

Cleansing statement

CASH CONVERTERS INTERNATIONAL LIMITED PRO-RATA NON-RENOUCEABLE ENTITLEMENT OFFER

NOTICE UNDER SECTION 708AA(2)(f) CORPORATIONS ACT 2001 (CTH)

This notice is given by Cash Converters International Limited ACN 069 141 546 (ASX Code: CCV) (**Cash Converters**) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Act**) as notionally modified by Australian Securities and Investment Commission Corporations (Non-Traditional Rights Issues) Instrument 2016/84 (**ASIC Instrument 2016/84**).

Where applicable, references in this notice to sections of the Act are to those sections as modified by ASIC Instrument 2016/84.

Cash Converters announced a pro-rata non-renounceable entitlement (**Offer**) of 1 fully paid ordinary share in Cash Converters (**New Shares**) for every 4 Cash Converters ordinary shares held as at 7.00pm (Sydney time) on 4 June 2018 by shareholders with a registered address in Australia, New Zealand and certain other jurisdictions in which Cash Converters decides to extend the Offer.

Cash Converters confirms that:

- 1 The New Shares will be offered without disclosure under Part 6D.2 of the Act.
- 2 This notice is being given under section 708AA(2)(f) of the Act.
- 3 As at the date of this notice, Cash Converters has complied with:
 - (a) the provisions of Chapter 2M of the Act as they apply to Cash Converters; and
 - (b) section 674 of the Act.
- 4 As at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Act that is required to be set out in this notice under section 708AA(7) of the Act.
- 5 the potential effect that the Offer will have on control of Cash Converters and the consequences of that effect will depend upon a number of factors, including shareholder demand under the Offer and the underwriting and sub-underwriting arrangements in relation to the Offer, as set out in paragraphs (a) to (e) below. Having regard to those arrangements, the Offer is not expected to have any material effect or consequence on the control of Cash Converters.
 - (a) Given the structure of the Offer, the potential effect that the issue of the New Shares will have on the control of Cash Converters is as follows:
 - (1) if all of Cash Converters existing shareholders who are eligible to participate in the Offer (**Eligible Shareholders**) take up their entitlements to New Shares under the Offer, there will be no material effect on the control of Cash Converters as Eligible Shareholders would continue to hold the same percentage interest in Cash Converters. Shareholders who are ineligible to participate in the Offer will have their percentage holding in Cash Converters shares diluted as a consequence of the issue of New Shares. If the New Shares of ineligible shareholders are acquired by

Eligible Shareholders, those shareholders percentage interest in Cash Converters would increase; and

- (2) to the extent that any Eligible Shareholder fails to take up their entitlement under the Offer, that Eligible Shareholder's percentage holding in Cash Converters shares would be diluted by the issue of the New Shares relative to those who did take up their full entitlement (and those who acquire more New Shares than their entitlement) and to the major shareholder referred to below who has committed to take up a portion of the New Shares not otherwise taken up by Eligible Shareholders (together with the underwriter and any sub-underwriters of the Offer).
- (b) The Offer (other than the EZCORP Commitment defined below) is underwritten by Hartleys Limited (**Hartleys**) to a total of approximately \$21 million. Hartleys is entitled to appoint sub-underwriters.
- (c) EZCORP Inc. (**EZCORP**), the largest shareholder in Cash Converters, has voting power in Cash Converters of 31.75% at the date of this notice. EZCORP has committed to:
 - (1) take up its full pro rata entitlement under the Offer totalling 39,138,120 New Shares with a value of approximately \$12.5 million; and
 - (2) subscribe for up to a further 18,493,108 New Shares with a value of approximately \$6 million either through the oversubscription facility which will be available to Eligible Shareholders or through an application for shortfall securities (or a combination of both). EZCORP's application for shortfall securities will be in priority to the underwriter and any sub-underwriters.
 - (3) This approximately \$18.5 million commitment is the **EZCORP Commitment**.

The New Shares acquired by EZCORP in addition to its pro rata entitlement will be within, and limited to, EZCORP's 3% capacity to acquire further shares in Cash Converters under item 9 of section 611 of the Corporations Act.

- (d) Following completion of the Offer, EZCORP's voting power in Cash Converters will be no less than its current voting power of 31.75% and will not exceed 34.75%.
- (e) The issue of New Shares to Hartleys or sub-underwriters may increase the voting power of Hartleys or the sub-underwriters in Cash Converters however, this is not expected to have any material effect or consequence on the control of Cash Converters.