

## ASX release

### Chairman's Address

Welcome to everyone here today.

A lot has occurred over the past year and on reflection there have been some positive steps for the Company and some strange occurrences in the industry. Typically, Cash Converters has been associated with industry changes, however over the past 18 months the Banks have usurped our position with some rather alarming headlines, none more so than the events of last week.

The media play an important role in the perception shareholders have of management and boards. We are seeing this play out in the collective Banks' post Hayne Royal Commission and the media focus shifting to whether the Chairman or CEOs should depart when major issues materialise.

However, one must question whether this is the right debate?

When we started to challenge the management of your Company around risk, strategy and performance, we found that we needed to reinvigorate management talent and work toward creating a compliance-based culture that also placed the customer at the centre of everything.

To move a Company of our size toward this revised and refined culture is not an easy one...many things need to be done in a systematic way and along the journey we quickly ascertained we had to change our talent pool.

This has also been quite a challenge as many people regard our industry as being irrelevant to the economy and the reputation of the industry questionable.

In response to the last comment, Cash Converters ("Cashies") as we are affectionately (yes affectionately) known, has had some form of commercial relationship with around 10% of the Australian population. Cashies also has a net promoter score of close to 64 – in comparison, the major Banks who reliably inform us of their customer-centric culture...have a negative or low single digit NPS.

We are a relevant part of the Australian community and psyche and we fill the role where Banks refuse to provide a service...interestingly, they allow our customers to lend to them (deposits) but when our customers ask for the return favour, it inevitably does not occur. We continue to be grateful for the Banks lack of desire to service our customers as it continues to present opportunities for us.

Turning back to the talent issue, we have been on quite a journey culminating in the appointment of our new CEO, Brendan White. I would firstly like to thank Brendan for trusting us – he joined at a time when the Company was in the midst of a significant Class Action, which is quite a vote of confidence. His time with your Company has been characterized by a focus on the culture around customer and risk, and the impacts have been pronounced. We are very pleased that he is here to guide us through our next phase of growth and development.

Perhaps, just as importantly, he has moved quickly post Class Action settlement to fill some gaps in the management team, with the recent appointments of a new CFO (from CBA) as well as a new CRO (from BOQ). It is interesting to us that we are able to attract talent from the Banks and the feedback we have received, is that the Banks are no longer able to move quickly, and their focus is on risk mitigation rather than customer engagement. Our new Executives want to be part of an agile organisation, where decision-making is not bureaucratic.

How does this tie back to my initial comments regarding “are we debating the right issues” in the media?

Without the right culture and talent, there is little chance that an organisation can achieve its many goals. If senior management and Board are not aware of critical issues – why not? Perhaps priorities regarding profit generation overtook the fundamental principles of doing the right thing by the customer and the organisation. A well-positioned company with great talent, leadership and direction should not be suffering the pitfalls that we have been reading about.

I believe under Brendan’s and your Board’s leadership, we are moving in the right direction.

As we have moved out of the Class Action environment, we will be re-stocking the Board with new talent. It is perplexing to read proxy advisor comments around perceived lack of independence on the Board – which we have always freely acknowledged. In the midst of Class Action activity, the ability to recruit new directors has been zero – why would a director join a Board when a Class Action is in full swing?

We have done much work to recruit new Directors however, until the Class Action settlement is approved by the court and that risk successfully mitigated for any new Director, there will be no new formal appointments.

We have worked hard this year to ensure we have a platform for success and growth. I would like to thank all shareholders for their continued support. We have seen value diminution over the past three years; however, your Board is committed to reversing that trend and we are creating the management team to drive our initiatives forward. I would also like to recognise our staff who always go that extra yard to provide unwavering support for our customers – when there are short term financial needs for our customers, we are there to help them...they have very few other places to go.

Finally, I would like to wish everyone a very happy and safe festive season.