (30 June 2023: nil).

See note 14 in the accompanying Financial Report for additional information on the business combinations.

Our business remains well positioned to thrive amid a growing international emphasis on the circular economy and the repurposing of pre-owned goods, particularly as mainstream finance becomes increasingly challenging to access.

The operating profit increase reflects underlying earnings momentum increasing as the loan book continues to grow and bad debt levels are managed. The prior year statutory profit was impacted by one-off non-cash impairments resulting from legislative changes (1HFY2023).

Non-cash impairment to goodwill

FY2024

A one-off non-cash impairment charge of \$3.295 million before tax was recognised by the Company in 2HFY2024 related to the New Zealand operating segment. The impairment recognised is as a result of legislative changes to the New Zealand Credit Contracts and Consumer Finance Act (NZ CCF Act) resulting in reduced lending volumes for the New Zealand Cash Generating Unit (CGU) as well as reduced establishment fees charged.

The impairment charge was one-off, non-cash in nature and a non-operating item. Therefore, underlying EBITDA and net profit after tax have been adjusted in FY2024. Going forward, these changes will impact the forecast for New Zealand related earnings in future financial years.

FY2023

A one-off non-cash impairment charge of \$110.481 million before tax was recognised by the Company in 1HFY2023. This was made up of \$90.561 million against the Personal Finance cash generating unit and \$19.920 million against the Store Operations group of cash generating units. The impairment recognised was as a result of legislative changes impacting the SACC product.

The Financial Sector Reform Act 2022 (“the Act”) which was passed by the Senate in December 2022 contained a number of Financial Services legislative changes that focus on the enhanced regulation of the SACC loan products offered by the Company. The most material impact resulting from these changes is the extension of the Protected Earnings Amount (“PEA”) cap requirement, which determines how much of a consumer’s income can go towards repaying SACC loans. This applies to all consumers (including those fully employed) and lowers it from 20% to 10% of a consumer’s net income. Previously, the PEA cap only applied to Centrelink recipients. The PEA cap change came into effect for loans advanced from 12 June 2023.

Responding to legislative changes is a complex process that requires the application of significant judgement to estimate the reduction in SACC loan volumes due to the PEA cap amendment, requiring an estimation of customer behaviour and estimating the discount rate to the forecast cash flows to determine net present value.

Impairment testing completed by the Company has supported the conclusion that there was a requirement for a goodwill impairment charge as a result of the legislative changes. The impairment charge is one-off, non-cash in nature and a non-operating item. Therefore, underlying EBITDA and net profit after tax have been adjusted in FY2023. Going forward, these changes will impact the forecast for SACC related earnings in future financial years. 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, to ensure the Company remains in the best possible position to assist customers who are impacted by these changes and to address the expected earnings impact.

See note 5 in the accompanying Financial Report for additional information on the impairment.

Summary of consolidated revenues and results by significant segment

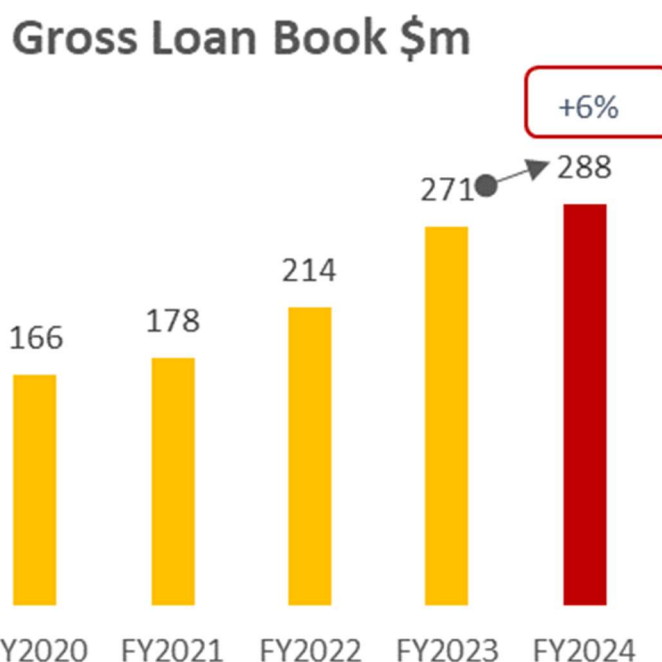
	Segment revenues		Operating basis ¹ Segment EBITDA ²		As reported basis Segment EBITDA ²	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Personal Finance	106,783	114,032	44,658	50,564	45,808	(39,997)
Vehicle Financing	18,556	15,048	8,183	6,078	8,109	6,078
Store Operations	150,084	142,045	24,255	20,575	25,144	(5,097)
New Zealand	25,100	13,810	2,066	(833)	(2,138)	(833)
UK	74,849	11,404	12,805	3,339	11,743	741
Total	375,372	296,339	91,967	79,723	88,666	(39,108)
Head Office & Eliminations	7,191	6,358	(22,813)	(22,487)	(22,958)	(23,479)
Total	382,563	302,697	69,154	57,236	65,708	(62,587)
Depreciation and amortisation expense					(16,396)	(12,432)
Finance costs					(22,448)	(16,000)
Profit / (loss) before tax					26,864	(91,019)
Income tax expense					(9,467)	(6,136)
Profit / (loss) for the period					17,397	(97,155)

- 1 The operating results are presented excluding non-cash impairment expense after tax of \$3.295 million against goodwill (FY2023: \$110.481 million), a net non-cash impairment expense after tax of \$0.018 million (FY2023: \$4.670 million) on the carrying value excluding goodwill of the assets of certain individual corporate stores and before the recognition of a net \$0.160 million after tax on a non-recurring indirect tax recovery as well as merger and acquisition costs (FY2023: \$2.108 million). The operating result is presented to aid the comparability and usefulness of the financial information reflecting the underlying performance of the business. This information should be considered in addition to, but not instead of or superior to, the Group's financial statements prepared in accordance with IFRS. The operating results presented may be determined or calculated differently by other companies, limiting the usefulness of those measures for external comparative purposes.
- 2 The Company reports EBIT calculated as earnings before interest expense and tax and 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. The 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.

Key segment financial performance

As illustrated in the table above, revenue growth across the various business segments reflected the appeal of our unique business model to a growing number of customers, offering cash solutions that include unsecured personal loans through our Personal Finance segment, store based second-hand retail trading and pawnbroking loans, and Franchise royalty collection (globally).

Inflationary pressures increasing the cost of living are resulting in an increase in overall demand for the Company's products and services. Through FY2024, the gross loan book has grown 6% on FY2023 to a record \$288.004 million (FY2023: \$271.355 million) with principal advanced increasing 8% on the prior year.



The Personal Finance segment currently reflects earnings from three types of unsecured loans; Small¹, Medium² and Line of Credit³ loans, distributed online and instore. Small loans consist of SACC loans and PayAdvance product.

We continue to make significant progress executing on the strategic product transition away from the SACC Small loan product segment (down to 19% of the consolidated loan book) offering customers greater flexibility and lower cost loan options where suitable. Reflecting the success of this product strategy was the Medium loan book growth, up 7% on FY2023 closing the period at \$106.900 million. We are also excited by the release and performance of other new loan products enabling this customer transition. Whilst in its infancy, the new Line of Credit product is forecast to grow strongly.

As a result of a change of focus to longer term, lower cost loan products such as the Medium loan and Line of Credit loan products, and due to the Small loans representing a declining proportion of the overall loan book, the Company will cease splitting the loan books out and consolidate to report on 'Personal Loans' going forward.

As announced in June 2024, following a comprehensive review of the Company's capital allocation strategy a conclusion was reached that the capital currently utilised in the auto finance segment can be more effectively deployed to support executing other opportunities previously outlined in the company's strategic plan. Specifically, Cash Converters plans to focus on expanding its footprint through franchise store acquisitions and accelerating the growth of its personal finance products.

As part of the review, the Company evaluated options for a market sale of the auto finance portfolio. The company determined that it can achieve a better result by running down the book using its in-house collections team and advanced technology. This approach ensures greater control over the process and optimises recovery outcomes.

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; 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; 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 regulated unsecured personal loan product, transacted in-store and online, up to \$10,000 and up to 36 months. Approved credit limit can be accessed by the customer during the life of the loan.

	30-Jun-24 \$'000	30-Jun-23 \$'000	Variance
Principal advanced ¹			
Personal Finance	204,311	228,582	(11%)
Vehicle Finance	28,504	34,107	(16%)
Store Operations	62,338	71,002	(12%)
New Zealand	22,684	14,348	58%
UK	57,063	-	100%
Total	374,900	348,039	8%

1 Principal advanced represents the cash amount of loan funding disbursed to customers.

	30-Jun-24 \$'000	30-Jun-23 \$'000	Variance %
Gross loan books			
Personal Finance	175,331	178,328	(2%)
Vehicle Finance	72,194	62,914	15%
Store Operations	18,290	17,628	4%
New Zealand	11,766	12,485	(6%)
UK	10,423	-	100%
Total	288,004	271,355	6%

Loan book performance

Two loan book loss related expenses impact the profit or loss statement:

1. Net bad debt expense: net bad debt expense for the period was \$48.825 million, down from \$49.312 million in the prior period. Whilst the bad debt written off has increased in line with the larger loan books, the net loss rate has improved from 11.0% at 2HFY2023 down to 8.0% at 2HFY2024.
2. Expected credit loss allowance (“ECL”): success in growing the loan book will result an ECL expense in the same accounting period (up front expense) whilst deteriorating loans written in a prior period (e.g., due to missed payments) may see adjustments made. The ECL allowance model is forward-looking, requiring significant judgement and does not require evidence of an actual loss event for an allowance to be recognised.

The overall blended ECL allowance as a percentage of the gross loan book for the year ending 30 June 2024 is 17.1% (FY2023: 17.2%). Appropriate reserves have been incorporated including for an assessment of economic risk and the impact of modelling risk.

The improved movement in the ECL is due to reduced year on year loan book growth when compared to FY2023.

	30-Jun-24	30-Jun-23	Variance
	\$'000	\$'000	%
Bad debts written off	57,694	55,483	4%
Recovery of bad debts written off	(8,869)	(6,171)	44%
Net bad debt expense	48,825	49,312	(1%)
Movement in expected credit loss allowance	1,931	5,071	(62%)
Total loan related bad debts and allowances	50,756	54,383	(7%)

Key financial position highlights

	30-Jun-24	30-Jun-23	Variance
	\$'000	\$'000	%
Cash and cash equivalents	56,289	71,565	(21%)
Net loan receivables	238,712	224,729	6%
Trade and other receivables	17,929	12,763	40%
Inventories	33,036	26,493	25%
Intangible assets	25,171	20,543	23%
Goodwill	7,950	3,279	142%
Right of use assets	56,930	47,046	21%
Tax assets	31,299	29,669	5%
Plant & equipment	10,722	6,582	63%
Total Assets	478,038	442,669	8%
Borrowings	144,085	136,991	5%
Lease liabilities	70,989	63,742	11%
Other liabilities	51,598	35,442	46%
Total Liabilities	266,672	236,175	13%
Total Equity	211,366	206,494	2%

The Group closed the reporting period with a strong balance sheet. Net tangible asset per share was 28.40 cents per share (FY2023: 29.11 cents per share).

Since 30 June 2023, the net loan book has grown by 6% and Corporate Store inventory has increased by 25%, assisted by the acquisition of several franchises during the period.

The Group's cash and cash equivalent carrying value is \$56.289 million (FY2023: \$71.565 million) after funding loan book growth, several franchise acquisitions and funding additional drawdowns of the loan to the master franchisor in Spain.

The Group reported a net cash decrease of \$15.270 million (FY2023: \$12.848 million increase). Net operational cash inflow from operating activities was \$38.453 million (FY2023: \$11.536 million outflow). Financing activities included dividend payments of \$12.550 million (FY2023: \$12.550 million). Cash outflows from investing activities of \$33.057 million (FY2023: \$22.628 million) included \$2.282 million (FY2023: \$4.679 million) to fund a loan to the Spain master franchisor and \$24.345 million (FY2023: \$13.798 million) invested in business combination acquisitions.

The undrawn securitisation facility funding line is \$10.000 million (FY2023: \$11.750 million) and the Group is in compliance with the requirements of the facility.

The disciplined evaluation of investment opportunities and allocation of capital continues and with a strong balance sheet in place the Board has, with the results release, declared a fully franked final dividend of 1.00 cent per fully paid ordinary share.

Execution on strategy

Growth strategy

As previously advised, select domestic and international franchise acquisition targets remain a focus. The objective is to acquire earnings accretive store networks, based on sensible valuation metrics, which will accelerate Group earnings in the longer term. Growing loan books are also an area of focus contributing to growth in Company earnings.

Where the Company is the Master Franchisor (at present in Australia, UK and NZ) our primary focus remains on acquiring franchise stores and growing our personal finance product loan books. Beyond the three core markets identified, established franchise partnerships in other jurisdictions also offer unique growth optionality for the Company over time, with the potential to continuing buying back the stores operated by franchisees.

Customer demand is growing as cost-of-living pressures continue to impact consumers and traditional finance providers reduce risk appetite, leaving a growing pool of under serviced borrowers coming to Cash Converters. Further regulatory reform over time, particularly of the Buy Now Pay Later sector, will also benefit the Company with consumers hopefully driven back to the safety of regulated credit providers such as Cash Converters.

The unique nature of the Company's business model, with a global network of established stores and digital assets at the centre of a growing circular economy, and proprietary underwriting and credit risk technology enabling the servicing of borrowers in a responsible manner, provides excellent prospects for continued earnings growth over time.

Summary Outlook – Growth Drivers:

- ✓ Proven track record of acquiring franchise stores (50 purchased in FY2024), demonstrated profit contribution;
- ✓ Forward pipeline of franchise store acquisitions under review in UK and Australia, excellent growth optionality;
- ✓ Organic loan book growth with increasing demand for personal loans;
- ✓ New loan product released (LoC) and loan book growing;
- ✓ Funding headroom and strong Balance Sheet underpinning further investment.

Cyber security

The cyber security landscape continues to evolve rapidly, and Cash Converters acknowledges the level of cyber risk associated with our operations, particularly given the nature of the sensitive customer information we handle in delivering our consumer financial services at high volumes in Australia, the United Kingdom, and New Zealand. This sensitive data, if compromised, could have profound implications for our customers, business reputation, and financial performance.

Recognising the criticality of this risk, Cash Converters is committed to safeguarding our customers, stakeholders and the data we manage. We have already embarked on significant investments in cyber-security and have an established information security function that makes continuous risk-prioritised improvements to our digital infrastructure, cyber resilience and exposure to cyber threats. We remain vigilant and dedicated to upholding the trust our shareholders and customers have placed in us.

Cash Converters utilises global third-party security providers to ensure an ongoing program of monitoring, testing and remediation. Working in conjunction with regulators and considering best practices globally, the Group is proactive in its approach to ensuring cyber security.

Culture and people

The values and culture of Cash Converters are the foundation of its success and the reason it has continued to operate for almost 40 years. The Company recognises the importance of its reputation and standing within the community and with its key stakeholders, such as customers, employees, suppliers, creditors, law makers and regulators.

Employees are encouraged to embrace our Cash Converters values, which are introduced during induction and kept alive through ongoing training programs, internal communications and recognition schemes. Behaviours consistent with our values are measured annually as a part of our KPIs, performance reviews and are acknowledged through our recognition programs.

FY2024 saw the commencement of a refresh and update to our vision, purpose and values, and we look forward to the rollout and engagement in the refreshed program during FY2025.

Business Risk Assessment

Like all businesses, Cash Converters faces uncertainty and the ability to understand, manage and mitigate risk provides a competitive advantage.

The Company's ability to accurately assess value, purchase and sell quality consumer goods at appropriate prices is influenced by many factors. Our depth of skill and experience in this specialist area is a source of competitive advantage for Cash Converters.

During a period of rising interest rates and continued inflationary pressure the ability to service the circular economy through provision of recycled goods is a competitive advantage. The business process has focussed on ensuring the customer's buying process, which has not suffered from supply chain disruption, is convenient and competitive and results in a continued ability to generate an appropriate margin.

As a responsible provider of personal finance products there is an inherent risk that customers may not meet their expected repayments as they manage their financial commitments. A continued discipline remains in both the management of credit risk as well as commitment to the highest possible responsible lending standards. Cash Converters' success in working with customers over time is based on many factors that mitigate compliance risk and risk of default with those who may subsequently experience financial difficulty. These include:

- Treating customers with empathy, care, and respect;
- Investing in engagement methods to provide customers with freedom of choice;
- Efficient and thorough understanding and assessment of customer eligibility prior to origination; and
- A value-driven culture where a premium is placed on customer service and unlocking possibilities together.

Whilst the aim of responsible lending policies and a customer-first approach is to minimise risk, credit risk is influenced by factors outside the control of Cash Converters such as unemployment, relative income growth, consumer confidence and interest rates. The risk of default is ever-present. Cash Converters often has the advantage in offering credit products to customers that it has served over many years and knows well, affording a unique opportunity to provide a high level of service.

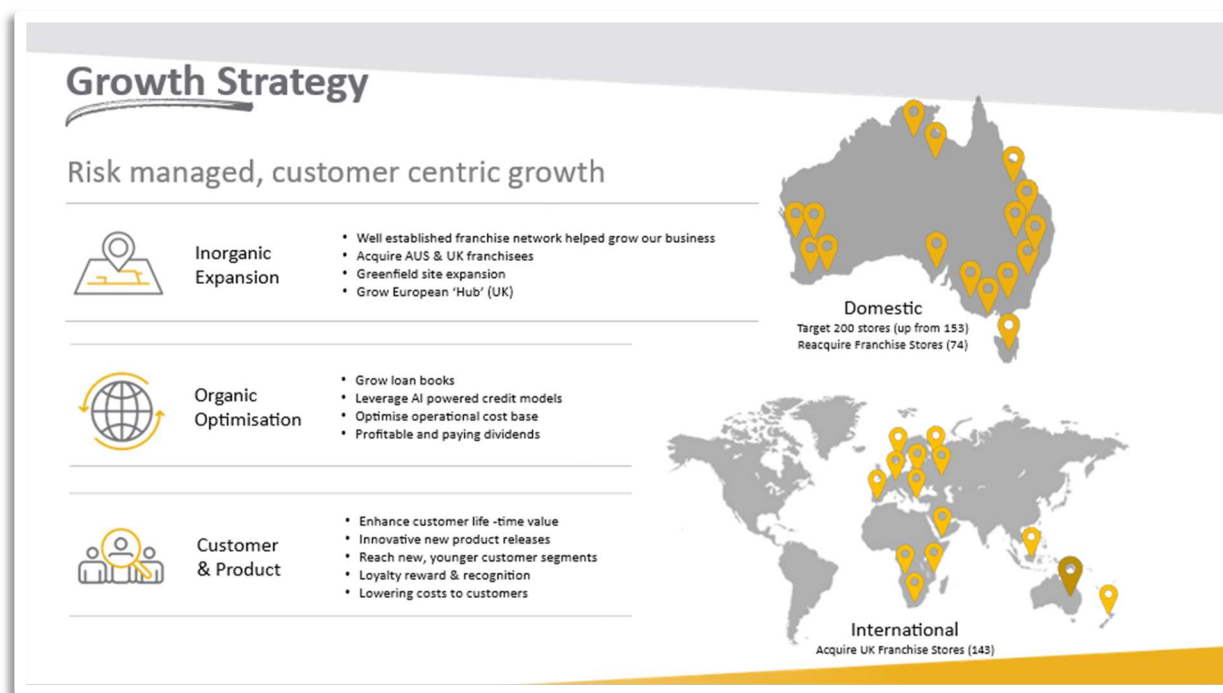
Cash Converters welcomes the industry emphasis towards non-financial risk, including conduct and culture as well as detecting, deterring, and disrupting criminal abuse of the financial system. The Company views these commitments as an area of continuous improvement and continues to strengthen its risk management and compliance capabilities while engaging transparently with financial service sector regulators (ASIC and AUSTRAC).

In January 2024, AUSTRAC accepted the outcome of the External Auditors Final Report, which confirmed all commitments under the Enforceable Undertaking had been completed and considered the matter finalised. This reflects the work undertaken by the Company to uplift its Anti-Money Laundering and Counter-Terrorism Financing ("AML/CTF") program and confirms the Company's commitment (across all levels of the organisation) to the continued strengthening of its relationship with AUSTRAC and to being a leader in our sector on AML/CTF compliance.

There has been a marked increase in cyber-criminal activities globally impacting all companies, large and small, but which also pose a greater risk to those companies with a large online customer base. This is reflected in the Company's enterprise-wide risk register. The Company's cyber defences continue to be enhanced with a focus on educating team members on the threats of cyber-crime activities and the strengthening of its cybersecurity controls which include multifactor authentication, incident response, end point detection, network segmentation, third party governance amongst others.

Outside of these, exists the accepted risks resulting from regulatory change, poorly executed strategy, failure to respond appropriately to changes in technology and the threat posed through competitor behaviours, all of which are a source of constant consideration and review by the Company's management team and Board of Directors.

Outlook



As demand for our products remains strong and our loan books continue to grow rapidly, we remain committed to maintaining a culture of robust risk management and compliance as a central strategic pillar across the business.

From a position of balance sheet strength, closing the financial year with \$56.289 million in Cash and cash equivalents, we remain focused on executing strategic initiatives across the business.

Throughout the financial year these initiatives have begun delivering revenue growth, as illustrated by the growing contribution from the UK segment. Our digital platforms are reaching a growing number of new younger customers, new product innovation such as the Line of Credit are delivering new growing loan books and value accretive franchise store and network acquisitions continue. Additionally, the renewal of the Fortress facility provides room and flexibility to continue to grow our loan portfolio as well as delivering material cost savings.

Leveraging our scale to drive our Company provides an exciting opportunity to consolidate our position as the largest and most recognised lender in our markets, with the strategic building blocks for the future era of Cash Converters now in place.

Due to the confidence the Board has in our balance sheet strength and earnings runway, a final 1.00 cents per share fully franked dividend was declared for our shareholders. This is the eighth straight half yearly interval dividend payment of this amount. The Board and management team are excited to be in a strong position to drive the Company forward.

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Directors' report

The Directors of Cash Converters International Limited submit the following report of the Company for the financial year ended 30 June 2024. To comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

Information about Directors

The following persons held office as Directors of the Company during the whole of the financial year and until the date of this report unless otherwise stated:

Mr Timothy Jugmans – Non-Executive Chairman

Appointed Director and Chairman 1 April 2022

Mr Jugmans is the Chief Financial Officer ("CFO") of EZCORP Inc ("EZCORP"). Mr Jugmans joined EZCORP in December 2016 as Vice President, Treasury and M&A, having served as a consultant performing similar duties since March 2015. He was appointed CFO in May 2021 after serving as interim CFO since September 2020.

Mr Jugmans has 25 years' experience providing strategic and financial services advice for a variety of companies, including seven years with Lexicon Partners Pty Limited, an independent corporate advisory and consulting firm based in Sydney, Australia. From January 2015 to December 2016, Mr Jugmans was a principal of Selene Partners Inc., a financial consulting firm providing strategic advice and other business services to a variety of clients, including the Company and Morgan Schiff & Co., Inc. He served as the CFO of Morgan Schiff from April 2013 to December 2014, and was CFO of ShippingEasy, Inc. from July 2011 to April 2013.

From April 2015 to April 2021, Mr Jugmans served as a non-executive Board member and Chairman of Ratecity Pty Ltd, which operates one of Australia's leading financial comparison sites.

Mr Jugmans has a Bachelor of Business degree with a major in Finance and a minor in Mathematics from the University of Technology in Sydney.

Mr Jugmans is on the Company's Board as a nominee of significant shareholder, EZCORP and as Chairman, pursuant to the Subscription Agreement dated 17 August 2009 between EZCORP and the Company (released to ASX on 9 November 2009). Accordingly, he is not considered to be an independent Director.

Over the past 3 years Mr Jugmans has not held any Directorships with other listed companies.

Mr Lachlan Given – Non-Executive Director

Appointed Director 22 August 2014

Mr Given is the Chief Executive Officer ("CEO") of EZCORP, Inc. (appointed April 2022) and was reappointed as a Director of the EZCORP Board in March 2022, having previously served as non-executive Chairman of the EZCORP Board of Directors from July 2014 to September 2019. Before joining EZCORP, Mr Given provided financial and advisory services to EZCORP through his own business and financial advisory firm.

Mr Given is a member of the Board of Directors of The Farm Journal Corporation, a preeminent US agricultural media company established in 1877. Mr Given is also a Director of encryption solutions company Senetas Corporation Limited; and leading financial services rating and research firm CANSTAR Pty Ltd.

Mr Given began his career working in the investment banking and equity capital markets divisions of Merrill Lynch in Hong Kong and Sydney, Australia, where he specialised in the origination and execution of a variety of M&A, equity and equity linked and fixed income transactions.

Mr Given graduated from the Queensland University of Technology with a Bachelor of Business, majoring in Banking and Finance (with distinction).

Mr Given is on the Company's Board as a nominee of significant shareholder, EZCORP, pursuant to the Subscription Agreement dated 17 August 2009 between EZCORP and the Company (released to ASX on 9 November 2009). Accordingly, he is not considered to be an independent Director.

Over the past 3 years Mr Given has held Directorships with the following listed companies:

<i>Company</i>	<i>Commenced</i>	<i>Ceased</i>
Senetas Corporation Limited	20 March 2013	-
EZCORP Inc	3 March 2022	-

***Mr Sam Budiselik – Chief Executive Officer & Managing Director
Appointed Managing Director 18 December 2020***

Mr Budiselik was appointed CEO in February 2020 and Managing Director in December 2020 and has been with the Company since 2016 serving as Chief Operating Officer ("COO") and interim CEO. Before joining Cash Converters, he was COO for Australia at the stockbroking and wealth management firm Patersons Securities (now Canaccord Genuity).

Prior to returning to Australia, Mr Budiselik spent a total of 12 years abroad working for investment banks UBS and Barclays Capital in London, New York and Singapore.

Mr Budiselik has completed a Bachelor of Commerce and an MBA at the University of Western Australia, a Graduate Diploma in Applied Finance (Securities Institute of Australia) and the Australian Institute of Company Directors course (GAICD).

Over the past 3 years Mr Budiselik has not held any Directorships with other listed companies.

Mr Peter Cumins – Executive Deputy Chairman

Appointed Director April 1995

Appointed Executive Deputy Chairman 23 January 2017

Mr Cumins joined the Company in August 1990 as Finance and Administration Manager when the Company had 23 stores, becoming General Manager in March 1992. He became Managing Director in April 1995. Mr Cumins moved from this role to the role of Executive Deputy Chairman on 23 January 2017.

Mr Cumins is a qualified accountant and has overseen the major growth in the number of franchisees in Australia as well as the international development of the Cash Converters franchise system. His experience in the management of large organisations has included senior executive positions in the government health sector.

Over the past 3 years Mr Cumins has not held any Directorships with other listed companies.

Mr Robert Hines – Non-Executive Director

Appointed Director 14 April 2020

Mr Hines brings over 30 years' experience in banking and finance services, agriculture and energy sectors with senior executive roles focusing on finance, retail and operations.

Mr Hines has held executive positions of CFO and/ or COO at some of Australia's leading companies; Queensland Sugar Limited, QIC Limited, Bank of Queensland Limited, Energex Retail Limited, Tarong Energy Limited and Suncorp Group Limited. In addition, Mr Hines served as Group CFO for NatWest Markets and was a Director CFO Advisory with KPMG. Mr Hines joined the Board of Humm Group Limited in September 2022, was appointed as a Director of Mackay Sugar Limited in August 2022 and Raiz Investment Limited in November 2023.

Mr Hines brings extensive operational and financial expertise to the Board. He is a senior fellow of FINSIA and a fellow of the Australian Institute of Company Directors, Chartered Accountants Australia and New Zealand and CPA Australia.

Mr Hines is the chair of the Company's Audit and Risk Committee and a member of the Governance, Remuneration and Nomination Committee. Mr Hines also chaired the Board Investment Committee until the Committee was dissolved on 1 April 2024

Over the past 3 years Mr Hines has held a directorship with the following listed companies:

<i>Company</i>	<i>Commenced</i>	<i>Ceased</i>
Humm Group Limited	29 September 2022	-
Raiz Investment Limited	28 November 2023	-

Mr Henry Shiner – Non-Executive Director

Appointed Director 1 July 2021

Mr Shiner has accumulated experience over many years of Senior Executive Management and Strategic positions, most recently in the Quick Service Restaurant industry, where he held the positions of Vice President, Chief Information Officer of McDonald's APAC and then as Vice President Global Financial Transformation – IT, at McDonald's Corporation. Mr Shiner is currently part of the Global Mentors Personal Board of Directors as part of 24 global experts in their field to provide mentorship to Company Executives through defined programs across many industries. He is also on the Advisory Board for Guroo Producer Pty Ltd.

Previously Mr Shiner has held Non-Executive Director roles on the National Board of Ronald McDonald Charities, Craveable Brands, DragonTail Systems, NoahFace, Slikr, AirService and Advisory Board roles with numerous other companies

Prior to McDonald's, Mr Shiner held Senior Executive positions in Norske Skog, Fletcher Challenge Paper, Honeywell Ltd and AGL. His experience across these markets have included leading strategic planning, technology strategy and development, franchising, cyber security, large manufacturing operations and governance and quality management.

In addition to an honours degree in Chemical Engineering, Mr Shiner has graduated in Management Studies focused on Global Strategy execution from the IMD School in Lausanne, Switzerland and is a member and graduate of the Australian Institute of Company Directors.

Mr Shiner is a member of the Company's Governance, Remuneration and Nomination and Audit and Risk Committees. Mr Shiner was also a member of the Board Investment Committee until it was dissolved on 1 April 2024.

Over the past 3 years Mr Shiner has held a Directorship with the following listed company:

<i>Company</i>	<i>Commenced</i>	<i>Ceased</i>
Dragontail Systems Limited*	13 May 2020	13 September 2021

*Dragontail System Limited is no longer a listed entity however it was at one point during the prior 3 years.

Mr Mark Ashby – Non-Executive Director

Appointed Director 6 October 2023

Mr Ashby is an experienced executive, Board member and Board advisor, with over 30 years of experience in senior executive roles in listed and private companies in both Australia and the United States ('USA'). Mr Ashby's recent board advisory experience has focused on working with companies to create and grow shareholder value and has included US expansion, refinancing and balance sheet restructuring as well as advising on corporate governance and accountabilities.

Mr Ashby is currently a Director for Sydney-based Direct Group Pty Ltd, a private equity owned catalogue sales business and television shopping network and is Chairman of Office Choice Ltd. Mr Ashby has recently been a member of Advisory Boards for retail businesses in both luxury and accessory segments. Prior to the establishment of his Board advisory business in 2017, Mr Ashby was the CFO for Myer Holdings Ltd from 2008 to 2015, leading the IPO on the ASX in 2009. Whilst overseas, Mr Ashby held the role of CFO of EZCORP, Inc. in the USA from 2015 to 2017.

Mr Ashby holds a Bachelor of Business (Accounting) from Swinburne University of Technology, is a graduate of the Australian Institute of Company Directors (GAICD) and is a Fellow of the Australian Society of CPAs (FCPA).

Mr Ashby was appointed as a member of the Company's Governance, Remuneration and Nomination and Audit and Risk Committees on 6 October 2023. Mr Ashby was appointed as chair of the Governance, Remuneration and Nomination Committee on 22 May 2024. Mr Ashby was also a member of the Board Investment Committee from 6 October 2023 until the Committee was dissolved on 1 April 2024.

Over the past 3 years Mr Ashby has not held any Directorships with other listed companies.

Mr Andrew Spicer – Non-Executive Director

Appointed Director 22 May 2024

Mr Spicer was appointed as an Independent Non-Executive Director in May 2024, bringing a depth of experience in financial services, strategy, brand building, digital transformation and leadership.

Prior to commencing a Board career, Mr Spicer was the Chief Executive Officer & Managing Director of Canstar Pty Ltd ("Canstar") for the past 16 years. Under his leadership, Canstar evolved into one of Australia's most trusted brands, with over 2 million online monthly visitors.

Prior to Canstar, Mr Spicer played a pivotal role in the listing of WebCentral on the ASX and under his leadership, WebCentral grew into Australia's largest web and application hosting company. Mr Spicer's corporate experience also includes executive roles at Suncorp Group and consulting roles for Ernst & Young and McKinsey & Co, where he led major strategic, operational and performance improvement assignments for financial services and resource companies.

Mr Spicer graduated from the Queensland University of Technology with a Bachelor of Engineering and holds an MBA from the University of New South Wales. Mr Spicer is also a graduate of the Australian Institute of Company Directors and has completed a leadership program at the Harvard Business School.

Mr Spicer was appointed a member of the Company's Governance, Remuneration and Nomination and Audit and Risk Committees on 22 May 2024.

Over the past 3 years Mr Spicer has not held any Directorships with other listed companies.

Ms Susan Thomas – Non-Executive Director

Appointed Director 1 April 2022 and resigned effective 30 September 2023

Ms Thomas has over 30 years' experience in the financial services and information technology sectors, having founded and acted as Managing Director of FlexiPlan Australia Limited, which was subsequently sold to MLC/NAB.

Ms Thomas is an experienced company Director and risk committee chair with expertise in technology and law. Ms Thomas holds a Bachelor of Law and Bachelor of Commerce from the University of New South Wales and has received a diploma from the Australian Institute of Company Directors.

Ms Thomas was a member of the Governance, Remuneration and Nomination, Audit and Risk and Board Investment Committees until her resignation on 30 September 2023.

Over the past 3 years Ms Thomas has held Directorships with the following listed companies:

<i>Company</i>	<i>Commenced</i>	<i>Ceased</i>
Fitzroy River Corporation Limited	26 November 2012	-
Temple and Webster Group Limited	23 February 2016	30 November 2022
Nuix Limited	18 November 2020	18 October 2023
Maggie Beer Holdings Limited	1 July 2022	-

Ms Julie Elliott – Non-Executive Director

Appointed Director 14 April 2020 and resigned effective 22 May 2024

Ms Elliott has over 30 years' experience in both executive and Director roles across banking, financial services and government. In her executive career she held the role of CEO of Bank of Sydney, as well as senior leadership roles at Westpac, NAB and KPMG with experience in strategy, marketing, product, finance, audit and sales.

Ms Elliott is a Director and the chair of the Governance and Remuneration Committee of Police and Nurses Limited, a Director of Grow Finance Limited and EBA Foundation. Ms Elliott is also a chair and member on several NSW Government Audit and Risk Committees including chair of NSW Treasury. She has previously held the role of Chair of State Trustees Limited and Metropolitan Fire and Emergency Services Board.

Ms Elliott brings extensive operational, financial and Board experience. She is a fellow of FINSIA, the Australian Institute of Company Directors and Chartered Accountants Australia and New Zealand. She holds an MBA and a Bachelor of Economics.

Ms Elliott was the Chair of the Company's Governance, Remuneration and Nomination Committee, and a member of the Audit and Risk and Board Investment Committees until her resignation on 22 May 2024.

Over the past 3 years Ms Elliott has not held any Directorships with other listed companies.

Directors' shareholdings

The following table sets out each Director's relevant interest in shares and options in shares of Cash Converters International Limited as at the date of this report:

Directors	Fully paid ordinary shares Number	Share options Number
Mr T Jugmans	-	-
Mr L Given	-	-
Mr S Budiselik	9,087,490	11,601,846
Mr P Cumins	10,310,694	-
Mr R Hines	822,000	-
Mr H Shiner	-	-
Mr M Ashby	-	-
Mr A Spicer	-	-

Company Secretaries**Ms Kelly Moore and Ms Meagan Hamblin**

Appointed Joint Company Secretaries with effect from 12 April 2023

Ms Moore is a Fellow of Chartered Accountants Australia and New Zealand and Company Secretary with extensive experience in providing accounting and secretarial advice to public companies. Ms Moore is a Director of Meridian Corporate Consultants and holds a Bachelor of Commerce degree from the University of Western Australia. Ms Moore is a graduate of the Australian Institute of Company Directors and an associate member of the Governance Institute of Australia.

Ms Hamblin is a Fellow of Chartered Accountants Australia and New Zealand and is a graduate of the Governance Institute of Australia. Ms Hamblin is a Director of Meridian Corporate Consultants specialising in providing financial reporting, corporate governance and advisory services for both public and private companies. Ms Hamblin has previously worked in the statutory reporting team at Wesfarmers Ltd and in the audit and advisory team at Deloitte Perth. Ms Hamblin holds a Bachelor of Commerce degree from the University of Western Australia.

Principal activities

The principal activity of Cash Converters International Limited and its subsidiaries ("the Group") is that of a franchisor, retailer of second-hand goods and financial services, a provider of secured and unsecured loans and the operator of corporate stores in Australia, New Zealand and United Kingdom, all of which trade under the Cash Converters name.

Country master franchise licences are also sold to licensees to allow the development of the Cash Converters brand but without the need for support from Cash Converters International Limited.

Review of operations

The Group's net profit attributable to members of the parent entity for the year ended 30 June 2024 was \$17.397 million (FY2023: \$97.155 million loss) after an income tax charge of \$9.467 million (FY2023: \$6.136 million). A review of the Group's operations and financial performance has been provided on pages 7 to 18.

The Group reported an operating profit after tax of \$20.870 million (FY2023: \$20.104 million). A reconciliation of reported profit after tax to operating profit after tax is provided below.

	30-Jun-24	30-Jun-23	Change	
	\$'000	\$'000	\$'000	%
Reported profit / (loss) after tax	17,397	(97,155)	114,552	nm
Non-operating adjustments				
Impairment ¹	3,313	115,151	(111,838)	(97%)
GST refunds net of consulting fees ²	(805)	(644)	(161)	25%
M&A costs ³	965	2,752	(1,787)	(65%)
Operating profit after tax	20,870	20,104	766	4%

1. Comprised of non-cash impairment expense after tax of \$3.295 million against goodwill (FY2023 : \$110.481 million), and non-cash impairment expense after tax of \$0.018 million (FY2023: \$4.670 million) on the carrying value excluding goodwill of the assets of certain individual corporate stores.
2. Comprised of non-recurring indirect tax recovery, net of consulting fees, of \$1.150 million (\$0.805 million after tax effect) on a historical class action settlement (FY2023 : \$0.920 million (\$0.644 million after tax effect)).
3. Comprised of non-operating professional, employee and administrative costs of \$1.301 million (\$0.965 million after tax effect) directly attributable to merger and acquisition ("M&A") due diligence (FY2023: \$3.590 million (\$2.752 million after tax effect))

nm = Not meaningful

Changes in state of affairs

During the financial year there were no significant changes in the state of affairs of the Company other than those referred to elsewhere in this financial report and the notes thereto.

Subsequent events

As announced to the market on 27 August 2024 a renewal of the securitisation facility with Fortress Investment Group was completed.

The following key terms were agreed as part of the renewed facility:

- Facility size increased to \$200 million from \$150 million.
- Pricing based on a margin over the Bank Bill Swap Rate (BBSW).
- Provides growth capital for the personal finance lending business including new products.
- Availability period extended for a further three years to 27 August 2027 and maturity date extended to 27 August 2028.

Future developments

Likely developments in expected results of the Group's operations in subsequent years and the Group's business strategies are referred to elsewhere in this report.

Dividends

The Board of Directors of the Company have declared a final dividend of 1.00 cent per share with the release of the final year end results and reporting date of 29 August 2024. The dividend will be 100% franked and will be paid on 11 October 2024 to those shareholders on the register at the close of business on 13 September 2024.

With the declaration of this dividend, the Company's Dividend Reinvestment Plan ("DRP") remains suspended and will not apply to this dividend.

Shares under option or issued on exercise of options

Details of unissued shares or interests under option as at the date of this report are:

<i>Issuing entity</i>	<i>Number of shares under option</i>	<i>Class of shares</i>	<i>of Exercise price of option</i>	<i>Measurement Date</i>
Cash Converters International Limited	7,556,388	Ordinary	Nil	30 Jun 2024
Cash Converters International Limited	10,022,679	Ordinary	Nil	30 Jun 2025
Cash Converters International Limited	16,063,180	Ordinary	Nil	30 Jun 2026

The performance rights above are in substance share options with an exercise price of nil, which vest and may potentially be exercised into ordinary shares once certain performance / vesting conditions are met.

The holders of these performance rights do not have the right, by virtue of the performance right, to participate in any share or other interest issue other than bonus share issues of the Company or of any other body corporate.

Performance rights are managed through the Group's Equity Incentive Plan. Shares are acquired on market and held as treasury shares when it is probable that the vesting conditions will be achieved.

During the period 5,525,046 shares (acquired in FY2023) were issued through the Company's Employee Share Trust to eligible participants. The measurement date of these vested rights was to 30 June 2023.

Indemnification and insurance of Directors and officers

During the financial year, the Company paid a premium in respect of a contract insuring the Directors of the Company, the Company Secretaries and all executive officers of the Company and of any related body corporate against a liability incurred as such a Director, secretary or executive officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

Directors' meetings

The number of meetings of Directors and meetings of committees of Directors held during the year and the number of meetings attended by each Director were as follows:

Directors	Board of Directors		Audit and Risk Committee			Governance, Remuneration and Nomination Committee			Board Investment Committee		
	E	A	M	E	A	M	E	A	M	E	A
Mr T Jugmans	9	9	No	7	7	No	6	6	No	3	3
Mr S Budiselik	9	9	No	7	7	No	6	5	No	3	3
Mr P Cumins	9	9	No	7	7	No	6	5	No	3	3
Mr M Ashby ¹	3	3	Yes	5	5	Yes	3	3	Yes	2	2
Mr L Given	9	7	No	7	2	No	6	3	No	3	1
Mr R Hines	9	9	Yes	7	7	Yes	6	6	Yes	3	3
Mr H Shiner	9	9	Yes	7	6	Yes	6	5	Yes	3	3
Mr A Spicer ²	1	1	Yes	-	-	Yes	1	1	No	-	-
Ms S Thomas ³	3	3	Yes	2	2	Yes	6	2	Yes	1	1
Ms J Elliott ⁴	7	7	Yes	7	7	Yes	5	5	Yes	3	2

E: Number eligible to attend | A: Number attended | M: Member of Committee

¹ Mr M Ashby was appointed on 6 October 2023

² Mr A Spicer was appointed on 22 May 2024

³ Ms S Thomas resigned effective 30 September 2023

⁴ Ms J Elliott resigned effective 22 May 2024

Non-audit services

The Board of Directors are satisfied that the provision of non-audit services during the year by the auditor did not compromise the auditor independence requirements of the *Corporations Act 2001*, as the nature of the services was limited to income tax and indirect tax compliance, transaction/compliance related matters and generic accounting advice. All non-audit services have been reviewed and approved to ensure they do not impact the integrity and objectivity of the auditor, and none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Details of the amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in note 21 to the financial statements.

Rounding of amounts

The Company is a company of the kind referred to in *ASIC Corporations (Rounding in Financials / Directors' Reports) Instrument 2016/191*, dated 24 March 2016, and in accordance with that Corporations Instrument, amounts in the Directors' report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

Auditor's independence declaration

The auditor's independence declaration is included on page 49

Remuneration Report (Audited)

Letter from the Chair of the Governance, Remuneration and Nomination Committee

Dear shareholders,

On behalf of the Board, I am pleased to present the Cash Converters Limited ("Cash Converters", or "the Company") Remuneration Report ("Report") for the Financial Year to 30 June 2024 ("FY2024").

FY2024 saw the Executive Team effectively deliver against defined strategic objectives. From a lending perspective and following the business response to the Financial Sector Reform Act in FY2023, the shift away from short-term small (SACC) loans progressed resulting in responsible growth across the medium (MACC) loans and Line of Credit (LOC) products. Across the network, the store acquisition strategy delivered earnings growth with franchise store acquisitions in Australia and the United Kingdom.

Along with the development of a refreshed Vision, Purpose and Values framework in FY2024, Cash Converters' saw strong results from the Employee Engagement Survey. This delivered 83% participation rates and a solid overall engagement score across key focus areas including connectedness to brand, team culture, wellness, career development, reward and recognition, communication and working environment. The team is committed to addressing feedback received in the survey to deliver ongoing improvements to the Employee Experience across the organisation.

Looking forward, the Board and the Executive Team is confident that the strategy will deliver continued earnings growth and ongoing value to our customers and shareholders.

Remuneration Outcomes for FY2024

In recognition of Cash Converters' revised organisational structure designed to:

- Continue growth in the existing business portfolio
- Support expansion of corporate operations into both New Zealand and the United Kingdom through the strategic focus on acquiring franchise stores in core markets,
- Navigate the increased complexity of varying and evolving regulatory frameworks.

The Board considers it critical to ensure executives are appropriately remunerated to support attraction and retention. Within this context, reviews of, and appropriate amendments to Fixed remuneration and the short-term incentive plan were introduced.

Fixed Remuneration

An executive remuneration review was conducted assessing each incumbent against relevant external market comparators whilst considering the role impact on key areas. As a result, fixed remuneration increases were applied for executives ranging from approximately 5% to 15% to ensure appropriate alignment with the desired market relativity settings.

Short-Term Incentive

Changes to the short-term incentive (STI) were introduced in FY2024 to recognise individual performance, reward organisational financial outperformance whilst strengthening alignment with market practice. These changes included a revision of the key performance indicator (KPI) scorecard for each executive and a "stretch" profit gate.

Long-Term Incentive

The FY2022 LTI award three-year performance period ended on 30 June 2024. As a result of performance testing undertaken in July 2024, the Board approved vesting of this award at 40.81%. This was based on the achievement of 81.62% for the relative TSR hurdle (weighted 50%) and 0% for the EPS hurdle (weighted 50%).

For further details see Section 3: Executive remuneration strategy and components for FY2024 and Section 4: FY2024 Executive KMP remuneration outcomes.

Non-Executive Director fees

Board and Committee fees for Non-Executive Directors remained unchanged for FY2024.

For further details see Section 5: Non-Executive Director.

Looking forward

With positive shareholder support we continue to review our remuneration programs to further align incentive programs with performance in an increasingly complex environment, improving remuneration disclosure and deliver against desired market practices.

I invite you to review our Remuneration Report. We look forward to your ongoing feedback and continued discussions with our shareholders on our remuneration approach.

Mark Ashby

Non-executive Director and Chair of the Governance, Remuneration and Nomination Committee

Table of contents

This Remuneration Report forms part of the Directors' report for the year ended 30 June 2024 and has been prepared in accordance with section 300A of the *Corporations Act 2001* (Cth) ("Act"), applicable regulations and the Company's policies regarding Key Management Personnel ("KMP") remuneration governance. The remuneration report has been audited as required by section 308(3C) of the Act.

The Report contains the following main sections:

1	Who is covered in this Remuneration Report	30
2	Remuneration governance	31
3	Executive remuneration strategy and components for FY2024	32
4	FY2024 Executive KMP remuneration outcomes	39
5	FY2024 non-executive Director (NED) remuneration.....	43
6	Statutory remuneration tables and supporting disclosures.....	45

1) Who is covered in this Remuneration Report

For the purposes of this Report, KMP is defined as those persons who have authority and responsibility for planning, directing and controlling the major activities of the Company, including any Director (whether Executive KMP or Non- Executive Director ("NED") of Cash Converters).

The following were the KMP of the Company during the year ended 30 June 2024, and unless otherwise indicated, served as KMP for the entire period:

Name	Role	Term as KMP	Committee Membership		
			ARC ⁷	GRNC ⁷	BIC ^{7 8}
NED					
Timothy Jugmans	Chairman and Non-Executive Director	Full year			
Lachlan Given	Non-Executive Director	Full year			
Robert Hines	Non-Executive Director	Full year	C	✓	C
Henry Shiner	Non-Executive Director	Full year	✓	✓	✓
Mark Ashby	Non-Executive Director	Part year ²	✓	C	✓
Andrew Spicer	Non-Executive Director	Part year ³	✓	✓	
Susan Thomas	Non-Executive Director	Part year ⁴	✓	✓	✓
Julie Elliott	Non-Executive Director	Part year ¹	✓	PC	✓
Executive Directors					
Sam Budiselik	Chief Executive Officer ("CEO") & Managing Director ("MD")	Full year			
Peter Cumins	Executive Deputy Chairman	Full year			
Executive KMP					
Lisa Stedman	Chief Operating Officer ("COO")	Full year			
James Miles	Chief Information Officer ("CIO")	Full year			
Jonty Gibbs	Chief Financial Officer ("CFO")	Full year			
Luis San Martin	Chief Risk Officer ("CRO")	Part year ⁵			
Andrew Kamp	Chief of Strategy and Commercial Development ("CSCDO")	Part year ⁶			

1. Resigned as Director and Chair of the GRNC 22 May 2024.

2. Appointed 6 October 2023 and appointed Chair of the GRNC on 22 May 2024.

3. Appointed 22 May 2024

4. Resigned 30 September 2023

5. Appointed 1 March 2024

6. Appointed 7 August 2023

7. ARC = Audit & Risk Committee, GRNC = Governance, Remuneration & Nomination Committee, C = Chair of Committee, ✓ = Member of Committee, PC = Previous Chair of Committee

8. BIC = Board Investment Committee. The BIC was dissolved on 1 April 2024 with responsibilities reverting to the full Board from that date.

2) Remuneration governance

The following sets out the Company's governance framework for remuneration setting and decision making, and responsibilities of various parties.

Board	<p>The Board takes an active role in the governance and oversight of the Company's KMP remuneration strategies and has overall responsibility for ensuring the effectiveness of remuneration arrangements. This is in consideration of remuneration outcomes that align with the Company's strategic objectives and risk management framework, and shareholder value over the long term.</p>
Governance Remuneration and Nomination Committee ('GRNC or the Committee')	<p>The GRNC sets and reviews the remuneration framework, policies, delegations and practices on behalf of the Board. The Committee reviews remuneration strategy and levels annually, considering business context, remuneration guiding principles and external market conditions, and makes relevant recommendations to the Board on:</p> <ul style="list-style-type: none"> • remuneration strategy to attract and retain talent to drive long term sustainable results; • recruitment, retention, and termination policies and procedures for KMP; • base salaries for KMP and Board and Committee fees for NEDs; • short term incentives for KMP; • equity-based incentive remuneration plans; and • governance matters including delegations, disclosures, conflicts of interest and independence. <p>Note the performance review of the CEO&MD is undertaken by the Chairman of the Board and the Chairman of GRNC, reviewed by the GRNC, and approved by the Board. The performance reviews of KMP and other direct reports are undertaken by the CEO & MD, reviewed by the GRNC and approved by the Board.</p> <p>The Corporate Governance Statement and the GRNC Charter provide further information on the role of this Committee. These documents and related policies and practices are available on the Company website at https://www.cashconverters.com/governance.</p>
External Remuneration Advisors	<p>To ensure the Board and the GRNC are fully informed when making remuneration decisions, it may seek additional market insights and advice from external, independent remuneration consultants (as endorsed by the GRNC, and approved by the Board).</p> <p>During the year, the Committee engaged The Reward Practice Pty Ltd ("TRP") to provide market insights and advice on various remuneration-related matters including remuneration and incentive review and remuneration report drafting. No remuneration recommendations were received during the year.</p>
Share Trading Policy	<p>The Company's share trading policy prohibits KMP (who are granted equity-based payments as part of their remuneration) from:</p> <ul style="list-style-type: none"> • dealing in any securities where the person dealing in the securities has inside information in relation to those securities; • passing on inside information to others who may deal in securities; • applying to participate in an Employee Share Plan while in possession of inside information; and • entering into contracts to hedge their exposure to any securities held in the Company. <p>The Company's Securities Trading Policy is available at https://www.cashconverters.com/governance.</p>

3) Executive remuneration strategy and components for FY2024

3.1) Remuneration philosophy and principles

The Company's remuneration philosophy is to ensure that the alignment of remuneration structures and outcomes with the long-term success of the Company as indicated by the achievement of sustained growth in earnings and shareholder return, and adherence to sound risk management and governance principles.

The remuneration design and decision making are guided by the following principles:

- attract and retain talent to drive long term sustainable results;
- align remuneration with customer and shareholder interests;
- support an appropriate risk culture and exemplary employee conduct;
- differentiate pay for behaviour and performance in line with our vision and strategy;
- provide market competitive and fair remuneration;
- remunerate responsibly and in a manner that promotes the Company's commitment to building a diverse and inclusive workforce;
- recognise the role of critical and non-financial generating roles in long term value creation;
- enable recruitment and retention of talented employees; and
- be simple, flexible and transparent.

3.2) Executive remuneration structure

Remuneration strategy

The Executive remuneration structure for FY2024 remains consistent with prior years and comprises fixed and variable remuneration (including short and long-term incentive opportunities). The following table provides an overview of the remuneration structure.

Fixed Remuneration (FR)	Short-Term Incentive (STI)	Long-Term Incentive (LTI)
Purpose		
Attract and retain high quality executives through market competitive and fair remuneration	Ensure a portion of remuneration is variable, at-risk and linked to the delivery of agreed plan targets for financial and non-financial measures that support strategic priorities	Align executive accountability and remuneration with the long-term interests of shareholders by rewarding the delivery of sustained Company performance over the long term
Delivery		
Base salary, superannuation as per the <i>Superannuation Guarantee (Administration) Act 1992</i> .	Awarded in cash based on an assessment of performance against a mix of individual KPIs over the preceding year subject to financial and risk-related gateways.	Awarded in performance rights which potentially vest after three years, based on earnings per share ("EPS") and total shareholder return ("TSR") relative to a relevant peer group of ASX companies over a three-year performance period.
Alignment to performance		
Set with reference to comparable industry market benchmarks as well as the size, responsibilities, and complexity of the role, and skills and experience. Individual performance impacts fixed remuneration adjustments	Performance is assessed using a scorecard comprising financial and non-financial measures linked to the key strategic priorities for the performance year. If the Company under-performs on its earnings and / or risk targets, no short-term incentive	Performance is assessed against EPS and TSR which are aligned to shareholder wealth creation over the long term. The Board believes this structure provides a balance between alignment of shareholder returns whilst mitigating the risk of excessive focus on share price performance.

	award will be payable to Executive KMP.	Under-performance over the longer-term may also result in no vesting of long-term incentive awards (e.g., performance rights).
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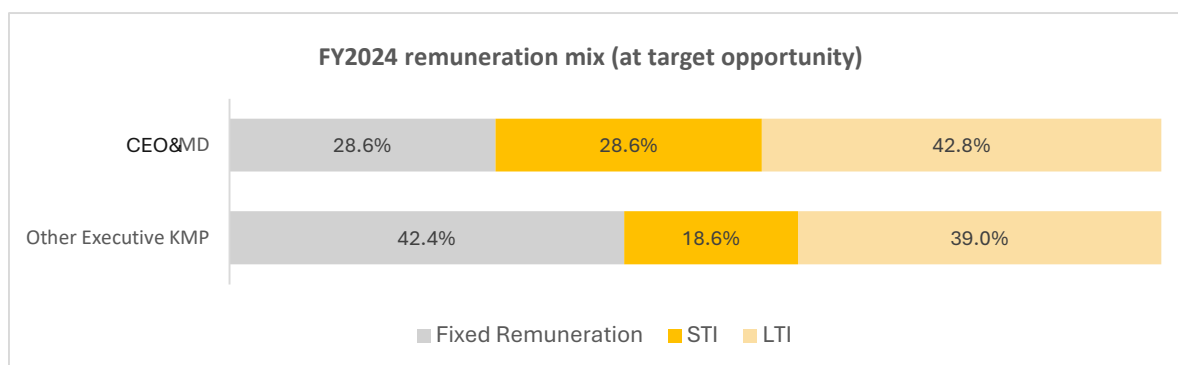
Approach to setting remuneration

In FY2024, the executive remuneration framework consisted of fixed remuneration and short and long-term incentives as outlined above.

The Company aims to reward executives with a level and mix of remuneration appropriate to their position, responsibilities and performance aligned with market practice.

The Company's policy is to position fixed remuneration ("FR") around the median of our direct industry peers and other Australian listed companies of a similar size and complexity. Total remuneration opportunities (FR + STI + LTI) are intended to provide the opportunity to earn top quartile rewards for outstanding performance against the stretch targets set. Remuneration levels are considered annually through a remuneration review that considers market data, insights into remuneration trends, the performance of the Company and individual, and the broader economic environment. These factors are considered in relation to the complexities of the global business model and the specialised conditions and opportunities that the business must navigate.

The following chart illustrates the mix of fixed and "at risk" remuneration for Executive KMP at target opportunity level for FY2024.



For personal use only

3.3) Executive KMP service agreements

The remuneration and other terms of employment for executive KMP are formalised in their service agreements of an ongoing nature. All employees are entitled to receive pay in lieu of any accrued but untaken annual and long service leave on cessation of employment. However, amounts payable will be limited to the terms of Part 2D.2 of the Corporations Act 2001.

A summary of contract terms is presented below:

Name	Position held at close of FY2024	Period of notice	
		From Company	From KMP
Sam Budiselik	Chief Executive Officer & Managing Director	12 months	12 months
Peter Cumins	Executive Deputy Chairman	12 months	6 months
Lisa Stedman	Chief Operating Officer	6 months	6 months
James Miles	Chief Information Officer	6 months	6 months
Jonty Gibbs	Chief Financial Officer	6 months	6 months
Luis San Martin	Chief Risk Officer	6 months	6 months
Andrew Kamp	Chief of Strategy & Commercial Development	6 months	6 months

All KMP are employed by Cash Converters Pty Ltd, a 100% owned subsidiary of Cash Converters International Ltd.

Chief Executive Officer ("CEO") & Managing Director ("MD")

Mr Budiselik commenced as CEO on 26 February 2020 on a permanent basis with the termination notice periods as outlined above and was appointed, on the same remuneration terms, as CEO & MD on 18 December 2020. The MD receives fixed remuneration (including superannuation) of \$727,399 per annum and participates in the STI and LTI plan outlined at the discretion of the Board with a target STI set as 100% of base salary (maximum 150%) and LTI opportunity set as 150% of base salary. In addition, Mr Budiselik also received non-monetary benefits of \$36,900 in FY2024.

Other Executive KMP

Executive KMP participation in the incentive programs is at the discretion of the Board. The Executive Deputy Chairman did not participate in any incentive plans in FY2024.

Sections 3.4 and 3.5 disclose the STI and LTI arrangements respectively for Executive KMP over FY2024.

3.4) FY2024 short term incentive (STI) plan

A description of the STI structure applicable for FY2024 is set out below:

What is the purpose?	Ensure a portion of remuneration is variable, at-risk and linked to the delivery of agreed plan targets for financial and non-financial measures that support the Company's strategic priorities over the year.
How is it paid?	Awarded in cash on completion of the external audit, approval by the GRNC and Board and subsequent release of the Annual Report.

Who are eligible to participate?	Eligibility to participate in the STI is at the recommendation of the GRNC and approval of the Board. Over FY2024, Executive KMP and senior management are eligible for participating the STI. LTI's issued to the Managing Director are subject to shareholder approval.								
What is the STI opportunity?	The STI target opportunity is set as a percentage of fixed remuneration and is determined annually as part of the remuneration review process considering market practice of comparable companies to Cash Converters: <ul style="list-style-type: none"> • CEO & MD: target 100% (maximum: 150%) • Other Executive KMP: target 20-50% (maximum: 30-75%) 								
What is the performance period?	The financial year of the company (1 July 2023 – 30 June 2024).								
What is the gateway?	<p>A minimum gateway performance must be achieved before participants receive any award under the STI plan for the year.</p> <p>The gateway measures are set and reviewed by the Board annually. For FY2024 STI the measures include:</p> <ul style="list-style-type: none"> • 85% of budget Operating Earnings Before Interest and Taxes ("EBIT"); and • Risk gateway linked to global enterprise-wide risk register. 								
How is performance assessed?	<p>STI payments are not guaranteed and are linked to the achievement of a mix of company and individual performance metrics as approved by the Board for the year. The KPIs set for FY2024 awards include Operating EBIT (Company Performance) and Individual Performance:</p> <p>Operating EBIT: as set and approved by the Board at the start of year*.</p> <p><i>*Note the Company reports EBIT calculated as earnings before interest expense and tax and 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. The 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.</i></p> <p>The EBIT is set at various performance levels resulting in different outcomes (as per the schedule below):</p> <table border="1" data-bbox="571 1485 1187 1711"> <thead> <tr> <th>Performance level (% of EBIT budget)</th> <th>STI Outcome * (% of Target Opportunity)</th> </tr> </thead> <tbody> <tr> <td>85%</td> <td>50%</td> </tr> <tr> <td>100%</td> <td>100%</td> </tr> <tr> <td>120% or above</td> <td>150%</td> </tr> </tbody> </table> <p><i>* pro-rata applies between each level.</i></p> <p>Individual Performance: assessed via a balanced scorecard approach, with a mix of financial and non-financial KPIs as approved by the Board. KPIs vary depending on individual executive roles and responsibilities, and may be in relation to international business, strategy, funding, investors, new product development, risk management, and mergers/acquisitions. Executive performance against their scorecard is assessed via a five-point rating scale (1 to 5) with different ratings resulting in various STI outcomes. A minimum of 3 is required to receive any STI.</p>	Performance level (% of EBIT budget)	STI Outcome * (% of Target Opportunity)	85%	50%	100%	100%	120% or above	150%
Performance level (% of EBIT budget)	STI Outcome * (% of Target Opportunity)								
85%	50%								
100%	100%								
120% or above	150%								

	<p>Subject to satisfaction of gateways, the individual STI award is determined based on the following multiplicative model:</p> <div style="text-align: center;"> </div>
How is the STI award treated at cessation of employment?	Unless the Board determines otherwise, if a participant's employment with the Company is terminated during the performance period as a 'good leaver', they will be entitled to receive a pro-rata amount of their STI. If a participant's employment with the Company is terminated in circumstances in which they are not considered a "good leaver" their STI will immediately lapse.
How is the STI award treated upon a change of control?	If a change of control event occurs with respect to the Company, the Board may determine, in its discretion, the manner in which all incentives will be dealt with.
What is malus and clawback provision over STI awards?	The Board may determine at its discretion to apply clawback and malus in some situations depending on the terms of the relevant award.
Board discretion	The Board reserves the right to amend, vary or revoke the terms of any incentive plan from time to time, at its sole and absolute discretion.

3.5) FY2024 long term incentive (LTI) plan

A description of the LTI structure applicable for FY2024 is set out below:

What is the purpose?	<p>Recognise ongoing participant contribution to the achievement by the Company of its long-term strategic goals, and to provide a means of attracting and retaining skilled and experienced employees.</p> <p>Align the interests of shareholders and executive KMP by motivating and rewarding participants to achieve compound annual earnings growth and produce strong shareholder returns over the medium- to long-term.</p>
How is it paid?	<p>The LTI award is made in the form of performance / indeterminate rights (rights) in accordance with the Cash Converters Rights Plan Rules (Plan Rules) which can reviewed online via https://www.cashconverters.com/wp-content/uploads/2021/06/Cash-Converters-Rights-Plan-Rules.pdf. The Plan was approved by shareholders at the Annual General Meeting held on 26 October 2021.</p> <p>Subject to the achievement of performance conditions, performance rights may vest into shares or the Board, in their absolute and unfettered discretion, make a cash payment equivalent to the number of vested rights multiplied by the then value of the Company's share price.</p>
Who are eligible to participate?	Eligibility to participate in the LTI is at the recommendation of the GRNC and approval of the Board. For FY2024, Executive KMP and approved leadership team are eligible for participating in the LTI.

What is the LTI opportunity?	<p>The LTI target opportunity is set as a percentage of fixed remuneration and is determined annually as part of the remuneration review process considering market practice of comparable companies to Cash Converters:</p> <ul style="list-style-type: none"> • CEO & MD: up to 150% of fixed remuneration • Other Executive KMP: up to 100% of fixed remuneration 										
What is the performance period?	<p>The FY2024 grant of performance rights is subject to performance conditions measured over a performance period of three years commencing 1 July 2023 and ending on 30 June 2026.</p>										
How is performance assessed?	<p>The LTI is assessed based on the following hurdles over the performance period:</p> <ul style="list-style-type: none"> • Relative Total Shareholder Return (TSR) (50%) assessing the Company's TSR performance relative to constituents of the S&P/ASX Small Ordinaries Index excluding materials, utilities, and real estate investment trusts over the Performance Period (the Index); and • Normalised Earnings Per Share (EPS) (50%) measuring the profit generated by the Company attributable to each share on issue, adjusted for certain Board approved transactions. <p>For each LTI hurdle, performance level is set at various target levels resulting in different vesting outcomes as per the schedules below:</p> <p>Relative TSR vesting schedule*:</p> <table border="1" data-bbox="512 987 1385 1317"> <thead> <tr> <th>Performance Level</th> <th>Percentage of rTSR Rights</th> </tr> </thead> <tbody> <tr> <td>Less than 50th percentile of Index**</td> <td>Nil</td> </tr> <tr> <td>Target: at 50th percentile of Index</td> <td>50%</td> </tr> <tr> <td>Between 50th and 100th percentile of Index***</td> <td>Straight line pro-rata vesting between 50% and 100%</td> </tr> <tr> <td>Stretch: at 100th percentile of Index</td> <td>100%</td> </tr> </tbody> </table> <p><i>*The Relative TSR calculates the return shareholders would earn if they held a notional number of shares over a period and measures the change in the Company's share price together with the value of dividends during the period, assuming that all those dividends are re-invested into new shares.</i></p> <p><i>**The Index is designed to measure companies included in the S&P/ASX300 but not in the S&P/ASX100.</i></p> <p><i>***It is proposed that shareholder approval will be sought at the 2024 Annual General Meeting to correct an error in the documentation for the relative total shareholder return ("rTSR") vesting schedule for the FY2023 and FY2024 LTI awards, so that 100% vesting of any performance rights subject to the rTSR measure will occur if the Company achieves an outcome at or above the 75th percentile of the comparator group (rather than 100th percentile of the comparator group). Further information will be included in the 2024 Annual General Meeting Notice of Meeting.</i></p>	Performance Level	Percentage of rTSR Rights	Less than 50 th percentile of Index**	Nil	Target: at 50 th percentile of Index	50%	Between 50 th and 100 th percentile of Index***	Straight line pro-rata vesting between 50% and 100%	Stretch: at 100 th percentile of Index	100%
Performance Level	Percentage of rTSR Rights										
Less than 50 th percentile of Index**	Nil										
Target: at 50 th percentile of Index	50%										
Between 50 th and 100 th percentile of Index***	Straight line pro-rata vesting between 50% and 100%										
Stretch: at 100 th percentile of Index	100%										

	EPS (cents per share) vesting schedule*:														
	<table border="1"> <thead> <tr> <th>Performance Level**</th> <th>Percentage of Rights that vest (%)</th> </tr> </thead> <tbody> <tr> <td>Less than 3.450</td> <td>Nil</td> </tr> <tr> <td>Threshold: 3.450</td> <td>25%</td> </tr> <tr> <td>3.450 to 3.700</td> <td>Straight line pro-rata vesting between 25% and 50%</td> </tr> <tr> <td>Target: 3.700</td> <td>50%</td> </tr> <tr> <td>3.700 to 4.260</td> <td>Straight line pro-rata vesting between 50% and 100%</td> </tr> <tr> <td>Stretch: 4.260</td> <td>100%</td> </tr> </tbody> </table>	Performance Level**	Percentage of Rights that vest (%)	Less than 3.450	Nil	Threshold: 3.450	25%	3.450 to 3.700	Straight line pro-rata vesting between 25% and 50%	Target: 3.700	50%	3.700 to 4.260	Straight line pro-rata vesting between 50% and 100%	Stretch: 4.260	100%
	Performance Level**	Percentage of Rights that vest (%)													
	Less than 3.450	Nil													
	Threshold: 3.450	25%													
	3.450 to 3.700	Straight line pro-rata vesting between 25% and 50%													
	Target: 3.700	50%													
3.700 to 4.260	Straight line pro-rata vesting between 50% and 100%														
Stretch: 4.260	100%														
<p><i>*For the purposes of assessing performance against the EPS target, the Board will consider whether any adjustments to statutory earnings are appropriate on a case-by-case basis to ensure that inappropriate outcomes are avoided. The EPS hurdle was set by calculating a required range of the Company's EPS.</i></p> <p><i>**While the Board has set the EPS targets at a level that it considers would reflect performance levels that align with appropriate returns to shareholders, these are targets only and are not forecasts of future results and should not be considered or treated as guidance.</i></p> <p>Calculation of the achievement against the performance conditions will be determined by the Board of the Company in its absolute discretion at the conclusion of the performance period, having regard to any matters that it considers relevant.</p> <p>In line with the Plan rules, unless otherwise determined by the Board, the performance rights will lapse, where the vesting conditions applicable to the award cannot be satisfied as at the end of the performance period.</p>															
How is the LTI award treated at cessation of employment?	<p>For all participants, termination of employment will trigger a forfeiture of all unvested awards except under certain limited circumstances defined in the Plan Rules (e.g., good leavers).</p> <p>Amounts that are not forfeited will be tested and potentially awarded or paid based on actual performance relative to the performance goals, following the end of the performance period.</p> <p>The Board retains discretion to trigger or accelerate payment or vesting of incentives, provided that the limitations on termination benefits as outlined in the <i>Corporations Act 2001</i> are not breached.</p>														
How is the LTI award treated upon a change of control?	<p>If a change of control event occurs with respect to the Company, the Board may determine, in its discretion, the manner in which all incentives will be dealt with.</p>														
What is Malus and clawback provision over LTI awards?	<p>The Board may determine at its discretion to apply clawback and malus in some situations depending on the terms of the relevant award.</p>														
Board discretion	<p>The Board also retains overall discretion to determine whether vesting of performance rights is appropriate considering, a number of other relevant factors including company performance from the perspective of Shareholders.</p>														

4) FY2024 Executive KMP remuneration outcomes

4.1) Company performance over the past five years

As outlined above, in setting the Company's remuneration strategy, the GRNC makes recommendations which demonstrate clear and strong correlation between performance and reward and align the interests of executive KMP with those of the Company's shareholders.

The following table shows the statutory key performance indicators of the Group over the last five years:

Company performance over the past five years					
	FY2024	FY2023	FY2022	FY2021	FY2020
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from continuing operations	382,563	302,697	245,937	201,346	262,021
Net profit /(loss) before tax from continuing operations	26,864	(91,019)	15,385	21,454	(22,416)
Net profit /(loss) after tax					
- continuing operations	17,397	(97,155)	11,177	20,704	(16,872)
- discontinued operations	-	-	-	-	-
Profit /(Loss) after tax	17,397	(97,155)	11,177	20,704	(16,872)
Share price	Cents	Cents	Cents	Cents	Cents
- beginning of year	22.5	23.0	22.0	17.5	16.0
- end of year	22.0	22.5	23.0	22.0	17.5
Change in share price	(0.5)	(0.5)	1.0	4.5	1.5
Fully franked dividend	Cents	Cents	Cents	Cents	Cents
- interim	1.0	1.0	1.0	1.0	-
- final dividend	1.0	1.0	1.0	1.0	-
Change in Shareholder Wealth					
- share price change + dividend	1.5	1.5	3.0	6.5	1.5
Earnings /(losses) per share from continuing and discontinued operations	Cents	Cents	Cents	Cents	Cents
- basic	2.78	(15.54)	1.80	3.35	(2.74)


In considering the STI and LTI awards for FY2024, the Board has in addition to the profitability performance and positive risk culture, been cognisant of the continuing challenging economic environment and complex international regulatory regimes. Consistent with performance incentives awarded across the broader business the Board has recognised executive performance and the delivery of operating earnings growth. The awards continue to reflect the need to attract and retain the team in a period of tight labour markets and ongoing regulatory scrutiny. The following disclosures (*Sections 4.2 and 4.3*) are intended to assist in demonstrating the link between Cash Converters' strategy, performance and executive KMP STI and LTI awards for the FY2024 period.

4.2) FY2024 STI outcomes

Gateway performance

An STI payment will only be payable to the extent the overarching EBIT and risk gateways are satisfied. The following outlines the outcomes in relation to the measures.

Gateway	Actual outcome
Operating EBIT meeting 85% of budget	\$52.76m (122% of budget)
Delivery of a global enterprise-wide risk register by 30 June 2024	Met







Both STI gateways were satisfied

In accordance with the FY2024 STI assessment approach, the achievement of 122% of EBIT budget resulted in a 150% of STI pool opportunity subject to Executive scorecard performance.

With the satisfaction of STI gateways, the awarding of STI's to Executive KMP is determined based on an assessment of their FY2024 performance scorecard as set at the commencement of the financial year.

CEO & MD scorecard KPIs

The following sets out the STI scorecard for CEO & MD.

Scorecard KPI and weighting	Performance outcomes	Further details
International (25%) Develop a strategic plan and execute acquisition opportunities to establish an International Board and Governance framework.	Target 	The International strategic plan was well developed and executed with acquisitions successfully identified and executed. Budgets were exceeded and a management team established to capitalise on future investment opportunities.
Strategy (40%) Continue to drive the delivery of the Strategic Plan by sourcing and evaluating opportunities within Australia.	Target 	Strategic plan has been developed and endorsed by the Board, strategic objectives delivered, and budget exceeded.
Funding (25%) Review of securitisation facility funding options with a view to finding an improved securitisation facility.	Target 	Progressed detailed due diligence with funders by engaging an Advisor to seek expressions of interest. Ensured new product growth funded and overall support for growth of loan books achieved with better pricing and flexibility going forward.
Investors (10%) Deliver on shareholder strategy, to engage a wide range of potential shareholders throughout the course of the year.	Target 	Shareholder engagement demonstratable, with conferences and results briefing calls delivered and a significant change in register composition well managed.
Resulting STI payout (individual scorecard component):		98%

STI outcomes by Executive KMP

The following outlines the assessment outcomes by Executive KMP:

Overall STI outcomes for FY2024 are determined through the Board's assessment of actual performance against expectations, as outlined below.

Executive	STI Opportunity (as % of Base Salary)		STI Outcome (% of STI Target)			% Maximum STI		
	Maximum (at 150% of Target)	Target	Company EBIT	Individual Scorecard	Total	STI Awarded (\$)	Awarded %	Forfeited %
Sam Budiselik	150%	100%	150%	98%	147.0%	\$1,029,000	147.0%	3.0%
Lisa Stedman	75%	50%	150%	97%	145.5%	\$327,375	145.5%	4.5%
James Miles	75%	50%	150%	97%	145.5%	\$291,000	145.5%	4.5%
Jonty Gibbs	75%	50%	150%	97%	145.5%	\$240,075	145.5%	4.5%
Andrew Kamp ¹	75%	50%	150%	97%	145.5%	\$218,250	145.5%	4.5%
Luis San Martin ^{1,2}	20%	20%	N/A		100%	\$20,000	100%	0%

¹ Total STI awarded for Mr Andrew Kamp and Mr Luis San Martin has been pro-rated to reflect their period of service within the role for FY2024.

² Mr Luis San Martin was appointed KMP in March 2024 and did not participate the "stretch" STI programme in FY2024.

4.3) LTI vesting outcomes (FY2022 LTI grants)

LTI performance

Following the assessment of relevant performance hurdles for the FY2022 LTI grants over the three years ended 30 June 2024, the Board approved a total of 40.81% vesting for Executive KMP in accordance with Plan Rules. The following outlines the assessment outcomes for the FY2022 grants.



FY22 LTI Performance Hurdles and Outcomes			
KPI	Weighting	Performance Outcomes	LTI Outcomes
Relative TSR (against the S&P/ASX Small Ordinaries index excluding materials, utilities, and REITs)	50%	81.62% achieved (66 th percentile) 50 th Percentile (50%) 75 th Percentile (100%)	40.81%
EPS	50%	0% achieved 3.291 3.872 4.453	0%
LTI performance outcome:			40.81%

LTI outcomes by Executive KMP

The following table provides a summary of the Company's performance and vesting outcomes for each of the Executive KMP.

Incumbent	Sam Budiselik		Lisa Stedman		James Miles		Jonty Gibbs	
Role	Chief Executive Officer & Managing Director		Chief Operating Officer		Chief Information Officer		Chief Financial Officer	
Tranche	31	32	31	32	31	32	31	32
Weighting	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
Vesting Condition	TSR	EPS	TSR	EPS	TSR	EPS	TSR	EPS
Number Eligible to Vest ¹	1,628,289	1,628,289	620,301	620,301	563,910	563,910	75,188	75,188
% of Tranche Vested	81.6%	0.0%	81.6%	0.0%	81.6%	0.0%	81.6%	0.0%
Number Vested	1,329,009	-	506,290	-	460,263	-	61,368	-
Grant Date Valuation ²	0.162	0.213	0.162	0.213	0.162	0.213	0.162	0.213
Value of LTI that Vest ³	\$215,432	-	\$82,070	-	\$74,609	-	\$9,948	-

¹ Number eligible to vest following FY2024 Completion.

² Grant Date Valuation is determined by the application of AASB 2 *Share-based payment* and the share price at the time of grant.

³ Value of LTI that vest as per Grant Date Valuation.

5) FY2024 non-executive Director ("NED") remuneration

On appointment to the Board, all NEDs enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including remuneration relevant to the office of the Director and does not include a notice period.

5.1) NED policy fees

The Company's NED fee policy is designed to support the attraction, retention and engagement of the high calibre of NED required for it to meet its strategic objectives and in accordance with the Boards skills matrix. The Board is responsible to ensure the NED fee arrangements are reasonable and appropriate producing outcomes that fall within the fee limit, at each point of being assessed.

The following outlines the elements of the NED fee policy applicable for FY2024:

	There has been no change to the NED or Board fees in FY2024 and the following outlines the Board fees applicable at the end of FY2024:				
	Role/Function	Base fee	ARC¹	Committee fee GRNC¹	BIC^{1,2}
	Chair	\$170,000	\$15,000	\$15,000	\$15,000
	Member	\$95,000	\$5,000	\$5,000	\$5,000
	¹ ARC = Audit & Risk Committee, GRNC = Governance, Remuneration & Nomination Committee, BIC = Board Investment Committee ² The BIC was disbanded on 1 April 2024 with responsibilities reverting to the full Board from that date.				
	All fees are inclusive of any applicable superannuation.				
Feel pool	NED fees are managed within the current Annual Fees Limit ("AFL" or "fee pool") of \$1,000,000 which was approved by shareholders on 25 October 2022. Actual fees (inclusive of superannuation) paid to NEDs for FY2024 was \$725,146 (FY2023: \$735,000).				
Other arrangements	<p>NEDs may be entitled to fees or other amounts, as the Board determines, where they perform duties outside the scope of the ordinary duties of a Director. They may also be reimbursed for out-of-pocket expenses incurred.</p> <p>NEDs do not participate in, or receive, any performance-based remuneration as part of their role and do not participate in any equity plans that operate within the Company, in order to support their independence and impartiality.</p> <p>NEDs are not eligible to receive termination payments under the terms of the appointments.</p>				

5.2) NED statutory remuneration for FY2024

The following table outlines the statutory and audited remuneration of NEDs:

Name	Year	Board Fees \$	Super \$	Total \$
Timothy Jugmans	FY2024	169,223	777	170,000
	FY2023	169,522	478	170,000
Lachlan Given	FY2024	94,899	101	95,000
	FY2023	95,000	-	95,000
Robert Hines	FY2024	113,739	12,511	126,250
	FY2023	117,647	12,353	130,000
Henry Shiner	FY2024	97,973	10,777	108,750
	FY2023	99,547	10,453	110,000
Mark Ashby ¹	FY2024	72,274	7,950	80,224
	FY2023	-	-	-
Andrew Spicer ²	FY2024	9,589	1,055	10,644
	FY2023	-	-	-
Susan Thomas ³	FY2024	24,775	2,725	27,500
	FY2023	99,547	10,453	110,000
Julie Elliott ⁴	FY2024	96,196	10,582	106,778
	FY2023	108,597	11,403	120,000
Total	FY2024	678,668	46,478	725,146
	FY2023	689,860	45,140	735,000

¹ Appointed 6 October 2023

² Appointed 22 May 2024

³ Resigned 30 September 2023

⁴ Resigned 22 May 2024

6) Statutory remuneration tables and supporting disclosures

6.1) Executive KMP statutory remuneration for FY2024

The following table outlines the statutory remuneration of Executive KMP:

Name	Year	Salary	Non-monetary benefits	Super	Other long-term benefits	Termination benefits	Cash STI	LTI	Total Remuneration Package (TRP)	Variable Remuneration as % of TRP
		\$	\$	\$	\$	\$	\$	\$	\$	
Sam Budiselik	FY2024	701,973	36,900	27,399	33,743	-	1,029,000	268,252	2,097,267	62%
	FY2023	613,908	27,975	25,292	21,189	-	605,000	362,221	1,655,585	58%
Peter Cumins	FY2024	454,654	10,560	27,399	8,943	-	-	-	501,556	0%
	FY2023	415,958	10,365	25,292	8,372	-	-	-	459,987	0%
Lisa Stedman	FY2024	462,039	28,714	27,399	1,521	-	327,375	116,948	963,996	46%
	FY2023	394,548	27,754	25,292	-	-	195,000	120,914	763,508	41%
James Miles	FY2024	403,865	29,542	27,399	8,154	-	291,000	105,861	865,821	46%
	FY2023	357,703	27,975	25,292	1,018	-	180,000	113,498	705,486	42%
Jonty Gibbs ¹	FY2024	338,797	22,581	27,399	962	-	240,075	59,393	689,207	43%
	FY2023	160,688	5,451	12,646	-	-	76,875	5,678	261,338	32%
Andrew Kamp ²	FY2024	271,235	10,083	25,176	-	-	218,250	41,794	566,538	46%
	FY2023	-	-	-	-	-	-	-	-	0%
Luis San Martin ³	FY2024	113,137	3,576	10,632	820	-	20,000	9,041	157,206	18%
	FY2023	-	-	-	-	-	-	-	-	0%
Total	FY2024	2,745,700	141,956	172,803	54,143	-	2,125,700	601,289	5,841,591	47%
	FY2023	1,942,805	99,520	113,814	30,579	-	1,056,875	602,311	3,845,904	43%

¹ Appointed Interim Chief Financial Officer from 1 January 2023 and appointed Chief Financial Officer from 1 April 2023

² Appointed 7 August 2023

³ Appointed 1 March 2024

Notes:

The cash STI values reported in the above table include the STIs awarded for the performance period, which will be paid in the financial year following the year to which they relate (i.e. the value shown for FY2024 is the value earned and accrued for in FY2024 and will be paid during FY2025).

The LTI value reported in the table above is the accounting charge of all grants, recognised over the vesting period. Where a market-based measure of performance is used as a vesting condition, such as comparison to a TSR index, no adjustments can be made to the profit or loss to reflect rights that lapse unexercised due to measurement conditions not having been met. However, in relation to non-market vesting conditions, such as EPS, adjustments have been made to the profit or loss to reverse amounts previously expensed for rights that have lapsed during the period due to not meeting measurement conditions.

Variances in the accounting charge reported arise where a lapse or performance rights occurs in one reporting period but not another. In addition each reporting period accounting charge considers the probability of future vesting of grants held by participants. Where the probability is below 100% in one period this results in a reduced accounting charge which may be subsequently required to be caught up in subsequent periods where the probability rises due to an improved performance outlook.

6.2) KMP equity interests and changes during FY2024

Movements in equity interests held by executive KMP during the reporting period, including their related parties, are set out below:

Name	Year	Opening Balance	Granted		Rights Lapsed / Forfeited	Rights Vested / Exercised	Ending Balance
		Number	Date Granted	Number	Number ³	Number ^{1 4}	Number
Sam Budiselik	FY2024	11,485,472	23-Nov-23	4,729,730	(1,153,339)	(3,460,017)	11,601,846
	FY2023	13,249,032	25-Oct-22	3,615,538	-	(5,379,098)	11,485,472
Lisa Stedman	FY2024	3,848,869	08-Nov-23	2,027,028	(263,620)	(790,862)	4,821,415
	FY2023	2,295,084	04-Oct-22	1,553,785	-	-	3,848,869
James Miles	FY2024	3,616,565	08-Nov-23	1,801,802	(263,620)	(790,862)	4,363,885
	FY2023	2,182,302	04-Oct-22	1,434,263	-	-	3,616,565
Jonty Gibbs ²	FY2024	522,009	08-Nov-23	1,486,486	-	-	2,008,495
	FY2023	522,009		-	-	-	522,009
Andrew Kamp ²	FY2024	-	08-Nov-23	1,351,352	-	-	1,351,352
	FY2023	-		-	-	-	-
Luis San Martin ²	FY2024	628,051		-	-	-	628,051
	FY2023	-		-	-	-	-
Total	FY2024	20,100,966		11,396,398	(1,680,579)	(5,041,741)	24,775,044
	FY2023	18,248,427		6,603,586	-	(5,379,098)	19,472,915

¹ A total of 5,379,098 performance rights granted to Mr Budiselik in FY2020 vested and were exercised on 6 September 2022.

² Opening balance at date of becoming KMP

³ A total of 1,680,579 performance rights issued in FY2021 did not vest and subsequently lapsed on 1 September 2023

⁴ A total of 5,041,741 performance rights issued in FY2021 vested and were exercised on 1 September 2023.

Terms and conditions of share-based payment arrangements affecting remuneration of KMP in the current or future financial years are set out below:

Tranche	Grant date	Grant date fair value ¹	Exercise price	Measurement date	Expiry date
		\$	\$		
Tranche 31	26-Oct-21	0.162	-	30-Jun-24	30-Sep-24
Tranche 32	26-Oct-21	0.213	-	30-Jun-24	30-Sep-24
Tranche 33	04-Oct-22	0.119	-	30-Jun-25	30-Sep-25
Tranche 34	04-Oct-22	0.170	-	30-Jun-25	30-Sep-25
Tranche 35	25-Oct-22	0.127	-	30-Jun-25	30-Sep-25
Tranche 36	25-Oct-22	0.180	-	30-Jun-25	30-Sep-25
Tranche 37	08-Nov-23	0.092	-	30-Jun-26	30-Sep-26
Tranche 38	08-Nov-23	0.162	-	30-Jun-26	30-Sep-26
Tranche 39	23-Nov-23	0.085	-	30-Jun-26	30-Sep-26
Tranche 40	23-Nov-23	0.155	-	30-Jun-26	30-Sep-26

¹ The grant date fair value is calculated as at the grant date using a Monte Carlo pricing model for tranches 31, 33, 35, 37 and 39 and tranches 32, 34, 36, 38 and 40 use a trinomial model.

There has been no alteration of the terms and conditions of the above share-based payment arrangements since the grant date.

Fully paid ordinary shares of Cash Converters International Limited

	Balance at 1 July 2023	Granted as remuneration	Rights exercised ¹	Other changes during the year	Balance at 30 June 2024	Nominally held 30 June 2024
	Number	Number	Number	Number	Number	Number
Directors						
Timothy Jugmans	-	-	-	-	-	-
Lachlan Given	-	-	-	-	-	-
Robert Hines	822,000	-	-	-	822,000	822,000
Henry Shiner	-	-	-	-	-	-
Mark Ashby	-	-	-	-	-	-
Andrew Spicer	-	-	-	-	-	-
Susan Thomas	613,985	-	-	(613,985)	-	-
Julie Elliot	61,379	-	-	(61,379)	-	-
Sam Budiselik	5,627,473	-	3,460,017	-	9,087,490	1,568,375
Peter Cumins	9,810,694	-	-	500,000	10,310,694	6,937,226
	16,935,531	-	3,460,017	(175,364)	20,220,184	9,327,601
Executive KMP						
Lisa Stedman	-	-	790,862	-	790,862	-
James Miles	-	-	790,862	(347,979)	442,883	-
Jonty Gibbs	10,000	-	-	-	10,000	-
Luis San Martin	-	-	-	-	-	-
Andrew Kamp	-	-	-	-	-	-
	10,000	-	1,581,724	(347,979)	1,243,745	-
Total	16,945,531	-	5,041,741	(523,343)	21,463,929	9,327,601

¹ A total of 5,041,741 of performance rights granted to KMP in FY 2021 vested and exercised on the 1 September 2023.

The following outlines the accounting values and potential future costs of equity remuneration granted during FY2024 for Executive KMP:

Name	Tranche ³	Number of rights	Grant Date	Value per right \$	Total Value at Grant \$	Value expensed in FY2024	Value to be expensed in future years
Sam Budiselik	39 (TSR)	2,364,865	23-Nov-23	0.085	201,014	46,551	154,463
Lisa Stedman	40 (EPS)	2,364,865	23-Nov-23	0.155	366,554	84,886	281,668
James Miles	37 (TSR)	1,013,514	08-Nov-23	0.092	93,243	22,707	70,536
James Miles	38 (EPS)	1,013,514	08-Nov-23	0.162	164,189	39,984	124,205
James Miles	37 (TSR)	900,901	08-Nov-23	0.092	82,883	20,184	62,699
James Miles	38 (EPS)	900,901	08-Nov-23	0.162	145,946	35,541	110,405
Jonty Gibbs	37 (TSR)	743,243	08-Nov-23	0.092	68,378	16,652	51,726
Jonty Gibbs	38 (EPS)	743,243	08-Nov-23	0.162	120,405	29,321	91,084
Andrew Kamp ¹	37 (TSR)	675,676	08-Nov-23	0.092	62,162	15,138	47,024
Andrew Kamp ¹	38 (EPS)	675,676	08-Nov-23	0.162	109,460	26,656	82,804
Luis San Martin ²	37 (TSR)	169,703	08-Nov-23	0.092	15,613	3,802	11,811
Luis San Martin ²	38 (EPS)	169,703	08-Nov-23	0.162	27,492	6,695	20,797
Total		11,735,804			1,457,339	348,117	1,109,222

¹ Appointed 7 August 2023

² A total of 339,406 rights were issued to Mr San Martin in FY2024 prior to his appointment as KMP.

³ TSR: vesting conditions based on Relative Total Shareholder Return, EPS: vesting conditions based on Normalised Earnings Per Share

The minimum value to be expensed in future years for each of the above grants made in FY2024 is nil. A reversal of previous expense resulting in a negative expense in the future may occur in the event of an executive KMP departure or failure to meet nonmarket-based conditions including failure for gate to open.

6.3) Other statutory disclosures

Loans to KMP and their related parties

During the financial year and to the date of this report, the Company made no loans to Directors and other KMP and none were outstanding as of 30 June 2024 (FY2023: nil).

Other transactions with KMP

During the financial year and to the date of this report, the Company made no other transactions with KMP.

This Directors' report is signed in accordance with a resolution of Directors made pursuant to s298(2) of the *Corporations Act 2001*.

On behalf of the Directors



Sam Budiselik
Chief Executive Officer & Managing Director

Perth, Western Australia
29 August 2024

The Board of Directors
Cash Converters International Limited
Level 11, 141 St Georges Terrace
Perth WA 6000

29 August 2024

Dear Directors

Auditor's Independence Declaration to Cash Converters International Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Cash Converters International Limited.

As lead audit partner for the audit of the financial statements of Cash Converters International Limited for the financial year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Peter Rupp
Partner
Chartered Accountants

Corporate governance statement

The statement outlining Cash Converters International Limited's corporate governance framework and practices in the form of a report against the Australian Securities Exchange Corporate Governance Principles and Recommendations, 4th Edition, is available on the website, <https://www.cashconverters.com/governance>, under Corporate Governance in accordance with ASX Listing Rule 4.10.3.

For personal use only

Cash Converters International Limited
ABN 39 069 141 546
Annual Financial Report - 30 June 2024

Financial statements

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These financial statements are consolidated financial statements for the group consisting of Cash Converters International Limited and its subsidiaries. A list of major subsidiaries is included in note 15.

The financial statements are presented in the Australian currency.

Cash Converters International Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Cash Converters International Limited
Level 11, 141 St Georges Terrace
Perth, Western Australia
6000

The financial statements were authorised for issue by the Directors on 29 August 2024. The Directors have the power to amend and reissue the financial statements.

All press releases, financial reports and other information are available at our Investor Centre on our website: <https://www.cashconverters.com/>

Consolidated statement of profit or loss and other comprehensive income

	Notes	30-Jun-24 \$'000	30-Jun-23 \$'000
Continuing operations			
Franchise fee revenue		16,185	16,289
Financial services interest revenue		201,833	184,847
Retail sales		155,252	96,707
Other revenues		9,293	4,854
Total revenue	3	382,563	302,697
Financial services cost of sales	4	(53,670)	(56,913)
Cost of goods sold		(90,845)	(55,894)
Other cost of sales		(5,163)	(3,002)
Total cost of sales		(149,678)	(115,809)
Gross profit		232,885	186,888
Employee expenses	4	(118,930)	(93,565)
Administrative expenses	4	(13,170)	(11,200)
Advertising expenses		(11,828)	(12,355)
Occupancy expenses	4	(6,175)	(3,094)
Depreciation and amortisation expense	4	(16,396)	(12,432)
Other expenses	4	(13,779)	(12,359)
Finance costs	4	(22,448)	(16,000)
Impairment of goodwill	5	(3,295)	(110,481)
Impairment non-current assets	5	-	(6,672)
Share of net profit of equity accounted investments		-	251
Profit / (loss) before income tax		26,864	(91,019)
Income tax expense	6	(9,467)	(6,136)
Profit / (loss) for the year		17,397	(97,155)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		(134)	1,591
Total comprehensive profit / (loss) for the year		17,263	(95,564)
Profit / (loss) per share			
Basic (cents per share)	22(a)	2.78	(15.54)
Diluted (cents per share)	22(a)	2.65	(15.54)

The accompanying notes form an integral part of the consolidated statement of profit or loss and other comprehensive income.

Consolidated statement of financial position

	Notes	30-Jun-24 \$'000	30-Jun-23 \$'000
Current assets			
Cash and cash equivalents	7.a	56,289	71,565
Trade and other receivables	7.b	4,652	3,570
Loan receivables	7.c	180,549	182,069
Inventories	8.a	33,036	26,493
Prepayments		3,948	2,544
Total current assets		278,474	286,241
Non-current assets			
Trade and other receivables	7.b	9,329	6,649
Loan receivables	7.c	58,163	42,660
Property, plant and equipment	8.b	10,722	6,582
Right-of-use assets	8.c	56,930	47,046
Deferred tax assets	8.f	31,299	29,669
Goodwill	5, 8.d	7,950	3,279
Other intangible assets	8.e	25,171	20,543
Total non-current assets		199,564	156,428
Total assets		478,038	442,669
Current liabilities			
Trade and other payables	7.d	27,249	18,984
Lease liabilities	8.c	8,541	7,276
Current tax payable		3,920	338
Borrowings	7.e	103,960	109,044
Provisions	8.g	11,987	11,780
Total current liabilities		155,657	147,422
Non-current liabilities			
Lease liabilities	8.c	62,448	56,466
Borrowings	7.e	40,125	27,947
Provisions	8.g	8,442	4,340
Total non-current liabilities		111,015	88,753
Total liabilities		266,672	236,175
Net assets		211,366	206,494
Equity			
Issued capital	9	250,541	249,860
Reserves		9,179	9,806
Retained loss		(48,354)	(53,172)
Total equity		211,366	206,494

The accompanying notes form an integral part of the consolidated statement of financial position.

Consolidated statement of changes in equity

	Notes	Issued capital \$'000	Foreign currency translation reserve \$'000	Share- based payment reserve \$'000	Retained (loss) / earnings \$'000	Total \$'000
Balance at 1 July 2022		249,663	5,938	2,495	57,256	315,352
Loss for the year		-	-	-	(97,155)	(97,155)
Exchange differences arising on translation of foreign operations		-	1,591	-	-	1,591
Total comprehensive loss for the year		-	1,591	-	(97,155)	(95,564)
Share-based payments		-	-	807	-	807
Treasury shares acquired by employee share trust	9	(1,353)	-	-	-	(1,353)
Treasury shares issued by employee share trust	9	1,550	-	(1,550)	-	-
Transfer reserve balance to retained earnings		-	-	723	(723)	-
Transfer of modified awards to provisions	8.g	-	-	(198)	-	(198)
Dividends paid	13.b	-	-	-	(12,550)	(12,550)
Balance at 30 June 2023		249,860	7,529	2,277	(53,172)	206,494
Balance at 1 July 2023		249,860	7,529	2,277	(53,172)	206,494
Profit for the year		-	-	-	17,397	17,397
Exchange differences arising on translation of foreign operations		-	(134)	-	-	(134)
Total comprehensive profit for the year		-	(134)	-	17,397	17,263
Share-based payments		-	-	831	-	831
Treasury shares acquired by employee share trust	9	(672)	-	-	-	(672)
Treasury shares issued by employee share trust	9	1,353	-	(1,353)	-	-
Transfer reserve balance to retained earnings		-	-	29	(29)	-
Dividends paid	13.b	-	-	-	(12,550)	(12,550)
Balance at 30 June 2024		250,541	7,395	1,784	(48,354)	211,366

The accompanying notes form an integral part of the consolidated statement of changes in equity.

Consolidated statement of cash flows

	Notes	30-Jun-24 \$'000	30-Jun-23 \$'000
Cash flows from operating activities			
Receipts from customers		286,738	201,412
Payments to suppliers and employees		(253,807)	(189,805)
Interest received		1,375	858
Interest received from personal loans		79,878	85,428
Net increase in personal loans advanced		(44,107)	(82,632)
Interest and costs of finance paid		(22,142)	(15,856)
Income tax paid		(9,482)	(10,941)
Net cash flows from / (used in) operating activities	10.a	38,453	(11,536)
Cash flows from investing activities			
Payment for business combinations, net of cash acquired	14.b	(24,345)	(13,798)
Acquisition of intangible assets		(1,874)	(1,505)
Purchase of plant and equipment		(4,586)	(2,971)
Instalment credit loans repaid by franchisees		30	325
Loan funding to external parties		(2,282)	(4,679)
Net cash flows used in investing activities		(33,057)	(22,628)
Cash flows from financing activities			
Proceeds from borrowings		202,250	222,750
Repayment of borrowings		(200,500)	(154,750)
Repayment of lease liabilities		(9,194)	(7,085)
Dividends paid	13.b	(12,550)	(12,550)
Employee share trust funding	9	(672)	(1,353)
Net cash flows (used in) / from financing activities		(20,666)	47,012
Net (decrease) / increase in cash and cash equivalents		(15,270)	12,848
Cash and cash equivalents at the beginning of the year		71,565	58,085
Effects of exchange rate changes on the balance of cash held in foreign currencies		(6)	632
Cash and cash equivalents at the end of the year	7.a	56,289	71,565

The accompanying notes form an integral part of the consolidated statement of cash flows.

Notes to the financial statements

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1. Basis of preparation

Cash Converters International Limited is a for-profit company limited by shares, incorporated and domiciled in Australia. Its shares are publicly traded on the Australian Securities Exchange.

The financial report of Cash Converters International Limited (the “Company”) for the year ended 30 June 2024 was authorised for issue in accordance with a resolution of Directors dated 29 August 2024. The financial report comprises the consolidated financial report of Cash Converters International Limited and its subsidiaries (the “Group”, as outlined in note 15).

The financial report complies with Australian Accounting Standards. Compliance with the Australian Accounting Standards ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The financial report is a general-purpose financial report which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared on a historical cost basis, except where noted. The financial report is presented in Australian dollars.

Certain classifications on the consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements have been reclassified. The Group believes that this will provide more relevant information to stakeholders. The comparative information has been reclassified accordingly.

The accounting policies adopted are consistent with those of previous financial years and the corresponding interim reporting period, except where changes are called out in these accounts.

The financial statements have been prepared on a going concern basis.

1.a) New and amended standards adopted by the Group

The Group has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (“AASB”) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2023. The application of these amendments has not resulted in any significant changes to the Group’s accounting policies nor any material effect on the measurement or disclosure of the amounts reported for the current or prior periods.

New and amended Accounting Standards that are effective for the current period and are relevant to the Group include:

Pronouncement	Impact
AASB 2021-2 Amendments to Australian Accounting Standards Disclosure of Accounting Policies and Definition of Accounting Estimates	Requires the disclosure of material accounting policy information and clarifies how entities should distinguish changes in accounting policies and changes in accounting estimates. The application of the amendments did not have a material impact on the Group’s consolidated financial statements but has changed the disclosure of accounting policy information in the financial statements.

New and revised Australian Accounting Standards and Interpretations on issue but not yet effective

At the date of authorisation of the financial statements, the Group has not applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective:

Standard / amendment	Effective for annual reporting periods beginning on or after
<i>AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (as amended)</i>	1 July 2025
<i>AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current</i>	1 July 2024
<i>AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants</i>	1 July 2024
<i>AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback</i>	1 July 2024
<i>AASB 2023-1 Amendments to Australian Accounting Standards – Supplier Finance Arrangements</i>	1 July 2024
<i>AASB 2023-5 Amendments to Australian Accounting Standards – Lack of Exchangeability</i>	1 July 2025
<i>AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments</i>	1 July 2026
<i>AASB 18 Presentation and Disclosure in Financial Statements</i>	1 July 2027

1.b) Rounding of amounts

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

2. Segment information

2.a) Description of segments and principal activities

The Group's operating segments are organised and managed separately according to the nature of their operations. Each segment represents a strategic business unit that provides different services to different categories of customer. The Chief Executive Officer and Managing Director (chief operating decision-maker) monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and performance assessment. The Group's reportable segments under AASB 8 *Operating Segments* are therefore as follows:

Australia

Personal Finance

This segment comprises the Cash Converters Personal Finance personal loans business.

Vehicle Finance

This segment comprises Green Light Auto Group Pty Ltd, which provides motor vehicle finance.

Store Operations

This segment involves the retail sale of new and second-hand goods and personal lending including cash advance and pawnbroking operations at corporate-owned stores in Australia.

Head Office & Eliminations

This segment comprises the sale of franchise licenses within Australia. It also involves the sale of master licenses for the development of franchises in countries around the world. Included within this segment are certain group consolidation eliminations, central administration costs, Director remuneration, interest income and expenses in relation to corporate head office operations.

International

New Zealand

This segment comprises the operations of the New Zealand Cash Converters network, including the retail sale of new and second-hand goods, and personal lending including personal loan and pawnbroking operations at corporate-owned stores in New Zealand as well as the collection of franchise income from the New Zealand franchisee network.

United Kingdom

This segment comprises all operations within the United Kingdom, including the acquisition of the Cash Converters (UK) Stores Pty Ltd network in July 2023 and Themedawn Limited in June 2024. The operations in the United Kingdom include the retail sale of new and second-hand goods at corporate-owned stores, pawnbroking operations as well as the collection of franchise income from the United Kingdom franchisee network.

The accounting policies of the reportable segments are the same as the Group's accounting policies except where otherwise stated in the notes to the accounts.

The following is an analysis of the Group's revenue and results by reportable operating segment for the periods under review.

Segment profit represents the profit earned by each segment without the allocation of central administration costs and Directors' salaries, interest income and expense in relation to corporate facilities and tax expense. This is the measure reported to the Chief Executive Officer and Managing Director (chief operating decision-maker) for the purpose of resource allocation and assessment of segment performance.

	Personal Finance \$'000	Vehicle Financing \$'000	Store Operations \$'000	New Zealand \$'000	UK \$'000	Head office & Eliminations \$'000	Total \$'000
Year ended 30 June 2024							
Interest from external customers ¹	118,092	18,556	36,121	11,943	17,374	1,121	203,207
Other revenue	-	-	102,042	13,157	57,475	6,682	179,356
Transactions with other segments	(11,309)	-	11,921	-	-	(612)	-
Segment revenue	106,783	18,556	150,084	25,100	74,849	7,191	382,563
EBITDA ² – operating	44,658	8,183	24,255	2,066	12,805	(22,813)	69,154
Impairment of non-current assets	-	-	909	(4,204)	-	-	(3,295)
Other non-operating costs ³	1,150	(74)	(20)	-	(1,062)	(145)	(151)
EBITDA ²	45,808	8,109	25,144	(2,138)	11,743	(22,958)	65,708
Depreciation and amortisation	(1,034)	(487)	(8,025)	(1,556)	(4,064)	(1,230)	(16,396)
EBIT	44,774	7,622	17,119	(3,694)	7,679	(24,188)	49,312
Interest expense	(12,821)	(3,753)	(4,211)	(1,509)	(2,249)	2,095	(22,448)
Profit / (loss) before tax	31,953	3,869	12,908	(5,203)	5,430	(22,093)	26,864
Income tax expense							(9,467)
Profit for the period							17,397

	Personal Finance \$'000	Vehicle Financing \$'000	Store Operations \$'000	New Zealand \$'000	UK \$'000	Head office & Eliminations \$'000	Total \$'000
Year ended 30 June 2023							
Interest from external customers ¹	126,224	15,048	37,111	6,315	253	754	185,705
Other revenue	-	-	91,569	7,495	11,151	6,777	116,992
Transactions with other segments	(12,192)	-	13,365	-	-	(1,173)	-
Segment revenue	114,032	15,048	142,045	13,810	11,404	6,358	302,697
EBITDA ² – operating	50,564	6,078	20,575	(833)	3,339	(22,487)	57,236
Impairment of non-current assets	(90,561)	-	(26,592)	-	-	-	(117,153)
Other non-operating costs ³	-	-	920	-	(2,598)	(992)	(2,670)
EBITDA ²	(39,997)	6,078	(5,097)	(833)	741	(23,479)	(62,587)
Depreciation and amortisation	(1,340)	(647)	(7,701)	(770)	(260)	(1,714)	(12,432)
EBIT	(41,337)	5,431	(12,798)	(1,603)	481	(25,193)	(75,019)
Interest expense	(8,265)	(2,667)	(4,248)	(711)	(18)	(91)	(16,000)
Profit / (loss) before tax	(49,602)	2,764	(17,046)	(2,314)	463	(25,284)	(91,019)
Income tax expense							(6,136)
Loss for the period							(97,155)

- 1 Interest revenue comprises personal loan interest, cash advance fee income, pawnbroking interest from customers, commercial loan interest from third parties and interest received on bank deposits
- 2 EBITDA is earnings before interest, tax, depreciation and amortisation
- 3 Other non-operating costs comprised of impairment charges, indirect tax recovery and merger and acquisition costs

2.b) Other segment information

	Personal Finance	Vehicle Financing	Store Operations	New Zealand	UK	Head office & Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 30 June 2024							
Segment assets	172,749	60,411	91,537	39,948	62,610	50,783	478,038
Segment liabilities	112,145	35,396	64,892	8,201	26,182	19,856	266,672
Additions to non-current assets	4,868	5	7,793	-	23,785	-	36,451

	Personal Finance	Vehicle Financing	Store Operations	New Zealand	UK	Head office & Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 30 June 2023							
Segment assets	182,247	53,745	91,186	27,204	15,997	72,290	442,669
Segment liabilities	114,878	29,726	63,482	7,528	4,835	15,726	236,175
Profit on interest in associate	-	-	-	251	-	-	251
Additions to non-current assets	104	-	4,202	16,424	100	1,574	22,404

2.c) Geographic information

The Group operates in three principal geographical areas – Australia (country of domicile), New Zealand and the United Kingdom. The Group's revenue from continuing operations from external customers and information about its non-current assets by geographical location are detailed below.

	Revenue from external customers		Non-current assets	
	30-Jun 2024 \$'000	30-Jun 2023 \$'000	30-Jun 2024 \$'000	30-Jun 2023 \$'000
Australia	282,004	276,906	179,352	132,887
New Zealand	25,100	13,810	1,140	9,526
United Kingdom	74,849	11,404	19,072	14,015
Rest of world	610	577	-	-
Total	382,563	302,697	199,564	156,428

3. Revenue

	30-Jun 2024 \$'000	30-Jun 2023 \$'000
Franchise fee revenue	16,185	16,289
Financial services interest revenue		
Personal loan interest and establishment fees	124,945	128,865
Pawnbroking and buyback fees	54,643	34,818
Cash advance fee income	2,738	5,863
Vehicle loan interest and establishment fees	18,556	15,048
Other financial services revenue	951	253
	<u>201,833</u>	<u>184,847</u>
Retail sales	155,252	96,707
Other revenues		
Bank interest	1,375	858
Webshop revenue	4,046	3,112
Other revenue	3,872	884
	<u>9,293</u>	<u>4,854</u>
Total revenue	<u><u>382,563</u></u>	<u><u>302,697</u></u>

Franchise fees

Franchise fees and levies in respect of particular services are recognised as income when they become due and receivable and the costs in relation to the income are recognised as expenses when incurred.

Personal loan, cash advance, vehicle finance loan, pawnbroking and buyback fees

Interest revenue is accrued on a time basis by reference to the principal outstanding (inclusive of commissions paid to originate the loan) at the effective interest rate applicable. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Loan establishment fee revenue

Establishment fees are deferred and recognised over the life of the loans at the effective interest rate applicable so as to recognise revenue at a constant rate to the underlying principal over the expected life of the loan.

Retail sales

The retail sale of new and second-hand goods, in store and online are recognised when the Group has transferred control of the goods to the buyer or when the services are provided.

Other categories of revenue

Other categories of revenue, such as webshop commissions, are recognised when the Group has transferred control of the goods to the buyer or when the services are provided. Bank interest is recognised as earned on an accruals basis.

4. Expense items

	30-Jun 2024 \$'000	30-Jun 2023 \$'000
Financial services cost of sales		
Bad debts written off	57,694	55,483
Recovery of bad debts written off	(8,869)	(6,171)
Net bad debt expense	<u>48,825</u>	<u>49,312</u>
Movement in expected credit loss allowance	1,931	5,071
Total loan related bad debts and allowances	<u>50,756</u>	<u>54,383</u>
Other financial services cost of sales	2,914	2,530
	<u><u>53,670</u></u>	<u><u>56,913</u></u>
Employee expenses		
Employee benefits	110,031	85,712
Share-based payments	831	807
Superannuation expense	8,068	7,046
	<u>118,930</u>	<u>93,565</u>
Administrative expenses		
General administrative expenses	4,909	4,362
Communications expenses	1,579	1,303
IT expenses	5,417	4,372
Travel costs	1,265	1,163
	<u>13,170</u>	<u>11,200</u>
Occupancy expenses		
Rent	651	298
Outgoings	3,566	2,247
Lease modifications	(1,447)	(1,780)
Other - cleaning, repairs, security, electricity	3,405	2,329
	<u>6,175</u>	<u>3,094</u>

	30-Jun 2024 \$'000	30-Jun 2023 \$'000
Depreciation and amortisation expense		
Depreciation of property, plant and equipment	2,609	1,758
Depreciation of right-of-use assets	9,965	7,109
Amortisation of other intangible assets	3,692	3,549
Loss on write down of assets	130	16
	<u>16,396</u>	<u>12,432</u>
Other expenses		
Legal fees	1,104	306
Professional and registry costs	5,920	3,409
Auditing and accounting services	1,525	1,322
Bank charges	1,472	1,247
Other expenses from ordinary activities	3,891	3,405
	<u>13,912</u>	<u>9,689</u>
Indirect tax recovery (net)	(1,150)	(920)
Merger and acquisition ("M&A") costs	1,017	3,590
	<u>13,779</u>	<u>12,359</u>
Finance costs		
Interest	16,687	10,755
Interest expense on lease liabilities	5,761	5,245
	<u>22,448</u>	<u>16,000</u>

5. Impairment of non-current assets

The Group conducts regular impairment tests on its non-current assets, including property, plant and equipment, goodwill, intangibles and right-of-use assets.

1. Annual Testing: Indefinite life intangibles and goodwill are tested at least annually.
2. Indication of Impairment: If there is any indication that an asset may be impaired, it is assessed at each reporting date.
3. Changes in previously recognised impairment: If there is an indication that previously recognised impairment (excluding goodwill) may have changed, it is assessed at each reporting date, for a potential reversal.

5.a) Impairment recognised

Impairment losses recognised FY2024 - goodwill

Operating segments were tested for impairment at 30 June 2024 using cashflow forecasts reflective of the assumptions disclosed below (section Key Assumptions).

As a result of this testing, a goodwill impairment of \$3.295m (FY2023: nil) was identified in the New Zealand operating segment. There were no impairments to goodwill identified in any of the other operating segments as part of the testing. In FY2023, the Personal Finance and Store Operations reportable segment CGUs were impaired to their recoverable amount of \$67.745 million and \$25.061 million respectively and a goodwill impairment expense of \$90.561 million and \$19.920 million were recognised for the Personal Finance and Store Operations segments respectively.

A Goodwill impairment is not able to be reversed in future accounting periods. No amount of goodwill recognised or impaired is expected to be deductible for tax purposes.

The impairment recognised during the period results in the following changes in goodwill:

	Personal Finance \$'000	Store Operations \$'000	New Zealand \$'000	UK \$'000	Total \$'000
30-June-2024					
Balance at the beginning of the year	-	-	3,279	-	3,279
Recognition on business combinations	-	549	-	7,397	7,946
Impairment of goodwill	-	-	(3,295)	-	(3,295)
Foreign currency exchange differences	-	-	16	4	20
Balance at the end of the year	-	549	-	7,401	7,950

	Personal Finance \$'000	Store Operations \$'000	New Zealand \$'000	UK \$'000	Total \$'000
30-June-2023					
Balance at the beginning of the year	90,561	19,920	-	-	110,481
Recognition on business combinations	-	-	3,315	-	3,315
Impairment of goodwill	(90,561)	(19,920)	-	-	(110,481)
Foreign currency exchange differences	-	-	(36)	-	(36)
Balance at the end of the year	-	-	3,279	-	3,279

Refer to note 8.d for further information supporting the changes in the goodwill balances.

Impairment losses recognised FY2024 – other non-current assets

Individual stores that had impairment triggers within Australia, New Zealand and the UK were tested for impairment of other non-current assets at 30 June 2024 using cashflow forecasts reflective of the assumptions disclosed below (section Key Assumptions).

As a result of this testing the following impairment or impairment reversals were identified:

- impairment expense of \$0.909m (FY2023: nil) across several of the individual store CGUs in the New Zealand operating segment.
- impairment reversal of \$0.909m (FY2023: \$6.672m impairment expense) across several of the individual store CGUs in the Store Operations operating segment.

As a result of this impairment, an impairment loss of other non-current assets has been recognised in the financial year as outlined below.

	Store Operations		New Zealand		Total	
	30-Jun	30-Jun	30-Jun	30-Jun	30-Jun	30-Jun
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Impairment of non-current assets						
Plant and equipment	83	608	159	-	242	608
Right-of-use assets	(1,060)	5,610	750	-	(310)	5,610
Other intangible assets	68	454	-	-	68	454
	(909)	6,672	909	-	-	6,672

5.b) Australia

The Group is required to perform an annual impairment test on operating segments, which contain goodwill and indefinite life intangible assets, some of which arose through the acquisition of several Australian franchise stores during FY2024, as well as an impairment test on individual store CGUs, where external and/or internal indicators of impairment exist.

In the year ending 30 June 2024, the Group identified the following indicators of impairment or impairment reversal:

Segment CGUs:

- Market Capitalisation versus Net Assets: The Group's market capitalisation remained lower than its net assets.
- Vehicle Finance (GLA) segment: The Group has plans to restructure/wind-down the vehicle financing operation in FY2025 and beyond, which has been considered as an indicator for impairment in that CGU.

Individual store CGUs:

- Impairment indicators: recent history of trading behind budget, presenting as loss making and/or with a noticeable decline in their forecasts.
- Impairment reversal indicators: store with prior impairment that has a recent history of trading ahead of budget and is presenting with significantly improved forecasts.

As identified above, indicators of impairment are considered to exist in both the segments and the individual store CGUs for the year ended 30 June 2024. Determination of the recoverable amount has been performed at both the individual store CGU level and segment CGUs, using a value in use model, consistent with 30 June 2023.

The Vehicle Finance segment was tested for impairment and its recoverable amount based on discounted forecast cashflows was found to support the carrying value of the assets in the CGU. Hence no impairment was recognised.

A net impairment reversal of \$0.909 million (FY2023: \$117.153 million impairment expense) of other non-current assets has been identified through this testing, as outlined below:

	30-Jun 2024 \$'000	30-Jun 2023 \$'000
Impairment of non-current assets		
Plant and equipment	83	608
Right-of-use assets	(1,060)	5,610
Other intangible assets	68	454
Goodwill	-	110,481
	<u>(909)</u>	<u>117,153</u>

Store Operations and Personal Finance segment CGUs

As reported in the FY2023 annual report the Group operates in a regulated industry.

On 3 March 2016, the Small Amount Credit Contracts Review Final Report (“the Final Report”) was delivered by the Review Panel to the Minister for Small Business and Assistant Treasurer. The Final Report outlined proposed regulatory requirements relating to the Protected Earnings Amount (“PEA”) cap that had the potential to significantly impact SACC lending volumes, namely the Group’s Personal Loan and Cash Advance products. One of the recommendations was to extend the SACC PEA cap requirement to all consumers and lowering it to 10% of the consumer’s net income.

Since 30 June 2022, the Financial Sector Reform Act 2022 (“the Act”) was introduced to the House of Representatives. The Act stated, “It is expected that the regulations will provide a protected earnings amount of 10 percent of a person’s net (after tax and other deductions) income for all consumers”. In effect, the regulations stipulated by the Act will cap repayments on certain loan products to 10% of a consumer’s net income and apply to all consumers (previously the PEA cap only applied to Centrelink recipients).

The Act was passed by the Senate and ultimately received royal assent on 12 December 2022. The sections of the legislation that introduce the amendments to the PEA cap had an effective date 6 months post royal assent, being 12 June 2023.

Regulatory impact

As reported in the FY2023 annual report modelling was performed on the SACC lending volumes in FY2022 as if the PEA cap had applied. The reduction to SACC lending volumes was estimated to be a 44.3% reduction in the Personal Finance and a 68.7% reduction in the Store Operations segments. This estimated reduction in lending volumes was effective from the date of the PEA cap, being 12 June 2023.

SACC loan volume reductions were expected to have the following impact:

- decrease in financial services interest revenue in the Personal Finance segment and Store Operations segment;
- decrease in commissions paid from the Personal Finance segment (to Corporate stores and franchise stores);
- decrease in intercompany commission revenue earned by Corporate stores; and
- decrease in commission revenue earned by franchisees.

5.c) New Zealand

The Group is required to perform an annual impairment test on goodwill and indefinite life intangible assets, as well as an impairment test on the NZ segment and individual store CGUs, where external and/or internal indicators of impairment exist.

In the year ending 30 June 2024, the Group identified the following indicators of impairment:

Segment CGUs:

- Market Capitalisation versus Net Assets: The Group's market capitalisation remained lower than its net assets.
- Regulatory Changes and underperformance: The New Zealand Credit Contracts and Consumer Finance Act (NZ CCCF Act) introduced regulatory changes in December 2021, resulting in reduced lending volumes for CCNZ. Despite partial repeal of the NZ CCCF Act changes in May 2023, lending volumes have not returned to levels forecast.
- Changes to establishment fees: following feedback from the NZ Commerce Commission, the Group performed a comprehensive review of the establishment fee being charged on its NZ Better Personal loan product. The outcome of this review was a reduction in the establishment fee being charged on its loans. This change was formalised and implemented from 16 April 2024.

Individual store CGUs:

- Impairment indicator: recent history of trading behind budget, presenting as loss making and/or with a noticeable decline in their forecasts.

As identified above, indicators of impairment are considered to exist in both the NZ operating segment CGU and the individual store CGUs in the year ending 30 June 2024. Determination of the recoverable amount has been performed at both the segment CGU level and individual store CGU level, using a value in use model, consistent with 30 June 2023.

The New Zealand segment CGU as well as a number of individual store CGUs were impaired to their recoverable amount at 30 June 2024 and an impairment expense of \$4.204 million (FY2023: nil) was recognised. The assets were impaired to their recoverable amount based on the value in use of the CGU to which they relate.

The impairment at individual store level, which is not an impairment of goodwill, may reverse in future accounting periods if the recoverable amount increases above the carrying value of the asset. The increased amount cannot exceed the carrying value that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years.

The impairment losses of \$4.204 million (FY2023: nil) of goodwill or other non-current assets identified through this testing, is outlined below:

	30-Jun 2024 \$'000	30-Jun 2023 \$'000
Impairment of non-current assets		
Plant and equipment	159	-
Right-of-use assets	750	-
Other intangible assets	-	-
Goodwill	3,295	-
	<u>4,204</u>	<u>-</u>

5.d) United Kingdom

The Group is required to perform an annual impairment test on goodwill and indefinite life intangible assets, which arose through the acquisition of Cash Converters (UK) Stores Pty Ltd (formerly Capital Cash Limited ("Capital Cash")) and Themedawn Ltd during FY2024, as well as an impairment test on the UK segment and individual store CGUs, where external and/or internal indicators of impairment exist.

In the year ending 30 June 2024, the Group identified the following indicators of impairment:

Segment CGUs:

- Market Capitalisation versus Net Assets: The Group's market capitalisation remained lower than its net assets.

Individual store CGUs:

- Impairment indicator: recent history of certain stores trading behind budget, presenting as loss making and/or with a noticeable decline in their forecasts

As identified above, indicators of impairment are considered to exist in both the UK operating segment CGU and the individual store CGUs in the year ending 30 June 2024. Determination of the recoverable amount has been performed at both the individual store CGU level and segment CGUs, using a value in use model, consistent with the models used at 30 June 2023 for other jurisdictions.

No impairment loss of goodwill or other non-current assets has been identified through this testing (FY2023: nil).

5.e) Key Assumptions

The key assumptions used in the impairment testing in the year ending 30 June 2024 are included in the table below for the segments which either currently contain goodwill and/or contain individual store CGUs where impairment indicators have been identified.

Assumption	Store Operations	New Zealand	UK
Forecast revenue 5-year compound annual growth rate	5.0%	6.9%	5.5%
Forecast expense 5-year compound annual growth rate	3.5%	4.2%	5.2%
Terminal growth rate > 5 years	2.5%	2.5%	2.5%
Post-tax discount rate applied to cash flows	10.2%	11.4%	10.2%

The key assumptions for budgeted revenue and expense growth rates in the prior period impairment tests are included below for comparison. No comparatives are available for the UK as the acquisition of the store network only occurred during FY2024.

Assumption	Store Operations	New Zealand	UK
Forecast revenue 5-year compound annual growth rate	3.2%	7.4%	
Forecast expense 5-year compound annual growth rate	2.2%	1.7%	
Terminal growth rate > 5 years	2.5%	2.5%	
Post-tax discount rate applied to cash flows	10.4%	11.5%	

5.f) Impairment sensitivity

The Group is required to make significant estimates and apply significant judgments in determining whether the carrying amount of assets and/or CGUs have any indication of impairment. Such estimates and judgments are subject to change as a result of changing economic and operational conditions. Actual cash flows may therefore differ from forecasts and could result in changes in the recognition of impairment charges in future periods.

5.g) Significant accounting estimates and assumptions

The Group faces the challenge of making significant estimates and applying significant judgments in determining whether the carrying amount of assets and / or CGUs indicates any impairment. Key assumptions in the cash flow projections include growth rates which are based on corporate plans that take into consideration historic performance, forecast macroeconomic conditions and the estimated effect of operational changes. These estimates and judgments are subject to change due to shifting economic and operational conditions. Actual cash flows may differ from forecasts, potentially leading to changes in the recognition of impairment charges in future periods.

Significant management judgement is required with respect to estimating the timing and amount of forecast cash flows including:

- projecting loan origination volumes, customer repayments and the forecast expected credit losses;
- specific to the vehicle financing segment, consideration of the impact of the Group's decision to wind-down the loan book in FY2025 and beyond;
- specific to the CCNZ segment, consideration of the impact of regulatory changes embodied in the NZ CCCF Act in December 2021 and the impact of changes made to the establishment fee charged on the loan product;
- allocation of overheads on a reasonable apportionment basis; and
- forecast working capital requirements.

Significant management judgement is required with respect to an appropriate discount rate to present value the forecast cash flows in which the purpose is to estimate, as far as possible:

- a market assessment of expectations about possible variations in the amount or timing of those cash flows;
- the time value of money, represented by the current market risk-free rate of interest;
- the price for bearing the uncertainty inherent in the asset; and
- other, sometimes unidentifiable, factors (such as illiquidity) that market participants would reflect.

5.h) Impairment testing

Segment CGUs - Goodwill

Impairment modelling for each CGU or group of CGUs has been prepared separately based on a value in use model which uses cash flow projections based on budgets approved by the Board and updated by management to reflect current business performance, covering a five-year period. Cash flows beyond the five-year period are estimated using industry growth rates and a terminal value calculated based on a terminal growth rate under standard valuation principles.

Key assumptions are based on a combination of past experience for mature products and external sources (market data) for less mature products and economic metrics such as interest rates.

Working capital requirements are factored into the modelling based on historic requirements for each CGU and vary in line with earnings growth. Capital investment, required to run the business (i.e., replacement and non-expansory capital expenditure) has been included based on forecasted amounts for the next financial year and incremental growth in subsequent years consistent with revenue trends.

Individual store CGUs

A test for impairment of the carrying value of assets can be triggered by a change in several indicators, both internal and external. During the reporting period, there were indicators of impairment or impairment reversal in some stores due to changes to the forecasts, due to recent history of trading behind or ahead of budget. Where indicators of impairment or impairment reversal exist, it remains a requirement to perform an impairment test of the carrying amount of the individual store CGUs. Goodwill is not allocated to the individual store CGUs as it is monitored by management at the respective operating segment levels.

An impairment loss is recognised for the amount by which the individual store CGU's carrying amount exceeds its recoverable amount. Recoverable amounts for individual store CGUs are calculated based on a value in use model which uses cash flow projections based on budgets approved by the Board and updated by management to reflect current business performance, covering a five-year period. Cash-flows beyond the five-year period are calculated based on a terminal growth rate under standard valuation principles.

Key assumptions are based on a combination of past experience for mature products and external sources (market data) for less mature products and economic metrics such as interest rates.

Working capital requirements are factored into the modelling based on historic requirements for each CGU and vary in line with earnings growth. Capital investment, required to run the business (i.e., replacement and non-expansory capital expenditure) has been included based on forecast amounts for the next financial year and incremental growth in subsequent years consistent with revenue trends.

Each individual store CGU carrying amount primarily comprises right-of-use assets, store fixtures and fittings as well as other intangibles. Corporate assets such as software are allocated to the individual stores on a proportionate basis and also tested for impairment.

6. Income tax**6.a) Income tax expense**

	30-Jun 2024 \$'000	30-Jun 2023 \$'000
Current income tax expense		
Current year	11,908	8,677
Adjustment for prior years	(96)	688
Deferred income tax expense		
Temporary differences	(2,745)	(2,798)
Adjustment for prior years	400	(431)
Income tax expense reported in income statement	<u>9,467</u>	<u>6,136</u>

6.b) Numerical reconciliation of income tax expense to prima facie tax payable

	30-Jun 2024 \$'000	30-Jun 2023 \$'000
Tax reconciliation		
Profit / (loss) before tax from continuing operations	26,864	(91,019)
Income tax at the statutory rate of 30% (2023: 30%)	8,059	(27,306)
Adjustments relating to prior years	304	257
Income tax rate differential	(167)	29
Other adjustments	348	53
Tax effect of share-based payment expense	-	(41)
Tax effect of goodwill impairment expense	923	33,144
Income tax expense on profit / (loss) before tax	<u>9,467</u>	<u>6,136</u>

6.c) Tax losses

A deferred tax asset in respect of carry forward losses of \$7.684 million (FY2023: \$8.607 million) is recognised in relation to the Group's UK operations. Profit has been achieved in the last three years with the FY2024 year reflecting utilisation of the carry forward losses because of taxable profits arising. Ongoing taxable profit forecasts have supported continued recognition in full of the deferred tax asset ("DTA") that arises from unused tax losses from previous years.

Carry forward losses of \$628 thousand (FY2023: \$899 thousand) have been recognised in relation to losses in the Group's New Zealand operations during the current year.

6.d) Uncertainty over income tax treatments

There were no adjustments to the amounts recognised in the financial report as a result of applying IFRIC 23 *Uncertainty over Income Tax Treatments*.

6.e) Relevance of tax consolidation to the Group

The Company and its wholly-owned Australian resident entities have formed a tax-consolidated group with effect from 1 July 2003 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Cash Converters International Limited. The members of the tax-consolidated group are identified in note 15.

6.f) Nature of tax funding arrangements and tax sharing agreements

Entities within the tax-consolidated group have entered into a tax funding arrangement and a tax sharing agreement with the head entity. Under the terms of the tax funding arrangement, Cash Converters International Limited and each of the entities in the tax-consolidated group has agreed to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity. Such amounts are reflected in amounts receivable from or payable to other entities in the tax-consolidated group.

The tax sharing agreement entered into between members of the tax-consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligation. No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

See note 8.f for deferred tax balances.

7. Financial assets and financial liabilities

	30-Jun 2024 \$'000	30-Jun 2023 \$'000
Financial assets		
Cash and cash equivalents	56,289	71,565
Trade and other receivables	13,981	10,219
Loan receivables	238,712	224,729
	<u>308,982</u>	<u>306,513</u>
Financial liabilities		
Trade and other payables	27,249	18,984
Borrowings	144,085	136,991
	<u>171,334</u>	<u>155,975</u>

7.a) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

	30-Jun 2024 \$'000	30-Jun 2023 \$'000
Cash on hand	3,804	3,153
Cash at bank	52,485	68,412
Closing cash and cash equivalents	<u>56,289</u>	<u>71,565</u>
Unrestricted cash	43,450	55,668
Restricted cash	12,839	15,897
Closing cash and cash equivalents	<u>56,289</u>	<u>71,565</u>

Restricted cash at bank includes cash of \$5.142 million (FY2023: \$6.081 million) that is held in accounts controlled by the CCPF Receivables Trust No 1 that was established to operate the Company's securitisation facility with Fortress Investment Group. The facility prescribes that cash deposited in this account can only be used to fund new principal advances. Surplus funds at the end of the period are redistributed in keeping with the terms of the securitisation facility. Restricted cash at bank includes a further \$6.220 million (FY2023: \$6.220 million) on deposit as security for banking facilities.

7.b) Trade and other receivables

Trade receivables and other receivables that have fixed or determinable payments and that are not quoted in an active market are classified as trade and other receivables and are measured at amortised costs using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

The group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

	30-Jun 2024 \$'000	30-Jun 2023 \$'000
Current		
Trade receivables	1,150	1,245
Allowance for expected credit losses	(328)	(485)
Trade receivables (net)	<u>822</u>	<u>760</u>
Other receivables	<u>3,830</u>	<u>2,810</u>
Total current trade receivables	<u><u>4,652</u></u>	<u><u>3,570</u></u>
Non-current		
Loan to external parties	8,163	5,077
Allowance for expected credit losses	(735)	(254)
Loan to external parties (net)	<u>7,428</u>	<u>4,823</u>
Other receivables	<u>1,901</u>	<u>1,826</u>
Total non-current trade and other receivables	<u><u>9,329</u></u>	<u><u>6,649</u></u>

Trade receivables include weekly franchise fees and over the counter fees. Regardless of whether the collection of the debtor is doubtful, an allowance for expected credit losses is recognised. The average credit period on sales is 30 days. No interest is charged for the first 30 days from the date of the invoice. Thereafter, interest may be charged on the outstanding balance.

Loan to external parties relates to a commercial loan advanced to Cash Converters Espana, S.L (Spain master franchisor). Cash Converters Espana, S.L is neither a part of the consolidated Group nor is it a related party. An initial loan of \$4.679 million was advanced in April 2023, with an additional \$1.787 million and \$0.495 million being advanced in December 2023 and April 2024 respectively. The Group is in the process of extending the initial advance repayment date of 30 September 2024 to align with the repayment date of the additional advances of 30 September 2025. Interest is charged monthly and is to be paid in a lump sum at the maturity date.

This transaction is consistent with our ongoing commitment to support our franchise network in achieving their strategic objectives. Under AASB 9 Financial Instruments, the Company has reassessed the expected credit loss associated with this loan. Given the increase in the principal amount and the extended repayment period, the expected credit loss allowance has been adjusted. The Company continues to monitor the recoverability of and the performance of the loan and will change the expected credit loss as necessary in future reporting periods.

An allowance for expected credit losses of \$0.735 million (2023: \$0.254 million) has been recognised in relation to this loan.

Other receivables include rental bonds, development agent fees outstanding, sub-master license sales, Mon-E fees, financial commission, vendor finance loans and instalment credit loans.

As at 30 June the ageing analysis of trade receivables was as follows:

	30-Jun 2024 \$'000	30-Jun 2023 \$'000
0 to 30 days	634	613
31 to 60 days past due not impaired	71	48
61 to 90 days past due not impaired	22	7
90+ days past due not impaired	95	92
Stage 3 expected credit loss	328	485
Balance at end of year	<u>1,150</u>	<u>1,245</u>

Allowance for expected credit losses

As at 30 June 2024, trade receivables of \$0.328 million (FY2023: \$0.485 million) were considered to be in Stage 3 of expected credit losses as described in the accounting policy. Movements in the allowance for expected credit losses of trade receivables were as follows:

	30-Jun 2024 \$'000	30-Jun 2023 \$'000
Balance at beginning of year	485	308
Expected credit losses recognised on receivables	(157)	156
Foreign currency exchange differences	-	21
Balance at end of year	<u>328</u>	<u>485</u>

7.c) Loan receivables at amortised cost

	Personal Finance \$'000	Vehicle Financing \$'000	Store Operations \$'000	New Zealand \$'000	UK \$'000	Total \$'000
30-June-2024						
Current						
Outstanding balance	149,735	27,471	18,290	10,700	10,423	216,619
Allowance for expected credit losses	(26,388)	(5,232)	(1,728)	(2,302)	(420)	(36,070)
Net	<u>123,347</u>	<u>22,239</u>	<u>16,562</u>	<u>8,398</u>	<u>10,003</u>	<u>180,549</u>
Non-current						
Outstanding balance	25,596	44,723	-	1,066	-	71,385
Allowance for expected credit losses	(4,317)	(8,536)	-	(369)	-	(13,222)
Net	<u>21,279</u>	<u>36,187</u>	<u>-</u>	<u>697</u>	<u>-</u>	<u>58,163</u>
	Personal Finance \$'000	Vehicle Financing \$'000	Store Operations \$'000	New Zealand \$'000	UK \$'000	Total \$'000
30-June-2023						
Current						
Outstanding balance	159,093	31,877	17,628	10,497	-	219,095
Allowance for expected credit losses	(25,965)	(6,094)	(1,839)	(3,128)	-	(37,026)
Net	<u>133,128</u>	<u>25,783</u>	<u>15,789</u>	<u>7,369</u>	<u>-</u>	<u>182,069</u>
Non-current						
Outstanding balance	19,235	31,037	-	1,988	-	52,260
Allowance for expected credit losses	(2,985)	(5,928)	-	(687)	-	(9,600)
Net	<u>16,250</u>	<u>25,109</u>	<u>-</u>	<u>1,301</u>	<u>-</u>	<u>42,660</u>

The credit period provided in relation to personal unsecured loans varies from 7 days to 36 months. Interest is charged on these loans at a fixed rate which, for Australian pawnbroking loans, varies dependent on the state of origin. An expected credit loss allowance has been recognised for estimated unrecoverable amounts arising from loans already issued, which has been determined by reference to past default experience. Before accepting any new customers, the Group uses an internally developed scoring system, which uses available credit data, to assess the potential customer's credit quality and define credit limits by customer. There is no concentration of credit risk within the personal loan book.

Vehicle finance loans are secured loans advanced for financing the purchase of vehicles. The average remaining term of these loans is 3.1 years (FY2023: 2.9 years) and the average interest rate is 23.7% (FY2023: 24.1%).

As at 30 June the ageing analysis of Personal Finance and Store Operations receivables was as follows:

	30-Jun 2024 \$'000	30-Jun 2023 \$'000
0 to 30 days	144,736	148,867
31 to 60 days past due not impaired	7,953	8,391
61 to 90 days past due not impaired	4,862	4,866
90 + days past due not impaired	3,637	3,043
Loan receivables carrying value	161,188	165,167
Allowance for expected credit loss	32,433	30,789
Gross carrying value	<u>193,621</u>	<u>195,956</u>

As at 30 June the ageing analysis of Vehicle Financing loan receivables was as follows:

	30-Jun 2024 \$'000	30-Jun 2023 \$'000
0 to 30 days	37,525	34,981
31 to 60 days past due not impaired	4,516	3,433
61 to 90 days past due not impaired	2,426	2,404
90 + days past due not impaired	13,959	10,074
Loan receivables carrying value	58,426	50,892
Allowance for expected credit loss	13,768	12,022
Gross carrying value	<u>72,194</u>	<u>62,914</u>

As at 30 June the ageing analysis of New Zealand loan receivables was as follows:

	30-Jun 2024 \$'000	30-Jun 2023 \$'000
0 to 30 days	7,177	6,920
31 to 60 days past due not impaired	739	846
61 to 90 days past due not impaired	607	640
90 + days past due not impaired	572	264
Loan receivables carrying value	9,095	8,670
Allowance for expected credit loss	2,671	3,815
Gross carrying value	<u>11,766</u>	<u>12,485</u>

As at 30 June the ageing analysis of UK loan receivables was as follows:

	30-Jun 2024 \$'000	30-Jun 2023 \$'000
0 to 30 days	3,978	-
31 to 60 days past due not impaired	1,919	-
61 to 90 days past due not impaired	1,039	-
90 + days past due not impaired	3,067	-
Loan receivables carrying value	10,003	-
Allowance for expected credit loss	420	-
Gross carrying value	<u>10,423</u>	-

Allowance for expected credit losses ("ECL")

In determining the recoverability of a Personal Finance loan, the Group considers any change in the credit quality of the receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the Directors believe that there is no further credit loss allowance required in excess of the loss allowance.

The following table explains changes in the loss allowance between the beginning and end of the year:

Personal Finance and Store Operations receivables Loss allowance	Stage 1 12-month ECL \$'000	Stage 2 Lifetime ECL \$'000	Stage 3 Lifetime ECL \$'000	Total \$'000
Balance at 1 July 2023	7,168	9,416	14,205	30,789
Movements with P&L impact				
Transfers				
Transfers from Stage 1 to Stage 2	(759)	759	-	-
Transfers from Stage 1 to Stage 3	(648)	-	648	-
Transfers from Stage 2 to Stage 1	130	(130)	-	-
Transfers from Stage 2 to Stage 3	-	(1,565)	1,565	-
Transfers from Stage 3 to Stage 1	52	-	(52)	-
Transfers from Stage 3 to Stage 2	-	921	(921)	-
New financial assets originated from business combination	21	247	-	268
New financial assets originated	5,766	7,540	8,127	21,433
Changes in PDs/LGDs/EADs	(2,860)	(2,839)	2,316	(3,383)
Changes to model assumptions and methodologies	554	330	366	1,250
Written off and settled loans	(3,250)	(5,600)	(9,074)	(17,924)
Total net change during the period	<u>(994)</u>	<u>(337)</u>	<u>2,975</u>	<u>1,644</u>
Balance at 30 June 2024	<u>6,174</u>	<u>9,079</u>	<u>17,180</u>	<u>32,433</u>

The following table explains changes in the gross carrying amount of the loans and receivables to help explain their significance to the changes in the loss allowance:

Personal Finance and Store Operations receivables	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	12-month	Lifetime	Lifetime	
	ECL	ECL	ECL	
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2023	112,462	39,869	43,625	195,956
Movements with P&L impact				
Transfers				
Transfers from Stage 1 to Stage 2	(12,614)	12,614	-	-
Transfers from Stage 1 to Stage 3	(8,897)	-	8,897	-
Transfers from Stage 2 to Stage 1	986	(986)	-	-
Transfers from Stage 2 to Stage 3	-	(8,207)	8,207	-
Transfers from Stage 3 to Stage 1	288	-	(288)	-
Transfers from Stage 3 to Stage 2	-	4,382	(4,382)	-
New financial assets originated from business combination	634	401	-	1,035
New financial assets originated	98,562	36,077	20,169	154,808
Changes in outstanding balances	(8,188)	(12,772)	(5,032)	(25,992)
Written off and settled loans	(79,670)	(26,258)	(26,258)	(132,186)
Total net change during the period	(8,899)	5,251	1,313	(2,335)
Balance at 30 June 2024	103,563	45,120	44,938	193,621

The following table explains changes in the loss allowance between the beginning and end of the year:

Vehicle finance loans receivables	Stage 1	Stage 2	Stage 3	Total
Loss allowance	12-month ECL	Lifetime ECL	Lifetime ECL	
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2023	1,606	3,140	7,276	12,022
Movements with P&L impact				
Transfers				
Transfers from Stage 1 to Stage 2	(485)	485	-	-
Transfers from Stage 1 to Stage 3	(189)	-	189	-
Transfers from Stage 2 to Stage 1	176	(176)	-	-
Transfers from Stage 2 to Stage 3	-	(1,339)	1,339	-
Transfers from Stage 3 to Stage 1	78	-	(78)	-
Transfers from Stage 3 to Stage 2	-	216	(216)	-
New financial assets originated	428	1,179	1,207	2,814
Changes in PDs/LGDs/EADs	(786)	(134)	2,346	1,426
Changes to model assumptions and methodologies	(38)	204	(242)	(76)
Written off and settled loans	(136)	(427)	(1,855)	(2,418)
Total net change during the period	(952)	8	2,690	1,746
Balance at 30 June 2024	654	3,148	9,966	13,768

The following table explains changes in the gross carrying amount of the loans and receivables to help explain their significance to the changes in the loss allowance:

Vehicle finance loans receivables	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	12-month ECL	Lifetime ECL	Lifetime ECL	
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2023	38,385	11,965	12,564	62,914
Movements with P&L impact				
Transfers				
Transfers from Stage 1 to Stage 2	(9,903)	9,903	-	-
Transfers from Stage 1 to Stage 3	(3,073)	-	3,073	-
Transfers from Stage 2 to Stage 1	901	(901)	-	-
Transfers from Stage 2 to Stage 3	-	(5,088)	5,088	-
Transfers from Stage 3 to Stage 1	169	-	(169)	-
Transfers from Stage 3 to Stage 2	-	468	(468)	-
New financial assets originated	20,316	6,597	2,116	29,029
Changes in outstanding balances	(5,209)	(2,845)	(925)	(8,979)
Written off and settled loans	(4,863)	(1,881)	(4,026)	(10,770)
Total net change during the period	(1,662)	6,253	4,689	9,280
Balance at 30 June 2024	36,723	18,218	17,253	72,194

In determining the recoverability of a Vehicle Financing loan, the Group considers any change in the credit quality of the receivable from the date credit was initially granted up to the reporting date. The Group has made an allowance based on known historical losses and a reasonable estimation of expected future losses. As these loans are secured by the underlying vehicle financed, the total loss will be reduced by the recoverable amount. Accordingly, the Directors believe that there is no further credit loss allowance required in excess of the loss allowance for expected credit losses.

The following table explains changes in the loss allowance between the beginning and end of the year:

New Zealand loans receivables	Stage 1	Stage 2	Stage 3	Total
Loss allowance	12-month ECL	Lifetime ECL	Lifetime ECL	
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2023	1,435	2,101	279	3,815
Movements with P&L impact				
Transfers				
Transfers from Stage 1 to Stage 2	(339)	339	-	-
Transfers from Stage 1 to Stage 3	(74)	-	74	-
Transfers from Stage 2 to Stage 1	-	-	-	-
Transfers from Stage 2 to Stage 3	-	(218)	218	-
Transfers from Stage 3 to Stage 1	-	-	-	-
Transfers from Stage 3 to Stage 2	-	26	(26)	-
New financial assets originated	654	853	133	1,640
Changes in PDs/LGDs/EADs	(534)	(716)	(27)	(1,277)
Changes to model assumptions and methodologies	283	426	69	778
Written off and settled loans	(785)	(1,328)	(172)	(2,285)
Total net change during the period	(795)	(618)	269	(1,144)
Balance at 30 June 2024	640	1,483	548	2,671

The following table explains changes in the gross carrying amount of the loans and receivables to help explain their significance to the changes in the loss allowance:

New Zealand loans receivables	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	12-month ECL	Lifetime ECL	Lifetime ECL	
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2023	8,515	3,596	374	12,485
Movements with P&L impact				
Transfers				
Transfers from Stage 1 to Stage 2	(1,242)	1,242	-	-
Transfers from Stage 1 to Stage 3	(402)	-	402	-
Transfers from Stage 2 to Stage 1	-	-	-	-
Transfers from Stage 2 to Stage 3	-	(508)	508	-
Transfers from Stage 3 to Stage 1	-	-	-	-
Transfers from Stage 3 to Stage 2	-	58	(58)	-
New financial assets originated	7,041	2,450	297	9,788
Changes in outstanding balances	(513)	(603)	(74)	(1,190)
Written off and settled loans	(6,347)	(2,705)	(265)	(9,317)
Total net change during the period	(1,463)	(66)	810	(719)
Balance at 30 June 2024	7,052	3,530	1,184	11,766

In determining the recoverability of the New Zealand loan products, the Group considers any change in the credit quality of the receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the Directors believe that there is no further credit loss allowance required in excess of the loss allowance.

The following table explains changes in the loss allowance between the beginning and end of the year:

UK receivables	Stage 1	Stage 2	Stage 3	Total
Loss allowance	12-month	Lifetime	Lifetime	
	ECL	ECL	ECL	
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2023	-	-	-	-
Movements with P&L impact				
Transfers				
Transfers from Stage 1 to Stage 2	-	-	-	-
Transfers from Stage 1 to Stage 3	-	-	-	-
Transfers from Stage 2 to Stage 1	-	-	-	-
Transfers from Stage 2 to Stage 3	-	-	-	-
Transfers from Stage 3 to Stage 1	-	-	-	-
Transfers from Stage 3 to Stage 2	-	-	-	-
New financial assets originated from business combination	158	312	-	470
New financial assets originated	220	14	-	234
Balance changes within stages	20	140	-	160
Written off and settled loans	(146)	(298)	-	(444)
Total net change during the period	252	168	-	420
Balance at 30 June 2024	252	168	-	420

The following table explains changes in the gross carrying amount of the loans and receivables to help explain their significance to the changes in the loss allowance:

UK receivables	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	12-month	Lifetime	Lifetime	
	ECL	ECL	ECL	
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2023	-	-	-	-
Movements with P&L impact				
Transfers				
Transfers from Stage 1 to Stage 2	(291)	291	-	-
Transfers from Stage 1 to Stage 3	-	-	-	-
Transfers from Stage 2 to Stage 1	-	-	-	-
Transfers from Stage 2 to Stage 3	-	-	-	-
Transfers from Stage 3 to Stage 1	-	-	-	-
Transfers from Stage 3 to Stage 2	-	-	-	-
New financial assets originated from business combination	9,163	717	-	9,880
New financial assets originated	8,487	74	-	8,561
Changes in outstanding balances	276	95	-	371
Written off and settled loans	(7,717)	(672)	-	(8,389)
Total net change during the period	9,918	505	-	10,423
Balance at 30 June 2024	9,918	505	-	10,423

In determining the recoverability of the UK loan products, the Group considers any change in the credit quality of the receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the Directors believe that there is no further credit loss allowance required in excess of the loss allowance.

Changes in the loss allowance between the beginning and end of the year are attributable to the following items:

- Transfers to/(from) stages: movements due to transfers of credit exposures between Stage 1, Stage 2 and Stage 3.
- New financial assets originated: movements in credit exposures and provisions for impairment due to new financial assets originated.
- Changes in PDs/LGDs/EADs: movements due to changes in probability of default, loss given default and exposure at default. Expected loss rates are based on payment profiles, age and expected lifetime of the receivables, changes in underlying credit quality and historic loss experience.
- Changes to model assumptions and methodologies: movements in provisions for impairment due to adjustments reflecting forward-looking macro-economic information or other assumptions.
- Written-off and settled loans: derecognition of credit exposures and provisions for impairment upon write-off or repayment of receivables.

Accounting policy

Loan receivables that have fixed or determinable payments that are not quoted in an active market are classified as loan receivables and are measured at amortised cost using the effective interest method including transaction costs, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

Judgement – impairment of financial assets

Under AASB 9 *Financial Instruments*, a three-stage approach is applied to measuring ECL based on credit migration between the stages as follows:

- Stage 1
At initial recognition, a provision equivalent to 12 months ECL is recognised.
- Stage 2
Where there has been a significant increase in credit risk (“SICR”) since initial recognition, a provision equivalent to full lifetime ECL is required.
- Stage 3
Lifetime ECL is recognised for loans where there is objective evidence of impairment.

ECL are probability weighted and determined by evaluating a range of possible outcomes, taking into account the time value of money, past events, current conditions and forecasts of future economic conditions.

Probability of default

To measure the ECLs, loan receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of loan receivables over a period prior to 1 July 2024 and the corresponding historical credit losses experienced within this period. Default is defined as 90 days past due. For personal loans, the days past due measure used to calculate probability of default is based on days since last missed repayment and for vehicle finance loans, the days past due measure used to calculate probability of default is based on contractual repayment arrears. The default definitions align with definitions used for internal credit risk management purposes and reflect the unique customer repayment behaviour, loan management and collections strategies applied to the different loan products.

Macro-economic scenarios

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Group has performed historical analysis to identify key economic variables impacting credit risk and expected credit losses for Personal Finance (Australia and New Zealand) and Vehicle Financing Loan (Australia only) receivables. ECLs are a probability-weighted estimate of credit losses over the expected life of the financial instrument.

In compliance with AASB 9 and to account for additional risk, the ECL model is adjusted to reflect forward-looking macro-economic information. Professional judgement is exercised in applying macro-economic adjustments. An assessment was undertaken to determine the most relevant and reliable economic indicators on which to base a forward-looking assessment of ECL.

For Australian loans, GDP Index and cash rate were chosen as key indicators of impairment levels for the portfolios. For New Zealand loans, unemployment rate and percentage change in GDP were selected. Using publicly available forecast rates for the indicators selected, alternate scenarios, outlined below, were determined. Cost of living pressures were also a consideration.

The outcome of this macro-economic estimate is an additional \$2.454 million (FY2023: additional \$2.402 million) provision for Australian personal loan receivables, an additional \$0.193 million (FY2023: \$0.278 million) provision for New Zealand loan receivables and an additional \$0.940 million (FY2023: \$0.935 million) provision for Vehicle Financing loan receivables.

The table below provides a summary of the macroeconomic variables used in the upside, baseline and downside scenarios as at 30 June 2024.

	Upside		Baseline		Downside	
	Financial year		Financial year		Financial year	
	2025	2026	2025	2026	2025	2026
AU Cash rate (%)	3.1	2.7	4.2	3.8	4.6	4.2
AU GDP index	116	122	114	119	104	109
NZ unemployment rate (%)	4.8	4.8	5.1	5.1	6.9	6.6
NZ percentage change in GDP (%)	1.7	3.1	1.1	2.4	0.0	1.7

Loss given default

Loss given default is estimated based on historical data related to amounts recovered post write off.

Write-off policy

The Group writes off financial assets in whole or in part on the following basis:

- For Personal Finance loans, when payments on the loan reach 90 days past due, based on days since last missed repayment, unless the loan is in a hardship arrangement or in dispute.
- For NZ Personal Finance loans, when payments on the loan reach 90 days past due, based on days since last repayment, unless the loan is in an arrangement with the customer.
- For Vehicle Financing loans, the date on which all practical asset recovery efforts have been exhausted with no reasonable expectation of further recoveries, if, prior to write off, a loan has reached 180 days in contractual arrears and no payment has been received for 90 days it is subject to a specific provision for the full outstanding balance.

Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity and (ii) where the Group's recovery method is foreclosing on collateral and the value of the collateral such that there is no reasonable expectation of full recovery. Written off loans can subsequently be sent to third party collection agents for recovery.

7.d) Trade and other payables

	30-Jun 2024 \$'000	30-Jun 2023 \$'000
Current		
Trade payables	3,578	1,761
Accruals	23,671	17,223
	<u>27,249</u>	<u>18,984</u>

The Group has financial risk management policies in place to ensure that all payables are paid within the allowed credit period in order to avoid the payment of interest on outstanding accounts.

7.e) Borrowings

	30-Jun 2024 \$'000	30-Jun 2023 \$'000
Current		
Securitisation facility	102,289	109,044
Other borrowings	1,671	-
	<u>103,960</u>	<u>109,044</u>
Non-current		
Securitisation facility	37,065	27,947
Other borrowings	3,060	-
	<u>40,125</u>	<u>27,947</u>
Total	<u>144,085</u>	<u>136,991</u>

The securitisation facility represents a liability owed by CCPF Receivables Trust No 1, a consolidated subsidiary established as part of the borrowing arrangement with the Fortress Investment Group. This liability is secured against eligible receivables (which includes Small and Medium Amount Credit Contracts issued by Cash Converters Personal Finance and secured vehicle loans issued by Green Light Auto) which have been assigned to the Trust. Collections from Trust receivables are used to pay interest of the securitisation facility, with the remainder remitted to the Group twice per month. Receivables have maturities of up to 5 years and the facility has accordingly been presented as current and non-current liabilities in line with the maturities of the underlying receivables.

The Group renewed the loan securitisation facility with Fortress in June 2022. The facility has a three-year availability period, with a four-year maturity term ending on 15 June 2026. The Group closed the year with undrawn securitisation facility funding lines of \$10.000 million (FY2023: \$11.750 million). The Group is in compliance with the requirements of the facility.

Subsequent to the year-end date the Group renewed the loan securitisation facility with Fortress on 27 August 2024. The facility has a three-year availability period, with a four-year maturity term ending on 27 August 2028. Refer to note 18 for subsequent events information.

During the year Cash Converters (UK) Stores Ltd secured a new \$1.910 million loan to finance the acquisition of Themedawn Ltd. As part of the process it was necessary to refinance the 3 existing loans in line with their existing terms and rates. All loans are structured with repayment schedules, with the initial refinanced loans of \$2.824 million scheduled to be fully repaid by March 2026. The new \$1.910 million loan is structured as interest-only for the first year, with interest payments only due through to June 2025. Following this period, principal repayments will commence over a three-year term, with the loan set to be fully paid by June 2028. Accordingly, the loans are classified in the financial statements as both current and non-current liabilities based on their respective maturities. These financing facilities are secured by the assets of Cash Converters (UK) Stores Ltd.

Reconciliation of liabilities arising from financing activities – see note 10.c.

Financing arrangements

Unrestricted access was available at balance date to the following lines of credit:

	30-Jun 2024 \$'000	30-Jun 2023 \$'000
Total facilities		
Securitisation facilities	150,000	150,000
Used at balance date		
Securitisation facilities	140,000	138,250
Unused at balance date		
Securitisation facilities	10,000	11,750

Loan facility undertakings and review events

The Group's borrowing facilities are subject to various undertakings. The securitisation facility has various eligibility criteria which the receivables of the Group must meet to be funded under the facility. During the reporting period there have been no events of default or potential events of default.

8. Non-financial assets and liabilities

8.a) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs, including purchase costs are assigned to individual inventory items on hand. Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale.

When determining the net realisable value of inventories, an estimation is made as to the costs necessary to make the sale in the ordinary course of business. Judgement is applied to determine which costs are necessary to make the sale considering the specific facts and circumstances, including the nature of the inventories.

	30-Jun 2024 \$'000	30-Jun 2023 \$'000
New and pre-owned goods at cost	37,276	29,439
Provision for obsolete stock	(4,240)	(2,946)
New and pre-owned goods (net)	<u>33,036</u>	<u>26,493</u>

8.b) Property, plant and equipment

	Leasehold improvements \$'000	Plant and equipment \$'000	Total \$'000
Cost			
Balance at 1 July 2022	14,067	9,601	23,668
Additions	1,186	1,843	3,029
Additions from business combinations	3,035	1,496	4,531
Disposals	(1,720)	(641)	(2,361)
Foreign currency exchange differences	(33)	15	(18)
Balance at 30 June 2023	16,535	12,314	28,849
Additions	3,303	1,685	4,988
Additions from business combinations	4,365	2,203	6,568
Disposals	(785)	(897)	(1,682)
Foreign currency exchange differences	(6)	(7)	(13)
Balance at 30 June 2024	23,412	15,298	38,710
Depreciation			
Balance at 1 July 2022	12,143	6,683	18,826
Disposals	(1,230)	(535)	(1,765)
Depreciation expense	702	1,056	1,758
Additions from business combinations	1,777	1,073	2,850
Impairment of non-current assets	319	289	608
Foreign currency exchange differences	(21)	11	(10)
Balance at 30 June 2023	13,690	8,577	22,267
Disposals	(543)	(440)	(983)
Depreciation expense	1,351	1,258	2,609
Additions from business combinations	2,862	1,171	4,033
Impairment of non-current assets	29	213	242
Foreign currency exchange differences	(135)	(45)	(180)
Balance at 30 June 2024	17,254	10,734	27,988
Net book value			
Balance at 30 June 2023	2,845	3,737	6,582
Balance at 30 June 2024	6,158	4,564	10,722

An impairment of \$0.242 million has been recognised in the year ended 30 June 2024 (FY2023: \$0.608 million), see note 5.

See note 25.c for the accounting policy.

8.c) Leases

The Group's weighted average incremental borrowing rates applied to the lease liabilities is 9.15% (FY2023: 8.26%) for leases in Australia, 8.61% (FY2023: 8.21%) for leases in New Zealand and 9.35% (FY2023: 7.33%) for leases in the United Kingdom.

Right-of-use assets

	30-Jun 2024 \$'000	30-Jun 2023 \$'000
Cost		
Balance at beginning of year	88,687	82,151
Additions	5,207	1,579
Terminations	(3,396)	(3,012)
Other remeasurements	309	3,231
Additions from business combinations	11,293	5,602
Lease extensions	6,217	770
Lease reductions	(3,400)	(1,652)
Foreign currency exchange differences	(54)	18
Balance at end of year	<u>104,863</u>	<u>88,687</u>
Depreciation		
Balance at beginning of year	41,641	31,930
Terminations	(3,329)	(3,012)
Depreciation expense	9,965	7,109
Impairment of non-current assets	(310)	5,610
Foreign currency exchange differences	(34)	4
Balance at end of year	<u>47,933</u>	<u>41,641</u>
Net book value	<u>56,930</u>	<u>47,046</u>
Amounts recognised in profit or loss		
Depreciation expense on right-of-use assets	9,965	7,109
Interest expense on lease liabilities	5,761	5,245
Expense relating to short-term leases	651	298
Impairment of non-current assets	(310)	5,610
	<u>16,067</u>	<u>18,262</u>

The Group right-of-use assets relate to property leases. The average remaining lease term is 5.48 years (FY2023: 5.95 years).

See note 25.b for the accounting policy.

Lease liabilities

	30-Jun 2024 \$'000	30-Jun 2023 \$'000
Current	8,541	7,276
Non-current	62,448	56,466
	<u>70,989</u>	<u>63,742</u>
Maturity analysis		
Year 1	14,485	12,215
Year 2	14,207	11,285
Year 3	12,733	10,783
Year 4	11,976	10,007
Year 5	10,951	9,758
Onwards	34,505	35,621
	<u>98,857</u>	<u>89,669</u>
Less: unaccrued interest	(27,868)	(25,927)
	<u>70,989</u>	<u>63,742</u>

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

8.d) Goodwill

Net carrying amount

	30-Jun 2024 \$'000	30-Jun 2023 \$'000
Balance at beginning of year	3,279	110,481
Recognition on business combinations	7,946	3,315
Impairment of goodwill	(3,295)	(110,481)
Foreign currency exchange differences	20	(36)
Balance at end of year	<u>7,950</u>	<u>3,279</u>

Goodwill related to the acquisitions of Cash Converters (UK) Stores Pty Ltd, Themedawn Limited (UK) and Australian franchise stores during the period as disclosed in note 14 has been allocated to the relevant segments.

See note 5 relating to the impairment of non-current assets.

Accounting policy

Goodwill arising on an acquisition of a business is carried at cost at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGUs") that are expected to benefit from the synergies of the combination. CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the unit pro rata based on the carrying amount of each asset in the CGU. An impairment loss recognised for goodwill is recognised directly in profit or loss and is not reversed in subsequent periods.

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Allocation of goodwill to CGUs

Goodwill has been allocated for impairment testing purposes to the following CGUs or groups of CGUs:

	30-Jun 2024 \$'000	30-Jun 2023 \$'000
Store Operations	549	-
New Zealand	-	3,279
UK	7,401	-
	<u>7,950</u>	<u>3,279</u>

8.e) Intangible assets

Allocation of other intangible assets to CGUs

	30-Jun 2024 \$'000	30-Jun 2023 \$'000
Personal Finance	5,037	4,395
Vehicle Financing	647	1,150
Store Operations	2,929	3,250
New Zealand	5,484	5,787
UK	6,201	1,283
Corporate Assets	4,873	4,678
	<u>25,171</u>	<u>20,543</u>

Other intangible assets are allocated to their respective CGU and tested for impairment when impairment indicators are identified. Intangible assets with indefinite lives included within other intangible assets are tested for impairment annually. Refer to note 5 for details of impairment testing. The recoverable value of other intangible assets is assessed using the same assumptions and methods as the goodwill for the related CGUs.

Categories of other intangible assets

	Reacquired Rights	Trade names & customer relationships	Software	Total
	\$'000	\$'000	\$'000	\$'000
Cost				
Balance at 1 July 2022	9,573	17,463	22,175	49,211
Additions	-	-	1,539	1,539
Additions from business combinations	3,749	2,267	108	6,124
Foreign currency exchange differences	37	(25)	60	72
Balance at 30 June 2023	13,359	19,705	23,882	56,946
Additions	-	-	1,862	1,862
Additions from business combinations	6,533	-	-	6,533
Disposals	-	-	(29)	(29)
Foreign currency exchange differences	(8)	(9)	-	(17)
Balance at 30 June 2024	19,884	19,696	25,715	65,295
Amortisation				
Balance at 1 July 2022	6,670	9,360	16,192	32,222
Amortisation expense	675	220	2,654	3,549
Additions from business combinations	-	-	108	108
Impairment of non-current assets	395	59	-	454
Foreign currency exchange differences	33	-	37	70
Balance at 30 June 2023	7,773	9,639	18,991	36,403
Disposals	-	-	(29)	(29)
Amortisation expense	1,772	212	1,708	3,692
Impairment of non-current assets	71	(3)	-	68
Foreign currency exchange differences	(9)	-	(1)	(10)
Balance at 30 June 2024	9,607	9,848	20,669	40,124
Net book value				
Balance at 30 June 2023	5,586	10,066	4,891	20,543
Balance at 30 June 2024	10,277	9,848	5,046	25,171

Impairment of \$0.068 million has been recognised in the year ended 30 June 2024 (FY2023: \$0.454 million), see note 5.

See note 25.d for the accounting policy.

8.f) Deferred tax balances

	30-Jun 2024 \$'000	30-Jun 2023 \$'000
Deferred tax assets		
Allowance for expected credit losses	14,559	12,541
Accruals	1,138	371
Provisions	7,355	5,104
Leases	20,918	17,366
Other	526	144
Carry forward losses	8,312	9,506
	<u>52,808</u>	<u>45,032</u>
Deferred tax liabilities		
Fixed assets	(959)	(1,053)
Leases	(16,459)	(12,496)
Intangible assets	(3,750)	(1,112)
Other	(341)	(702)
	<u>(21,509)</u>	<u>(15,363)</u>
Net deferred tax assets	<u>31,299</u>	<u>29,669</u>
Reconciliation of net deferred tax assets		
Opening balance at beginning of period	29,669	26,089
Tax expense during period recognised in profit or loss	2,745	2,798
Tax on business combinations	(715)	(301)
Prior year adjustment	(400)	431
Other	-	652
Closing balance at end of period	<u>31,299</u>	<u>29,669</u>

A net deferred tax asset of \$31.299 million (FY2023: \$29.669 million) is recognised in the consolidated statement of financial position. There is a critical accounting judgement with respect to the recognition of deferred tax assets including where they arise from previous years losses and will be offset against any future taxes on profit. In making this assessment, a forward-looking estimation of taxable profit was made, based on management's best estimate of future performance from continuing operations as at 30 June 2024.

This includes a deferred tax asset in respect of carry forward losses of \$7.684 million (FY2023: \$8.607 million) recognised in relation to the Group's UK operations. Profit has been achieved in the last three years with the FY2024 year reflecting utilisation of the carry forward losses because of taxable profits arising. Ongoing taxable profit forecasts have supported continued recognition in full of the deferred tax asset that arises from unused tax losses from previous years. Also included, is a deferred tax asset in respect of carry forward losses of \$0.628 million (FY2023: \$0.899 million) recognised in relation to the Group's NZ operations.

Continuing operations in Australia made a taxable profit during the current year and is expected to be profitable in future years, therefore supporting the recognition of net deferred tax assets arising from temporary differences in Australia.

A summary of the Group's net deferred tax asset position by geographic location is below:

	30-Jun 2024 \$'000	30-Jun 2023 \$'000
Australia	22,933	20,954
New Zealand	698	413
United Kingdom	7,668	8,302
	<u>31,299</u>	<u>29,669</u>

8.g) Provisions

	30-Jun 2024 \$'000	30-Jun 2023 \$'000
Current		
Employee benefits	10,953	10,419
Fringe benefits tax	87	87
Make good obligation of property leases	717	633
Other	230	641
	<u>11,987</u>	<u>11,780</u>
Non-current		
Employee benefits	784	490
Make good obligation of property leases	7,658	3,850
	<u>8,442</u>	<u>4,340</u>

Movements in the provisions were as follows:

	Employee benefits	Fringe benefits tax	Make good - leases	Other	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
2024					
Carrying amount at start of year	10,909	87	4,483	641	16,120
Acquired through business combinations	496	-	3,628	-	4,124
Transfer from share-based payment reserve	-	-	-	-	-
Remeasurements and additions	-	-	1,133	-	1,133
Charged to profit or loss	623	16	(370)	28	297
Utilised during the year	(287)	(16)	(497)	(440)	(1,240)
Foreign currency exchange differences	(4)	-	(2)	1	(5)
Carrying amount at end of year	11,737	87	8,375	230	20,429
2023					
Carrying amount at start of year	9,360	37	2,099	921	12,417
Acquired through business combinations	677	-	461	-	1,138
Transfer from share-based payment reserve	-	-	-	198	198
Remeasurements and additions	-	-	2,046	-	2,046
Charged to profit or loss	897	55	101	-	1,053
Utilised during the year	(19)	(5)	(221)	(501)	(746)
Foreign currency exchange differences	(6)	-	(3)	23	14
Carrying amount at end of year	10,909	87	4,483	641	16,120

9. Issued capital**Total issued capital**

	30-Jun 2024 Number	30-Jun 2023 Number	30-Jun 2024 \$'000	30-Jun 2023 \$'000
Balance at beginning of period	627,545,015	627,545,015	251,213	251,213
Issued during the period	-	-	-	-
Balance at end of period	<u>627,545,015</u>	<u>627,545,015</u>	<u>251,213</u>	<u>251,213</u>

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Issued capital excluding treasury shares

	30-Jun 2024 Number	30-Jun 2023 Number	30-Jun 2024 \$'000	30-Jun 2023 \$'000
Balance at beginning of period	622,019,969	621,285,981	249,860	249,663
Treasury shares acquired by employee share trust	(3,230,154)	(5,525,046)	(672)	(1,353)
Treasury shares issued by employee share trust	5,525,046	6,259,034	1,353	1,550
Balance at end of period	<u>624,314,861</u>	<u>622,019,969</u>	<u>250,541</u>	<u>249,860</u>

Treasury shares

	30-Jun 2024 Number	30-Jun 2023 Number	30-Jun 2024 \$'000	30-Jun 2023 \$'000
Balance at beginning of period	5,525,046	6,259,034	1,353	1,550
Treasury shares acquired	3,230,154	5,525,046	672	1,353
Treasury shares issued	(5,525,046)	(6,259,034)	(1,353)	(1,550)
Balance at end of period	<u>3,230,154</u>	<u>5,525,046</u>	<u>672</u>	<u>1,353</u>

Shares issued to employees are recognised on a first-in-first-out basis. The shares may be acquired on market and are held as treasury shares until such time as they are vested. Forfeited shares are reallocated in subsequent grants. Under the terms of the trust deed, Cash Converters is required to provide the employee share trust with the necessary funding for the acquisition of shares.

10. Cash flow information**10.a) Reconciliation of profit after income tax to net cash inflow from operating activities**

	30-Jun 2024 \$'000	30-Jun 2023 \$'000
Profit / (loss) after tax	17,397	(97,155)
Non-cash adjustment to reconcile profit after tax to net cash flows:		
Loss on disposal of non-current assets	130	16
Amortisation	3,692	3,549
Depreciation	12,574	8,867
Movement in expected credit loss provision	1,931	5,071
Impairment of goodwill	3,295	110,481
Impairment of non-current assets	-	6,672
Share-based payments	831	807
Lease modification	(1,447)	(1,780)
Share of net profit of equity accounted investment	-	(251)
Changes in assets and liabilities:		
Trade and loan receivables	(6,026)	(44,892)
Inventories	2,574	(1,093)
Other assets	(428)	(642)
Trade and other payables	3,760	1,279
Provisions	185	2,340
Income tax payables	(15)	(4,805)
Net cash provided by / (used in) operating activities	<u>38,453</u>	<u>(11,536)</u>

Cash flows are included in the cash flow statement on a net basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

10.b) Non-cash investing and financing activities

	30-Jun 2024 \$'000	30-Jun 2023 \$'000
Net recognition of right of use asset and liability	6,799	2,162
Share based payment reserve transferred to retained earnings	29	723
Share based payment reserve transferred to provisions	-	198

10.c) Reconciliation of liabilities arising from financing activities

	Opening \$'000	Net cashflows \$'000	Non-cash transaction costs \$'000	Closing \$'000
2024				
Borrowing facilities	138,250	1,750	4,241	144,241
Transaction costs and other	(1,259)	-	1,103	(156)
Lease liabilities	63,742	(15,247)	22,494	70,989
	<u>200,733</u>	<u>(13,497)</u>	<u>27,838</u>	<u>215,074</u>
2023				
Borrowing facilities	70,250	68,000	-	138,250
Transaction costs and other	(1,885)	-	626	(1,259)
Lease liabilities	64,817	(12,233)	11,158	63,742
	<u>133,182</u>	<u>55,767</u>	<u>11,784</u>	<u>200,733</u>

11. Critical estimates and judgements

In applying the Group's accounting policies, management continually evaluates judgements, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Group. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the judgements, estimates and assumptions. Significant judgements, estimates and assumptions made by management in the preparation of these financial statements are outlined below.

Significant accounting judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amount recognised in the financial statements:

- Recoverability of deferred tax assets – see note 6.c

Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

- Impairment of goodwill and other intangible assets – see note 5 and 8.d
- Incremental borrowing rate used in calculating lease asset and liability values – see note 8.c
- Useful lives of property, plant and equipment – see note 25.c
- Useful lives of other intangible assets – see note 25.d
- Impairment of financial assets (including loan receivables) – see note 7.b and 7.c
- Impairment for inventory – see note 8.a
- What constitutes a business combination – see note 14
- Fair value of performance rights granted – see note 20.b

12. Financial risk management

The Group's activities expose the Group to a variety of financial risks: market risks (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on financial performance.

Financial risk and capital management is carried out in accordance with policies approved by the Board. The Board reviews and approves written principles of overall risk management, as well as written policies covering specific areas such as managing capital, mitigating interest rates, liquidity, foreign exchange and credit risk. The Audit and Risk Committee assists the Board in monitoring the implementation of risk management policies.

The Group's treasury function provides services to the business, co-ordinates access to domestic and international financial markets, and manages the financial risks relating to the operations of the Group. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

12.a) Categories of financial instruments

	30-Jun 2024 \$'000	30-Jun 2023 \$'000
Financial assets		
Cash and cash equivalents	56,289	71,565
Trade and other receivables	13,981	10,219
Loan receivables	238,712	224,729
	<u>308,982</u>	<u>306,513</u>
Financial liabilities		
Trade and other payables	27,249	18,984
Borrowings	144,085	136,991
	<u>171,334</u>	<u>155,975</u>

The Group has no material financial assets or liabilities that are held at fair value.

12.b) Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The types of market risks to which the Group is exposed and the manner in which it manages and measures the risk remain consistent with the previous period.

12.b) i) Foreign exchange risk

The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. As a result of operations in New Zealand and the United Kingdom, the Group's balance sheet can be affected by movements in the AUD/NZD and AUD/GBP exchange rates. Spot exchange rates are normally used to translate transactions into the reporting currency.

12.b) ii) Cash flow and fair value interest rate risk

The Company and the Group are exposed to interest rate risk as entities in the consolidated Group borrow funds at variable rates and place funds on deposit at variable rates. Loans issued by the Group are at fixed rates. Interest rate risk is managed by the Group through monitoring interest rates and detailed forecasting of the operating cashflows of the underlying businesses.

The Company and the Group's exposures to interest rates on financial assets and financial liabilities are detailed in note 12.e and 12.f.

12.b) iii) Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 50-basis point increase or decrease is used because this represents management's assessment of the possible change in interest rates.

At reporting date, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's net profit would increase/decrease by approximately \$0.561 million (FY2023: increase/decrease by approximately \$0.613 million).

12.c) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics, other than its franchisees. Refer to note 7.b and 7.c. The Group has a policy of obtaining sufficient collateral or other securities from franchisees. Most loans within the financing divisions relate to loans made by Cash Converters Personal Finance and Green Light Auto which may be both secured and unsecured loans. Credit risk is present in relation to all loans made, which is managed within an agreed corporate policy on customer acceptance and ongoing review of recoverability. For secured loans, the credit risk considers the underlying value of the collateral against the loan.

12.d) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have established a comprehensive liquidity risk management framework to address the Group's short, medium, and long-term funding and liquidity needs. The Group manages liquidity risk by maintaining adequate cash reserves, banking facilities, and reserve borrowing facilities, including the availability of a warehouse securitization facility. This facility allows the Group to securitize loan portfolios, providing an additional source of liquidity.

The Group continuously monitors forecasted and actual cash flows, ensuring that financial assets and liabilities are matched in terms of maturity profiles. To further reduce liquidity risk, the Group also has access to additional undrawn facilities, as detailed in note 7.e.

12.e) Remaining contractual maturity for its financial liabilities

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

To the extent that interest flows are at floating rates, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

	1 year or less	1 to 5 years	More than 5 years	Total	Carrying value 30 June \$'000
	\$'000	\$'000	\$'000	\$'000	\$'000
2024					
Non-interest bearing	27,249	-	-	27,249	27,249
Variable interest rate instruments	16,300	156,300	-	172,600	144,085
	<u>43,548</u>	<u>156,300</u>	<u>-</u>	<u>199,848</u>	<u>171,334</u>
2023					
Non-interest bearing	18,984	-	-	18,984	18,984
Variable interest rate instruments	14,262	166,228	-	180,490	136,991
	<u>33,246</u>	<u>166,228</u>	<u>-</u>	<u>199,474</u>	<u>155,975</u>

The amounts included above for variable interest rate instruments are subject to change if actual rates differ from those applied in the above average calculations.

12.f) Financial assets

The following table details the Group's expected maturity for its financial assets. The table below has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group anticipates that the cash flow will occur in a different period.

	1 year or less	1 to 5 years	More than 5 years	Total
	\$'000	\$'000	\$'000	\$'000
2024				
Non-interest bearing	28,651	-	-	28,651
Fixed interest rate instruments	7,426	7,709	-	15,135
Variable interest rate instruments	27,878	-	-	27,878
	63,955	7,709	-	71,664
2023				
Non-interest bearing	54,926	-	-	54,926
Fixed interest rate instruments	7,071	5,008	-	12,079
Variable interest rate instruments	15,693	-	-	15,693
	77,690	5,008	-	82,698

The amounts included above for variable interest rate instruments are subject to change if actual rates differ from those applied in the above average calculations.

12.g) Fair value of financial instruments

The fair value of the Group's financial assets and liabilities are determined on the following basis:

Financial assets and financial liabilities that are not measured at fair value on a recurring basis (but where fair value disclosures are required)

At 30 June 2024 and 30 June 2023, the carrying amount of financial assets and financial liabilities for the Group is considered to approximate their fair values.

The fair value of the monetary financial assets and financial liabilities is based upon market prices where a market price exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

Financial assets and financial liabilities that are measured at fair value on a recurring basis

Subsequent to initial recognition, at fair value financial instruments are grouped into Levels 1 to 3 based on the degree to which the fair value is observable. Levels are defined as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included with Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At 30 June 2024 and 30 June 2023, the Group has no material financial assets and liabilities that are measured on a recurring basis at fair value.

13. Capital management**13.a) Risk management**

The Board determines the appropriate capital structure of the Group, specifically how much is raised from shareholders (equity) and how much is borrowed from financial institutions and capital markets (debt), in order to finance the Group's activities both now and in the future.

The Board considers the Group's capital structure and its dividend policy at least twice a year ahead of announcing results, in the context of its ability to continue as a going concern, to execute the strategy and to deliver its business plan.

Financial risk and capital management is carried out in accordance with policies approved by the Board. The Board reviews and approves written principles of overall risk management, as well as written policies covering specific areas such as managing capital, mitigating interest rates, liquidity, foreign exchange and credit risk. The Audit and Risk Committee assists the Board in monitoring the implementation of risk management policies.

13.b) Dividends

			Year ended 30-June-2024		Year ended 30-June-2023	
			Cents per share	\$'000	Cents per share	\$'000
Recognised amounts on fully paid ordinary shares						
2022 Final dividend	Paid	14-Oct-22			1.00	6,275
2023 Interim dividend	Paid	14-Apr-23			1.00	6,275
2023 Final dividend	Paid	13-Oct-23	1.00	6,275		
2024 Interim dividend	Paid	12-Apr-24	1.00	6,275		
				<u>12,550</u>		<u>12,550</u>
Unrecognised amounts on fully paid ordinary shares						
2023 Final dividend	Paid	13-Oct-23			1.00	6,275
2024 Final dividend	To be paid	11-Oct-24	1.00	6,275		

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

Franking credits

	30-Jun	30-Jun
	2024	2023
	\$'000	\$'000
Franking credits available on a tax paid basis	74,544	72,531

14. Business combination

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the consolidated entity in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the consolidated entity reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date. The measurement period is the period from the date of acquisition to the date the consolidated entity obtains complete information about facts and circumstances that existed as of the acquisition date – and is subject to a maximum of one year.

During the period the Group acquired:

- Cash Converters (UK) Stores (formerly Capital Cash Limited (“Capital Cash”)), previously the largest franchise group in the United Kingdom, which includes a network of 42 stores, for a total consideration of \$23.072 million (\$20.355 million, net of cash acquired)
- Themedawn Limited (“Themedawn”), a franchise group within the United Kingdom, which includes a network of 5 stores, for a total consideration of \$1.591 million (\$1.462 million, net of cash acquired)
- The trade and other assets of three Cash Converters franchised stores in Australia (listed below) for total consideration of \$2.586 million (\$2.528 million, net of cash acquired)

Store	State	Acquisition date
Penrith	NSW	2 November 2023
Ipswich	QLD	8 November 2023
Belmont	WA	12 December 2023

These acquisitions support the ongoing Group objective to acquire earnings accretive store networks, based on sensible valuation metrics, which will accelerate Group earnings.

The values identified in relation to the Cash Converters (UK) Stores (“CCUKS”) and Australian franchise acquisitions during the current period are final as at the reporting date.

The values identified in relation to the Themedawn acquisition during the current period are provisional as at the reporting date, as the allocation of fair values to the individual assets and liabilities has yet to be finalised. This includes the identification and valuation of separately identifiable intangible assets and the recognition of any deferred tax balances arising on acquisition.

The New Zealand Cash Converters (“CCNZ”) network, consisting of 11 Corporate stores and the rights to franchise fees of 11 franchise stores was acquired in the comparative year ended 30 June 2023.

14.a) Summary of acquisition

The determined fair values of the assets and liabilities acquired during the periods as at the date of acquisition are as follows, along with finalised fair values of the assets and liabilities acquired during the prior comparative period:

	Themedawn	Australian Franchises	CCUKS	New Zealand
	1-Jun-24	FY2024	6-Jul-23	30-Nov-22
	\$'000	\$'000	\$'000	\$'000
Net assets acquired				
Cash and cash equivalents	129	58	2,717	1,593
Trade and other receivables	16	10	1,197	556
Prepayments	4	-	973	217
Loan Receivables	586	1,035	9,294	12,000
Provision for loan receivables	(25)	(268)	(445)	(3,298)
Inventories	347	595	8,175	1,456
Plant and Equipment	189	350	1,996	1,681
Other intangible assets	206	587	5,740	6,016
Right of use assets	1,161	2,185	7,947	5,602
Deferred tax liability	(30)	-	(685)	(301)
Borrowings	(82)	-	(4,159)	-
Trade and other payables	(125)	(9)	(5,536)	(1,282)
Provisions	(404)	(486)	(3,234)	(1,138)
Lease liabilities	(1,161)	(2,020)	(7,525)	(5,896)
	<u>811</u>	<u>2,037</u>	<u>16,455</u>	<u>17,206</u>
Consideration satisfied in cash	1,591	2,586	23,072	15,391
Previously recognised equity interest	-	-	-	5,130
Goodwill arising on the acquisition	<u>780</u>	<u>549</u>	<u>6,617</u>	<u>3,315</u>

Goodwill arose in the business combinations because the cost of the combinations included a control premium paid to acquire the CCUKS network, Themedawn network and Australian franchise stores. In addition, the consideration paid for the combinations effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of the network. These benefits are not recognised separately from goodwill as the future economic benefits from them cannot be reliably measured.

No amount of the Goodwill recognised is expected to be deductible for tax purposes. Goodwill is tested annually for impairment.

14.b) Purchase consideration – cash outflow

	30-Jun-24	30-Jun-23
	\$'000	\$'000
Cash outflow to acquire business combinations		
Cash consideration	27,249	15,391
Less cash balances acquired	<u>(2,904)</u>	<u>(1,593)</u>
Net outflow of cash - investing activities	<u>24,345</u>	<u>13,798</u>

14.c) Revenue and profit or loss contribution**Cash Converters UK Stores (“CCUKS”)**

The CCUKS business contributed revenues of \$60.419 million and net profit before income tax of \$3.423 million to the Group for the period from 1 July 2023 to 30 June 2024.

Australian franchise store acquisitions

The acquired Australian franchise stores contributed revenues of \$3.579 million and net profit before income tax of \$0.269 million to the Group for the periods from their respective dates of acquisition to 30 June 2024.

If the acquisitions had occurred on 1 July 2023, for the year ended 30 June 2024 consolidated pro-forma revenue for the Group would include an additional \$2.268 million and the consolidated pro-forma net profit before income tax would include an additional profit of \$0.138 million. These amounts have been calculated using the data examined as part of the due diligence conducted prior to the Australian franchise acquisitions.

Themedawn Limited (UK)

Themedawn contributed revenues of \$0.563 million and net profit before income tax of \$0.056 million to the Group for the period from 1 June 2024 to 30 June 2024.

If the acquisition had occurred on 1 July 2023, for the year ended 30 June 2024 consolidated pro-forma revenue for the Group would include an additional \$8.492 million and the consolidated pro-forma net profit before income tax would include an additional profit of \$0.225 million. These amounts have been calculated using the May 2024 year-to-date trial balance provided as part of the purchase price accounting process.

New Zealand

The acquired business contributed revenues of \$13.810 million and net loss before income tax of \$2.566 million to the Group for the period from 30 November 2022 to 30 June 2023.

If the acquisition had occurred on 1 July 2022, for the year ended 30 June 2023 consolidated pro-forma revenue for the Group would include an additional \$9.177 million and the consolidated pro-forma net profit before income tax would include an additional profit of \$0.783 million. These amounts have been calculated using the monthly financials provided under the previously recorded equity accounting method.

14.d) Acquisition related costs

Acquisition related costs are included within the statement of profit or loss, operating cash flows and in the statement of cash flows as summarised below:

	Themedawn Limited (UK)	Australian Franchises	CCUKS
	1-Jun-24	FY2024	6-Jul-23
	\$'000	\$'000	\$'000
Acquisition related costs			
Administrative expenses	189	150	165
Other expenses	-	-	131

14.e) Prior period

The business combinations completed during FY2023 were all finalised as at 30 June 2023 and as such there are no further changes to the accounting for those business combinations.

14.f) Significant accounting judgements, estimates and assumptions

The Group has applied judgement in determining what constitutes a business combination as well as applying judgement to classify all aspects of CCUKS as a single business combination – that is, an aggregation of retail, pawnbroking and general head office. This business combination is structured in a way that the acquired business becomes a 100% owned subsidiary of Cash Converters UK Holdings Ltd, which itself is a 100% owned subsidiary of CCIL.

The Group has applied judgement to classify the individual Australian franchise businesses acquired as individually immaterial and as such has disclosed the business acquisitions in aggregate. This is consistent with past acquisitions of Australian franchise stores.

The Themedawn acquisition has been provisionally accounted for as the allocation of fair value across the separately identifiable intangible assets and the recognition of any deferred tax balances arising on acquisition has yet to be completed and the harmonisation of accounting policies of UK franchise acquisitions with those of the holding company is still in progress.

15. Interests in other entities**15.a) Subsidiaries**

Controlled entities of Cash Converters International Limited:

Name of entity			Country of incorporation	Ownership interest	
				2024	2023
Cash Converters (Cash Advance) Pty Ltd	1	2	Australia	100%	100%
Cash Converters (Stores) Pty Ltd	1	2	Australia	100%	100%
Cash Converters Personal Finance Pty Ltd	1	2	Australia	100%	100%
Finance Administrators of Australia Pty Ltd	1	2	Australia	100%	100%
Mon-E Pty Ltd	1	2	Australia	100%	100%
CCPF Receivables Trust No 1		2	Australia	100%	100%
Cash Converters Pty Ltd	1	2	Australia	100%	100%
Cash Converters Finance Corporation Pty Ltd		3 4	Australia	64.33%	64.33%
Cash Converters UK Holdings Ltd			UK	100%	100%
Cash Converters (UK) Stores Ltd			UK	100%	100%
Cash Converters (UK) Ltd			UK	100%	100%
Themedawn Limited (UK)			UK	100%	100%
Cash Converters (NZ) Pty Ltd	1	2	Australia	100%	100%
Cash Converters Holdings (NZ) Ltd			NZ	100%	100%
Cash Converters (NZ) Personal Finance Ltd			NZ	100%	100%
Cash Converters (NZ) Franchise Ltd			NZ	100%	100%
Cash Converters (NZ) Stores Ltd			NZ	100%	100%
Cash Converters USA Pty Ltd		3 4	Australia	99.285%	99.285%
CC Acquisitions Pty Ltd		2	Australia	100%	100%
Green Light Auto Group Pty Limited	1	2	Australia	100%	100%
Safrock Finance Corporation (QLD) Pty Ltd		2	Australia	100%	100%
Cash Converters Employee Share Trust			Australia	100%	100%

1 These companies are parties to the Deed of Cross Guarantee and members of the Closed Group as at 30 June 2024.

2 These companies are members of the Australian tax consolidated group.

3 Non-controlling interest is not considered material in these subsidiaries.

4 Converted from a public company limited by shares to a proprietary company limited by shares during the prior period.

15.b) Deed of cross guarantee

Cash Converters International Limited and certain wholly-owned companies (“the Closed Group”), identified in note 15.a) above, are parties to a Deed of Cross Guarantee (“the Deed”). The effect of the Deed is that members of the Closed Group guarantee to each creditor payment in full of any debt in the event of winding up of any of the members under certain provisions of the *Corporations Act 2001*. ASIC Corporations Instrument 2016/785, issued on 28 September 2016, provides relief to parties to the Deed from the *Corporations Act 2001* requirements for preparation, audit and lodgement of financial reports and Directors’ reports, subject to certain conditions as set out therein.

Pursuant to the requirements of this Corporations Instrument, a summarised consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2024 and consolidated statement of financial position as at 30 June 2024, comprising the members of the Closed Group after eliminating all transactions between members, are set out on the following pages.

Although CCPF Receivables Trust No 1 is not a party to the Deed, this entity facilitates the Fortress Investment Group borrowings within the Group (note 7.e) and as a result, for transparency and consistency with prior reporting periods, the Group has elected to include them within the Closed Group results below.

Summarised statement of profit or loss and comprehensive income

	30-Jun 2024 \$'000	30-Jun 2023 \$'000
Profit / (loss) before income tax	21,443	(91,488)
Income tax expense	(8,048)	(5,657)
Total comprehensive income / (loss)	<u>13,395</u>	<u>(97,145)</u>

Summary of movements in Closed Group’s retained (losses) / earnings

	30-Jun 2024 \$'000	30-Jun 2023 \$'000
Retained (losses) / earnings at beginning of year	(63,818)	46,600
Transfer reserve balance	(29)	(723)
Dividend paid	(12,550)	(12,550)
Net profit / (loss)	<u>13,395</u>	<u>(97,145)</u>
Retained losses at end of year	<u>(63,002)</u>	<u>(63,818)</u>

Statement of financial position

	30-Jun 2024 \$'000	30-Jun 2023 \$'000
Current assets		
Cash and cash equivalents	47,241	62,918
Trade and other receivables	4,617	2,750
Loan receivables	170,547	182,068
Inventories	22,969	26,494
Prepayments	2,494	2,365
Total current assets	<u>247,868</u>	<u>276,595</u>
Non-current assets		
Trade and other receivables	21,788	1,739
Loan receivables	58,162	42,660
Plant and equipment	7,929	6,485
Right-of-use assets	48,741	46,858
Deferred tax assets	23,632	21,366
Goodwill	549	3,279
Other intangible assets	19,258	19,592
Total non-current assets	<u>180,059</u>	<u>141,979</u>
Total assets	<u><u>427,927</u></u>	<u><u>418,574</u></u>
Current liabilities		
Trade and other payables	15,600	12,990
Lease liabilities	7,271	7,196
Current tax payable	3,212	338
Borrowings	102,289	109,044
Provisions	11,405	11,531
Total current liabilities	<u>139,777</u>	<u>141,099</u>
Non-current liabilities		
Lease liabilities	55,889	56,301
Borrowings	37,065	27,948
Provisions	5,370	4,319
Total non-current liabilities	<u>98,324</u>	<u>88,568</u>
Total liabilities	<u><u>238,101</u></u>	<u><u>229,667</u></u>
Net assets	<u><u>189,826</u></u>	<u><u>188,907</u></u>
Equity		
Issued capital	250,541	249,860
Reserves	2,287	2,865
Retained losses	(63,002)	(63,818)
Total equity	<u><u>189,826</u></u>	<u><u>188,907</u></u>

15.c) Interests in associates

Prior to 30 November 2022 the Group held an investment in the Cash Converters Holdings Limited Partnership, the master franchisor in New Zealand. The company held a 25% equity interest (ownership and voting interest) in all aspects of the New Zealand enterprise, including corporate stores, franchise contracts and financial services. On 30 November 2022, the Group acquired the remaining 75% interest (refer to note 14). This business combination is structured in such a way that the acquired business is now recognised as a 100% owned subsidiary of CCIL.

A fair value assessment of the equity interest held by the business as at acquisition date was performed, based on the total consideration paid for the acquisition. This assessment determined that the previously held equity interest of \$5.338 million was being held above fair value. As a result, an adjustment was made at acquisition date to reduce the equity interest by \$0.208 million, with an equivalent expense recognised through other expenses in the statement of profit or loss and other comprehensive income in FY2023.

Summarised financial information

In FY2023, the Group ceased its holdings in Cash Converters Holdings Limited Partnership and consequently, no assets or liabilities are reflected in the summary of financial information.

16. Contingent liabilities

The Group undertakes ongoing compliance activities including regular engagement with regulators, breach reporting, reviews of product offerings and customer conduct and service delivery supervision. Where a breach has occurred, regulators may impose or apply to a Court to seek fines and / or other sanctions. These matters include investigations of a number of issues which were notified to, or identified by, regulators.

In the past some of these activities have resulted in remediation programs. Where required, the Group consults with the relevant regulator on the proposed remediation action. It should be noted that, whilst no action is currently underway, there are matters ongoing where the Group is providing information requested by regulators to support its compliance with laws and regulatory obligations.

The Group occasionally receives claims and writs for damages and other matters arising from its operations. Where in the opinion of the Directors it is deemed appropriate, a specific provision is made, otherwise the Directors deem such matters are either without merit or of such kind or involve such amounts that would not have a material adverse effect on the operating results or financial position of the economic entity if disposed of unfavourably.

The Directors are not aware of any material contingent liabilities in existence as at 30 June 2024 requiring disclosure in the financial statements.

17. Commitments

The Group has services contracts on software subscriptions, marketing retainers and consulting services. The minimum contractual commitments resulting from these agreements are outlined below.

Capital expenditure

As at 30 June 2024, capital expenditure commitments were \$232 thousand (2023: nil).

Other contractual commitments

	30-Jun 2024 \$'000	30-Jun 2023 \$'000
Within one year	4,094	3,094
One to five years	2,992	1,567
Longer than five years	109	225
	<u>7,195</u>	<u>4,886</u>

As at 30 June 2024, revolving credit commitment on the Line of Credit loans to customers was 30 June 2024, \$1.543 million (FY2023: \$0.510 million)

18. Events occurring after the reporting period

As announced to the market on 27 August 2024 a renewal of the securitisation facility with Fortress Investment Group was completed.

The following key terms were agreed as part of the renewed facility:

- Facility size increased to \$200 million from \$150 million.
- Pricing based on a margin over the Bank Bill Swap Rate (BBSW).
- Provides growth capital for the personal finance lending business including new products.
- Availability period extended for a further three years to 27 August 2027 and maturity date extended to 27 August 2028.

19. Related party transactions**19.a) Subsidiaries**

The immediate parent and ultimate controlling party of the Group is Cash Converters International Limited.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

19.b) Key management personnel compensation

Details of Directors and other members of KMP of Cash Converters International Limited during the year are:

Non-executive Directors

Mr Timothy Jugmans	Chairman and Non-Executive Director
Mr Lachlan Given	Non-Executive Director
Mr Robert Hines	Non-Executive Director Chair of Audit and Risk Committee Chair of Board Investment Committee Governance, Remuneration and Nomination Committee member
Mr Henry Shiner	Non-Executive Director Audit and Risk Committee member Board and Investment Committee member Governance, Remuneration and Nomination Committee member
Mr Mark Ashby	Non-Executive Director Chair of Governance, Remuneration and Nomination Committee (appointed 6 October 2023)
Mr Andrew Spicer	Non-Executive Director (appointed 22 May 2024)
Ms Susan Thomas	Non-Executive Director Audit and Risk Committee member Board and Investment Committee member Governance, Remuneration and Nomination Committee member (resigned 30 September 2023)
Ms Julie Elliott	Non-Executive Director Chair of Governance, Remuneration and Nomination Committee Audit and Risk Committee member Board and Investment Committee member (resigned 22 May 2024)

Executive Directors

Mr Sam Budiselik	Chief Executive Officer & Managing Director
Mr Peter Cumins	Executive Deputy Chairman

Executive KMP

Ms Lisa Stedman	Chief Operating Officer
Mr James Miles	Chief Information Officer
Mr Jonty Gibbs	Chief Financial Officer
Mr Luis San Martin	Chief Risk Officer (appointed 1 March 2024)
Mr Andrew Kamp	Chief Strategy & Commercial Development Officer (appointed 7 August 2023)

The aggregate compensation of the KMP of the Group is set out below:

	30-Jun 2024	30-Jun 2023
	\$	\$
Short-term employee benefits	5,692,024	4,102,071
Post-employment benefits	219,281	177,923
Other long-term benefits	54,143	30,579
Share-based payments	601,289	621,934
Termination benefits	-	218,500
	<u>6,566,737</u>	<u>5,151,007</u>

19.c) Transactions with other related parties

During the year an amount of \$120,000 (FY2023: \$120,000) was paid for consulting services to an entity controlled by Mr P Cohen, the beneficial owner of EZCORP Inc, the Company's largest shareholder.

Other than share-based payments (as disclosed in note 20) and shareholdings of KMP (as disclosed in the remuneration report), the parent, its subsidiaries, associates and KMP made no other related party transactions during the reporting period.

20. Share-based payments

20.a) Employee rights plan

The Cash Converters rights plan ("the Plan"), which was approved by shareholders on 18 November 2015, allows the Directors of the Company to issue performance rights which will vest into ordinary shares in the Company upon the achievement of certain vesting conditions.

Each right entitles the holder to subscribe for one fully paid ordinary share in the Company at the exercise price of nil. During the reporting period, a total of 16,460,478 performance rights were granted in Tranches 37, 38, 39, 40, 41 and 42 to eligible employees of the Company.

The following arrangements were in existence during the current reporting period, not adjusted for rights which have forfeited or lapsed during the current or prior periods:

Tranche	Vesting Conditions ¹	Grant date	Grant date fair value	Exercise price	Measurement date	Number
31	TSR	26-Oct-21	\$0.162	\$0.00	30-Jun-24	4,642,856
32	EPS	26-Oct-21	\$0.213	\$0.00	30-Jun-24	4,642,856
33	TSR	4-Oct-22	\$0.119	\$0.00	30-Jun-25	4,223,496
34	EPS	4-Oct-22	\$0.170	\$0.00	30-Jun-25	4,223,485
35	TSR	25-Oct-22	\$0.127	\$0.00	30-Jun-25	1,807,769
36	EPS	25-Oct-22	\$0.180	\$0.00	30-Jun-25	1,807,769
37	TSR	8-Nov-23	\$0.092	\$0.00	30-Jun-26	5,813,572
38	EPS	8-Nov-23	\$0.162	\$0.00	30-Jun-26	5,813,572
39	TSR	23-Nov-23	\$0.085	\$0.00	30-Jun-26	2,364,865
40	EPS	23-Nov-23	\$0.155	\$0.00	30-Jun-26	2,364,865
41	TSR	1-Jan-24	\$0.085	\$0.00	30-Jun-26	51,802
42	EPS	1-Jan-24	\$0.155	\$0.00	30-Jun-26	51,802

¹ TSR: vesting conditions based on Total Shareholder Return, EPS: vesting conditions based on normalised Earnings Per Share

20.b) Fair value of performance rights granted during the year

The weighted average fair value of the performance rights granted during the financial year is \$0.12 (FY2023: \$0.15). Where relevant, the expected life used in the model is based on the earliest vesting date possible for each tranche, based on the vesting conditions.

	Tranche 37	Tranche 38	Tranche 39	Tranche 40	Tranche 41	Tranche 42
Grant date	8-Nov-23	8-Nov-23	23-Nov-23	23-Nov-23	1-Jan-24	1-Jan-24
Option pricing model	Hoadley 1	Hoadley 2	Hoadley 1	Hoadley 2	Hoadley 1	Hoadley 2
Grant date share price	\$0.21	\$0.21	\$0.20	\$0.20	\$0.20	\$0.20
Exercise price	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Expected volatility	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
Option life	2.64 years	2.64 years	2.60 years	2.60 years	2.50 years	2.50 years
Dividend yield	9.76%	9.76%	9.76%	9.76%	9.76%	9.76%
Risk-free interest rate	4.16%	4.16%	4.14%	4.14%	4.14%	4.14%

Hoadley Trading and Investment Tools

Hoadley 1 Hoadley Hybrid ESO Model - Relative TSR vs Peer Group Monte-Carlo simulation

Hoadley 2 Hoadley ESO2 trinomial model

20.c) Movement in performance rights during the year

The following table illustrates the number of, and movements in, performance rights during the year. The performance rights were issued at no charge, and the weighted average exercise price is nil. No rights were exercisable at the end of the current year. Certain performance rights may vest on the publication of these results for FY2024.

	2024	2023
	Number	Number
Outstanding at beginning of year	27,183,147	26,863,552
Granted during year	16,460,478	12,062,519
Forfeited / lapsed during year	(2,764,875)	(3,431,814)
Exercised during year	(5,525,046)	(6,259,034)
Cash settled at vesting	(1,711,458)	(2,052,076)
Outstanding at end of year	<u>33,642,246</u>	<u>27,183,147</u>
To be cash settled	-	1,711,458

20.d) Share options exercised during the year

5,525,046 shares were issued as a result of the exercise of performance rights during the financial year. No shares have been issued as a result of the exercise of share options or performance rights since the end of the financial year. 6,259,034 of shares were issued as a result of the exercise of performance rights during the year ended 30 June 2023.

20.e) Share options forfeited / lapsed during the year

Tranche	Grant date	Number
Year ended 30 June 2024		
30	29-Sep-20	1,841,682
33	4-Oct-22	262,948
34	4-Oct-22	262,947
37	8-Nov-23	198,649
38	8-Nov-23	198,649
		2,764,875
Year ended 30 June 2023		
29	29-Sep-20	169,461
30	29-Sep-20	169,461
31	26-Oct-21	789,474
32	26-Oct-21	789,474
33	4-Oct-22	756,972
34	4-Oct-22	756,972
		3,431,814

20.f) Share options outstanding at year end

The total number of options outstanding at 30 June 2024 was 33,642,246 (FY2023: 27,183,147).

Tranche	Vesting condition	Grant date	Grant date fair value	Exercise price	Measurement date	Number
31	TSR	26-Oct-21	\$0.162	\$0.00	30-Jun-24	3,778,194
32	EPS	26-Oct-21	\$0.213	\$0.00	30-Jun-24	3,778,194
33	TSR	4-Oct-22	\$0.119	\$0.00	30-Jun-25	3,203,570
34	EPS	4-Oct-22	\$0.170	\$0.00	30-Jun-25	3,203,570
35	TSR	25-Oct-22	\$0.127	\$0.00	30-Jun-25	1,807,769
36	EPS	25-Oct-22	\$0.180	\$0.00	30-Jun-25	1,807,769
37	TSR	8-Nov-23	\$0.092	\$0.00	30-Jun-26	5,614,923
38	EPS	8-Nov-23	\$0.162	\$0.00	30-Jun-26	5,614,923
39	TSR	23-Nov-23	\$0.085	\$0.00	30-Jun-26	2,364,865
40	EPS	23-Nov-23	\$0.155	\$0.00	30-Jun-26	2,364,865
41	TSR	1-Jan-24	\$0.085	\$0.00	30-Jun-26	51,802
42	EPS	1-Jan-24	\$0.155	\$0.00	30-Jun-26	51,802
						33,642,246

The weighted average remaining contractual life for the options outstanding at 30 June 2024 was 1.3 years (FY2023: 1.1 years).

21. Remuneration of auditors

The auditor of Cash Converters International Limited is Deloitte Touche Tohmatsu.

	30-Jun 2024	30-Jun 2023
Audit / review of the financial report		
- Group	1,010,070	1,124,496
- Subsidiaries	330,772	127,836
Other assurance and agreed-upon procedures under other legislation or contractual arrangements	56,508	24,885
Other services		
- Taxation services	-	9,810
	<u>1,397,350</u>	<u>1,287,027</u>

22. Earnings / (loss) per share**22.a) Earnings / (loss) per share**

	30-Jun 2024 cents	30-Jun 2023 cents
Basic	2.78	(15.54)
Diluted	2.65	(15.54)

Where EPS is negative, DEPS is reported at the same value as EPS.

22.b) Reconciliations of earnings / (loss) used in calculating earnings per share

	30-Jun 2024 \$'000	30-Jun 2023 \$'000
Basic and diluted earnings / (loss) per share		
Profit / (loss) attributable to shareholders of the Company used in calculating earnings / (loss) per share	17,397	(97,155)

22.c) Weighted average number of shares used as the denominator

	30-Jun 2024 Number	30-Jun 2023 Number
Weighted average number of shares - basic	626,559,867	625,253,983
Dilutive effect of performance rights	29,401,935	25,726,260
Weighted average number of shares - diluted	<u>655,961,802</u>	<u>650,980,243</u>

23. Assets pledged as security

See note 7.a for cash and cash equivalents designated as restricted cash to operate the securitisation facility and for cash on deposit as security for banking facilities.

See note 7.e for the borrowing facility secured against eligible receivables.

24. Parent entity financial information

The financial information of the parent entity, Cash Converters International Limited has been prepared on the same basis as the consolidated financial report.

Statement of financial position

	30-Jun 2024 \$'000	Restated 30-Jun 2023 \$'000
Assets		
Current assets	153	40
Non-current assets	171,535	182,004
Total assets	<u>171,688</u>	<u>182,044</u>
Liabilities		
Current liabilities	3,327	470
Net assets	<u>168,361</u>	<u>181,574</u>
Equity		
Issued capital	250,541	249,860
Reserves	1,784	2,277
Profit reserve	304,086	316,636
Retained loss	(388,050)	(387,199)
Total equity	<u>168,361</u>	<u>181,574</u>
Comprehensive income		
	30-Jun 2024 \$'000	Restated 30-Jun 2023 \$'000
Loss for the year	(823)	(111,334)
Other comprehensive income	-	-
Total comprehensive loss	<u>(823)</u>	<u>(111,334)</u>

Restatement of parent entity comparative financial information

Within the parent entity statement of financial position and statement of comprehensive income above, the Company has restated the following comparative balances to reflect the impairment of the Company's investment in subsidiaries as at 30 June 2023. There is no impact to the consolidated financial statements of the Group:

	As previously reported	Adjustment	As restated
	30-Jun	30-Jun	30-Jun
	2023	2023	2023
	\$'000	\$'000	\$'000
Non-current assets	292,485	(110,481)	182,004
Accumulated losses	(276,718)	(110,481)	(387,199)
Loss for the year	(853)	(110,481)	(111,334)

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

Cross guarantees have been provided by the parent entity and its controlled entities as listed in note 15.

Cash Converters International Limited has provided a cross guarantee to HSBC for a BACS facility provided to CCUK.

25. Summary of other material accounting policies

This note provides a list of other material accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the group consisting of Cash Converters International Limited and its subsidiaries.

25.a) Principles of consolidation and equity accounting

The consolidated financial statements comprise the financial statements of Cash Converters International Limited and entities controlled by the Company and its subsidiaries (the Group, as outlined in note 15(a)).

Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

25.b) Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- The contract involves the right of use of an identified asset – this may be specified explicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- The Group has the right to direct the use of the asset.

At inception or reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component based on their relative stand-alone prices.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease i.e. the date the underlying asset is available for use. Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities.

The cost of the right-of-use asset comprises the initial lease liability amount, initial direct costs incurred when entering into the lease less lease incentives received and an estimate of the costs to be incurred in dismantling and removing the underlying asset and restoring the site on which it is located to the condition required by the terms and conditions of the lease.

Unless the Group is reasonably certain of obtaining ownership of the leased asset at the end of the lease term, the recognised right-of-use asset is depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

An impairment review is undertaken for any right-of-use asset that shows indicators of impairment and an impairment loss is recognised against any right-of-use asset that is impaired.

Lease liabilities

The lease liability is initially measured at the present value of the fixed and variable lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); and
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group adjusts the lease liability due to changes in lease payments and lease terms during the period.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases i.e. those leases that have a lease term of 12 months or less. It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (less than \$7,500). Payments associated with short-term leases (buildings, equipment and vehicles) and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Low-value assets comprise IT equipment and small items of office furniture.

Incremental borrowing rate

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received; and
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing, and adjustments specific to the lease (e.g. term, country, currency and security).

Extension and termination options

Extension and termination options are included in several property leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. Most of the extension and termination options held are exercisable only by the Group and not by the respective lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease term is reassessed if an option is exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

Where “make-good” obligations exist in leases, the amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, the carrying amount is the present value of those future cash flows. The assessment of the present value of the future obligation requires the application of judgment.

25.c) Property, plant and equipment

Segments other than New Zealand and United Kingdom

Plant and equipment and leasehold improvements are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on plant and equipment. Depreciation is calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

Leasehold improvements	8 years
Plant and equipment	5 years
Fixtures and fittings	8 years
Computer equipment	3 years

New Zealand segment

Plant and equipment and leasehold improvements are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. Assets are depreciated from the date of installation/first use, whichever is sooner.

Depreciation is provided on leasehold improvements and plant and equipment. Depreciation is calculated on a diminishing value basis in accordance with the rates set by the New Zealand Inland Revenue Department.

United Kingdom segment

Plant and equipment and leasehold improvements are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item.

An estimated useful life of 4 years is used in calculating depreciation for plant and equipment and leasehold improvements.

25.d) Intangible assets

Reacquired rights and customer relationships acquired through business combinations are recognised at fair value at acquisition date less accumulated amortisation and impairment.

Trade names / brand names relating to repurchased sub-master licenses both overseas and in Australia are recognised at cost less accumulated amortisation.

Software development expenditure is recognised as an asset when it is possible that future economic benefits attributable to the asset will flow. Software assets are recognised at cost less accumulated amortisation.

Intangible assets are amortised as follows:

Asset	Amortisation period
Reacquired rights	The remaining life of each franchise agreement as at the acquisition date
Customer relationships	Useful life of 5 years based on historic average customer relationships
Trade names	Indefinite life intangible
Software	Useful life of 5 years based on historic experience

Key estimate – useful lives of other intangible assets

The Company reviews the estimated useful lives of other intangible assets at the end of each annual reporting period. The estimation of the remaining useful lives of other intangible assets requires the entity to make significant estimates based on both past performance and expectations of future performance.

Consolidated Entity Disclosure Statement

The table below contains consolidated entity information required by section 295 of the *Corporations Act 2001* (Cth) as at 30 June 2024.

Entity name	Entity type	Body corporates		Tax residency	
		Place formed or incorporated	% of share capital held	Australian or foreign	Foreign jurisdiction
Cash Converters International Limited	Body corporate	Australia	N/A	Australia	N/A
Cash Converters Pty Ltd	Body corporate	Australia	100%	Australia	N/A
Cash Converters Finance Corporation Pty Ltd	Body corporate	Australia	64.33%	Australia	N/A
Cash Converters (Stores) Pty Ltd	Body corporate	Australia	100%	Australia	N/A
Cash Converters (Cash Advance) Pty Ltd	Body corporate	Australia	100%	Australia	N/A
Mon-E Pty Ltd	Body corporate	Australia	100%	Australia	N/A
Cash Converters Personal Finance Pty Ltd	Body corporate	Australia	100%	Australia	N/A
CCPF Receivables Trust No 1 ¹	Trust	N/A	N/A	Australia	N/A
Finance Administrators of Australia Pty Ltd	Body corporate	Australia	100%	Australia	N/A
Green Light Auto Group Pty Limited	Body corporate	Australia	100%	Australia	N/A
Safrock Finance Corporation (Qld) Pty Ltd	Body corporate	Australia	100%	Australia	N/A
Cash Converters USA Pty Ltd	Body corporate	Australia	99.285%	Australia	N/A
Cash Converters (NZ) Pty Ltd	Body corporate	Australia	100%	Australia	N/A
CC Acquisitions Pty Ltd	Body corporate	Australia	100%	Australia	N/A
Cash Converters Employee Share Trust ²	Trust	N/A	N/A	Australia	N/A
Cash Converters UK Holdings Ltd	Body corporate	UK	100%	Foreign	UK
Cash Converters (UK) Stores Ltd	Body corporate	UK	100%	Foreign	UK
Cash Converters UK Ltd (CCUK)	Body corporate	UK	100%	Foreign	UK
Themedawn Limited (UK)	Body corporate	UK	100%	Foreign	UK
Newton Hayes Ltd (UK)	Body corporate	UK	100%	Foreign	UK
Cash Converters Holdings (NZ) Ltd	Body corporate	New Zealand	100%	Foreign	New Zealand
Cash Converters (NZ) Personal Finance Ltd	Body corporate	New Zealand	100%	Foreign	New Zealand
Cash Converters (NZ) Franchise Ltd	Body corporate	New Zealand	100%	Foreign	New Zealand
Cash Converters (NZ) Stores Ltd	Body corporate	New Zealand	100%	Foreign	New Zealand
Cash Converters Holdings (NZ) Limited	Body corporate	New Zealand	100%	Foreign	New Zealand
Cash Converters (NZ) Personal Finance Limited	Body corporate	New Zealand	100%	Foreign	New Zealand
Cash Converters (NZ) Franchise Limited	Body corporate	New Zealand	100%	Foreign	New Zealand
Cash Converters (NZ) Stores Limited	Body corporate	New Zealand	100%	Foreign	New Zealand
Next Pay New Zealand Limited	Body corporate	New Zealand	100%	Foreign	New Zealand
Cash Converters Limited	Body corporate	New Zealand	100%	Foreign	New Zealand
Cash Converters Capital Limited	Body corporate	New Zealand	100%	Foreign	New Zealand

Consolidated Entity Disclosure Statement

Cash Converters Corporate Limited	Body corporate	New Zealand	100%	Foreign	New Zealand
Cash Converters Digital Limited	Body corporate	New Zealand	100%	Foreign	New Zealand
Cash Converters Finance Limited	Body corporate	New Zealand	100%	Foreign	New Zealand
Cash Converters Franchising Limited	Body corporate	New Zealand	100%	Foreign	New Zealand
Cash Converters Henderson Limited	Body corporate	New Zealand	100%	Foreign	New Zealand
Cash Converters Linwood Limited	Body corporate	New Zealand	100%	Foreign	New Zealand
Cash Converters Manukau Limited	Body corporate	New Zealand	100%	Foreign	New Zealand
Cash Converters Otahuhu Limited	Body corporate	New Zealand	100%	Foreign	New Zealand
Cash Converters Otara Limited	Body corporate	New Zealand	100%	Foreign	New Zealand
Cash Converters Panmure Limited	Body corporate	New Zealand	100%	Foreign	New Zealand
Cash Converters Papakura Limited	Body corporate	New Zealand	100%	Foreign	New Zealand
Cash Converters Pukekohe Limited	Body corporate	New Zealand	100%	Foreign	New Zealand
Cash Converters Takanini Limited	Body corporate	New Zealand	100%	Foreign	New Zealand
Cash Converters Finance GP Limited	Body corporate	New Zealand	100%	Foreign	New Zealand
Cash Converters Glen Innes Limited	Body corporate	New Zealand	100%	Foreign	New Zealand
Cash Converters Mount Roskill Limited	Body corporate	New Zealand	100%	Foreign	New Zealand
Cash Converters Stores GP Limited	Body corporate	New Zealand	100%	Foreign	New Zealand
Cash Converters Holdings LP	Partnership	New Zealand	N/A	Foreign	New Zealand
Cash Converters Corporate NZ LP	Partnership	New Zealand	N/A	Foreign	New Zealand
Cash Converters Franchising NZ LP	Partnership	New Zealand	N/A	Foreign	New Zealand
Cash Converters Digital NZ LP	Partnership	New Zealand	N/A	Foreign	New Zealand
Cash Converters Capital NZ LP	Partnership	New Zealand	N/A	Foreign	New Zealand
Cash Converters Finance NZ LP	Partnership	New Zealand	N/A	Foreign	New Zealand
Cash Converters Partners NZ LP	Partnership	New Zealand	N/A	Foreign	New Zealand
CC Glen Innes NZ LP	Partnership	New Zealand	N/A	Foreign	New Zealand
CC Henderson NZ LP	Partnership	New Zealand	N/A	Foreign	New Zealand
CC Linwood NZ LP	Partnership	New Zealand	N/A	Foreign	New Zealand
CC Manukau NZ LP	Partnership	New Zealand	N/A	Foreign	New Zealand
CC Mount Roskill NZ LP	Partnership	New Zealand	N/A	Foreign	New Zealand
CC Otahuhu NZ LP	Partnership	New Zealand	N/A	Foreign	New Zealand
CC Otara NZ LP	Partnership	New Zealand	N/A	Foreign	New Zealand
CC Panmure NZ LP	Partnership	New Zealand	N/A	Foreign	New Zealand
CC Papakura NZ LP	Partnership	New Zealand	N/A	Foreign	New Zealand
CC Pukekohe NZ LP	Partnership	New Zealand	N/A	Foreign	New Zealand
CC Takanini NZ LP	Partnership	New Zealand	N/A	Foreign	New Zealand

1. FCCD (Australia) Nominee Pty Limited is the trustee for the CCPF Receivables Trust No 1

2. CPU Share Plans Pty Limited is the trustee for the Cash Converters Employee Share Trust

Directors' declaration

The Directors declare that:

- a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- b) in the Directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 1 to the financial statements;
- c) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Group;
- d) in the Directors' opinion, the consolidated entity disclosure statement on pages 123 to 124 is true and correct; and
- e) the Directors have been given the declarations required by s295A of the *Corporations Act 2001*.

At the date of this declaration the Company is within the class of companies affected by *ASIC Corporations (Wholly owned Companies) Instrument 2016/785*. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

In the Directors' opinion, there are reasonable grounds to believe that the Company and the companies to which the *ASIC Corporations (Wholly owned Companies) Instrument 2016/785* applies, as detailed in note 15 to the financial statements will, as a group, be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the deed of cross guarantee.

Signed in accordance with a resolution of the Directors made pursuant to s295(5) of the *Corporations Act 2001*.

On behalf of the Directors



Sam Budiselik
Chief Executive Officer & Managing Director

Perth, Western Australia
29 August 2024

Independent Auditor's Report to the members of Cash Converters International Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Cash Converters International Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, the directors' declaration and the consolidated entity disclosure statement.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
<p>Allowance for expected credit loss – loan receivables</p> <p>As disclosed in Note 7.c), the carrying value of loan receivables as at 30 June 2024 was \$238.7 million, net of allowance for expected credit loss ('ECL') of \$49.3 million.</p> <p>Loans subject to the allowance for expected credit loss include personal loans, pawnbroking loans and vehicle finance loans.</p> <p>Significant management judgement is necessary in determining expected credit loss, including:</p> <ul style="list-style-type: none"> the identification of loans with significant increase in credit risk to determine whether a 12 month or lifetime ECL should be recognised; assumptions used in the ECL models such as the financial condition of the counterparty, repayment capacity, any collateral value and forward-looking macroeconomic factors disclosed in note 7.c) which impact on the estimate of loss given default; and management judgements used in the calculation of overlays to the ECL models. 	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> obtaining an understanding of credit risk judgements made by management in the ECL models; understanding the key controls management have in place in relation to loan originations, collections, arrears management and the estimate of the expected credit loss; challenging the assumptions and methodology used to determine the timing of recognition of loss events and significant increases in credit risk, valuation of collateral, probability of default and loss given default; testing on a sample basis the accuracy and completeness of the historical data utilised in the models; in conjunction with our credit modelling specialists, <ul style="list-style-type: none"> developing an expected range of the allowance for expected credit loss; testing the mathematical accuracy of the ECL models through reperformance; assessing modelled base losses against actual historical losses; challenging management's judgements in respect of overlays recognised due to macroeconomic factors; and assessing the adequacy of the disclosures in Note 7.c).
<p>Impairment of goodwill and other non-current assets in the New Zealand operating segment</p> <p>Management undertakes impairment testing to test the recoverability of goodwill and indefinite life intangible assets annually.</p> <p>As disclosed in Note 5 an impairment charge of \$3.3 million was recorded in respect of goodwill in the New Zealand operating segment. Goodwill is monitored and tested for impairment at the operating segment level.</p> <p>The assessment of the New Zealand operating segments recoverable value requires significant judgement in respect of assumptions and estimates in preparing a value in use ('VIU') model such as:</p> <ul style="list-style-type: none"> discount rate; forecast retail and pawnbroking growth rates; forecast Better Personal Loan ('BPL') volumes driving revenue increase; and forecast bad debt levels. 	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> obtaining an understanding of the key judgements made by management in the VIU model; obtaining an understanding of the key controls management has in place in relation to the estimate of the recoverable amount of the goodwill, other intangible assets and other non-current assets; comparing the forecasts used in the impairment assessment to the Board-approved business plan; assessing historical forecasting accuracy by comparing actual results to forecast; assessing the appropriateness of the carrying amount, including the allocation of corporate assets and liabilities; in conjunction with our valuation specialist: <ul style="list-style-type: none"> challenging the key assumptions and methodologies used, in particular: <ul style="list-style-type: none"> the discount rate against that of comparable companies; forecast BPL loan volume growth assumptions; forecast bad debt levels for BPL; and forecast retail and pawnbroking revenue growth rates. testing management's model for mathematical accuracy; and assessing the adequacy of the disclosures in the Note 5.c)

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
<p>Loan to Cash Converters Espana, S.L (Spain master franchisor)</p> <p>As disclosed in Note 7.b) the carrying amount of loan to external parties as at 30 June 2024 was \$7.428 million, net of allowance for ECL of \$0.735 million.</p> <p>The loan has been classified as non-current in the financial statements on the basis that management expects to extend the repayment terms.</p> <p>Given the increase in the principal amount and the extended payment period management has determined that there has been an increase in credit risk during the period.</p> <p>Significant judgement is necessary in determining the expected credit loss including estimates of the probability of default and loss given default.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • reading and understanding the loan agreements; • assessing the likely methods and the timing of the expected recovery of the loan; • assessing the most recent audited financial report of Cash Converters Espana, S.L.; • obtaining an understanding of credit risk judgements made by management in the ECL model; • challenging the assumptions and methodology used to determine the probability of default and loss given default; • in conjunction with our credit modelling specialists, developing an expected range of the allowance for expected credit loss; • assessing the non-current classification of the loan; and • assessing the adequacy of the disclosures in Note 7.b).
<p>Acquisition of Capital Cash Limited</p> <p>As disclosed in Note 14 the Group completed the acquisition of Capital Cash Limited on 6 July 2023, for total purchase consideration of \$23.1 million which includes goodwill and other intangible assets of \$6.6 million and \$5.7 million respectively.</p> <p>Significant judgement was required in assessing the appropriateness of the acquisition accounting, including:</p> <ul style="list-style-type: none"> • concluding on the date that control was obtained by the Company under the Sale and Purchase Agreement; • concluding on the determination of consideration paid; • identifying and valuing the identifiable intangible assets acquired, including reacquired franchise rights; and • determining the impact of the transaction on associated tax balances, including the deferred tax impact on reset tax cost bases. 	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • reading and understanding the Sale and Purchase Agreement to understand the nature of the transaction, and the consideration; • assessing the acquisition date against the requirements of AASB 3, <i>Business Combinations</i>; • challenging the recognition and measurement of consideration transferred; • understanding management’s controls over the valuation process for the identification of the assets acquired and liabilities assumed including consideration of contingent assets or liabilities; • obtaining a copy of the management’s expert’s valuation report that was commissioned to determine the fair values at acquisition date of intangible assets acquired; • assessing the independence, competence and objectivity of management’s expert; • assessing, in conjunction with our internal valuation specialists, the identification of assets acquired and liabilities assumed, and the appropriateness of the methodologies and assumptions used by management and their experts, including the following: <ul style="list-style-type: none"> ○ <i>reacquired franchise rights</i>: assessing the methodologies applied in valuing the rights, and the reasonableness of critical assumptions including annual franchise fees and assumed fee increases, agreement renewal periods, and discount rate; • assessing the calculation and valuation of the deferred tax balances arising on the transaction; and • assessing the adequacy of the disclosures in Note 14 to the financial statements.

Other Information

- The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.
- Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible:

- For the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group in accordance with Australian Accounting Standards; and
- For such internal control as the directors determine is necessary to enable the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 28 to 48 of the Directors' Report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Cash Converters International Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

DELOITTE TOUCHE TOHMATSU

Peter Rupp

Partner

Chartered Accountants

Melbourne, 29 August 2024

Shareholder information

As at 21 August 2024

Distribution of holders of equity securities

	Holders Number	Fully paid ordinary shares Number
1 to 1,000	601	231,480
1,001 to 5,000	1,033	2,975,784
5,001 to 10,000	563	4,473,286
10,001 to 100,000	1,215	46,514,747
100,001 and over	463	573,349,718
	<u>3,875</u>	<u>627,545,015</u>

Voting rights

Cash Converters International Limited fully-paid ordinary shares carry voting rights of one vote per share.

Less than marketable parcel of shares

There were 1,028 holders of less than a marketable parcel of ordinary shares.

Substantial shareholders

Ordinary shareholder	Number of shares	% of issued shares
1 EZCORP Inc	273,939,157	43.65%

Twenty largest equity security holders

Ordinary shareholder	Number of shares	% of issued shares
1 EZCORP INC	273,939,157	43.65%
2 J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	17,924,837	2.86%
3 CITICORP NOMINEES PTY LIMITED	13,233,277	2.11%
4 MR TIMOTHY JOHN HILBIG <SP14 A/C>	20,070,000	3.20%
5 NGE CAPITAL LIMITED	10,733,752	1.71%
6 MR RAYMOND JAMES ALLAN	8,107,358	1.29%
7 MR SAM WILLIAM BUDISELIK	7,519,115	1.20%
8 RIOLANE HOLDINGS PTY LTD <CUMINS SUPER FUND A/C>	6,937,226	1.11%
9 NSR INVESTMENTS PTY LTD <NSR SUPER FUND A/C>	4,400,000	0.70%
10 HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,922,647	0.63%
11 FISKE PLC	3,900,000	0.62%
12 MRS LILIAN JEANETTE WARMBRAND	3,785,234	0.60%
13 CASH CONVERTERS FRANCHISEES ASSOCIATION INC	3,662,205	0.58%
14 MR PETER CUMINS <PETER CUMINS FAMILY A/C>	3,373,468	0.54%
15 CPU SHARE PLANS PTY LIMITED <CCV EST UNALLOCATED A/C>	3,230,154	0.51%
16 BNP PARIBAS NOMS PTY LTD	3,002,849	0.48%
17 MR ALASTAIR EDWARD SCHWIER	3,000,000	0.48%
18 KAMALA HOLDINGS PTY LTD <KAMALA 1994 SUPER FUND A/C>	2,904,896	0.46%
19 VADINA PTY LIMITED <JORDAN SUPER FUND A/C>	2,718,750	0.43%
20 MR JAMES STANLEY LEHMAN	2,600,000	0.41%
	<hr/> <hr/>	
	398,964,925	63.58%

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