

ASX Release

31 May 2018

Letter to shareholders

In connection with the \$39.5 million underwritten non-renounceable entitlement offer ('Entitlement Offer') announced by Cash Converters International Limited (ASX: CCV) on 30 May 2018, a letter being sent to all shareholders in connection with the Entitlement Offer is attached.

Brad Edwards
Company Secretary

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ASX : CCV



31 May 2018

Dear Shareholder

Cash Converters International Limited Entitlement Offer - Notification to shareholders

On Wednesday, 30 May 2018, Cash Converters International Limited ABN 39 069 141 546 (ASX: CCV) (**Cash Converters**) announced an equity raising of approximately \$39.5 million by way of a 1 for 4 non-renounceable pro-rata entitlement offer of approximately 123.3 million fully paid new ordinary shares (**New Shares**) at an offer price of \$0.32 per New Share (**Entitlement Offer**). New Shares issued under the Entitlement Offer will be on the same terms and will rank equally in all respects with Cash Converters' existing fully paid ordinary shares from the issue date.

The net proceeds of the Entitlement Offer, together with Cash Converters' existing cash and cash equivalents, will be used to repay the FIIG bond and for working capital to fund future growth opportunities.

The Entitlement Offer is being made without a prospectus in accordance with section 708AA of the *Corporations Act 2001* (Cth) (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84).

Cash Converters has appointed Hartleys Limited ABN 33 104 195 057 (**Hartleys**) as underwriter of \$21 million of the Entitlement Offer. Cash Converters has agreed to pay Hartleys:

- a lead manager fee of 4.75% of the underwritten amount of the Entitlement Offer; and
- at Cash Converters' absolute discretion, an incentive fee of 0.5% of the underwritten amount of the Entitlement Offer.

EZCORP Inc. (**EZCORP**), Cash Converters' major shareholder, has committed to:

- take up its full pro-rata entitlement under the Entitlement Offer totalling approximately 39.1 million New Shares with a value of approximately \$12.5 million; and
- subscribe for up to a further approximately 18.5 million New Shares with a value of approximately \$6 million either through the oversubscription facility that 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.

EZCORP will not be paid a fee for these commitments.

The record date for the Entitlement Offer is 5.00pm (Perth time) / 7.00pm (AEST) on Monday, 4 June 2018. The Entitlement Offer is open to shareholders at the record date whose registered address is in Australia or New Zealand (and who are otherwise eligible to participate) and in the case of institutional shareholders with a registered address in a permitted jurisdiction and EZCORP.

This letter is not an offer document but rather an advance notice of some key terms and conditions of the Entitlement Offer.

Details of the Entitlement Offer are set out in an offer booklet (**Entitlement Offer Booklet**) released onto the Australian Securities Exchange (**ASX**) around the time of announcement of the Entitlement Offer. A copy of the Entitlement Offer Booklet is available to shareholders with registered addresses in Australia or New Zealand on ASX's website at www.asx.com.au. Eligible shareholders will be mailed an Entitlement Offer Booklet together with a personalised Entitlement and Acceptance Form no later than Tuesday, 5 June 2018. For eligible shareholders who have elected to receive electronic communications from Cash Converters, a link to the Entitlement Offer Booklet and their personalised Entitlement and Acceptance Form will be sent electronically no later than Tuesday, 5 June 2018.

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Key information regarding the Entitlement Offer is as follows:

The offer price of \$0.32 per New Share represents a discount of:

- 12.8% to the volume weighted average price of Cash Converters shares for the 5 trading days up to and including Monday, 28 May 2018;
- 12.3% to the closing price of Cash Converters shares on Monday, 28 May 2018; and
- 10.1% to the theoretical ex rights price¹ of Cash Converters shares.

Fractional entitlements to New Shares will be rounded up in aggregate to the nearest whole number of New Shares. For this purpose, holdings on different registers (or subregisters) will be aggregated for the calculation of entitlements.

New Shares issued under the Entitlement Offer will have the same dividend rights as existing fully paid ordinary shares.

Following the completion of the Entitlement Offer, Cash Converters will have approximately 616.4 million fully paid ordinary shares on issue.

Cash Converters also has the following securities that are not quoted on the ASX:

- 6,194,448 performance rights expiring 30 June 2018, exercisable at \$0.00;
- 6,458,766 performance rights expiring 30 June 2019, exercisable at \$0.00; and
- 3,461,288 performance rights expiring 30 June 2020, exercisable at \$0.00.

Actions required by shareholders

If you are an eligible shareholder and wish to take up all or part of your entitlements you will either need to complete and return your personalised Entitlement and Acceptance Form accompanying the Entitlement Offer Booklet, together with your payment for the New Shares you wish to subscribe for, or make payment using BPAY® (if you use BPAY you do not need to return your personalised Entitlement and Acceptance Form), in each case in accordance with the instructions on the Entitlement and Acceptance Form. A reply paid envelope will be enclosed for your convenience.

Eligible shareholders who take up their entitlements in full can also apply for additional New Shares in excess of their entitlement up to a maximum of 50% of their entitlement at the offer price of \$0.32 per New Share. Additional New Shares will only be available to the extent that there are entitlements under the Entitlement Offer that are not taken up by eligible shareholders. Eligible shareholders who apply for additional New Shares may be allocated a lesser number of additional New Shares than applied for, or may be allocated no additional New Shares at all. Cash Converters may scale back applications for additional New Shares on a pro rata basis.

Key dates for shareholders

Announcement of the Entitlement Offer	Wednesday, 30 May 2018
Record Date for Entitlement Offer (5:00pm Perth time / 7:00pm AEST)	Monday, 4 June 2018
Entitlement Offer opens	Tuesday, 5 June 2018

¹ The theoretical ex-rights price (**TERP**) is the theoretical price at which a company's shares should trade after the ex-date for an Entitlement Offer, by reference to the last closing share price prior to announcement of the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which shares will trade immediately after the ex-date of the Entitlement Offer will depend on many factors and may not be equal to the TERP.



Entitlement Offer Booklet and Entitlement and Acceptance Form despatched	Tuesday, 5 June 2018
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Entitlement Offer closes (5:00pm Perth time / 7.00pm AEST)	Monday, 18 June 2018
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Commencement of trading of New Shares on a deferred settlement basis	Tuesday, 19 June 2018
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Allotment of New Shares under the Entitlement Offer	Tuesday, 26 June 2018
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New Shares commence trading on a normal settlement basis	Wednesday, 27 June 2018
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Despatch of holding statements for New Shares issued under the Entitlement Offer	
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Shareholders who are eligible to participate in the Entitlement Offer should read the Entitlement Offer Booklet carefully. If you require further assistance, please do not hesitate to contact the Cash Converters Offer Information Line on 1300 653 310 (within Australia) or +61 3 9415 4000 (outside Australia) between 6:30am and 3:00pm (Perth time) / 8:30am and 5:00pm (AEST) Monday to Friday.

A handwritten signature in black ink, appearing to read "Brad Edwards".

Brad Edwards
Company Secretary

Cash Converters International Limited