

ASX ANNOUNCEMENT

31 January 2021

Market Announcement Officer
Australian Securities Exchange Limited
Level 4 Stock Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Collection House Limited (ASX Code: CLH) – Company Update

1. Quarterly Cashflow

As requested by the ASX, Collection House Limited (“CLH” or “the Company” or “the Group”) has lodged an Appendix 4C Quarterly Cashflow Report for the Quarter Ended 31 December 2020. Operating cashflow was impacted by the Refinancing Transaction (“the Transaction”) which was completed during the quarter and announced to the market on 23 December 2020. The Transaction was structured so that the purchaser was entitled to cashflows from the Company's purchased debt ledger assets (which were subject to the Transaction) with effect from 1 October 2020. CLH earned a service fee for collection activity during the quarter which is included in gross cash receipts.

The quarter to 31 December 2020 is seasonally a weaker quarter for the business and as expected, we observed lower levels of customer activity in the lead up to Christmas. Collection Services revenue was slightly short of plan, as underlying collection activity continued to be impacted by client imposed collection embargoes imposed in response to COVID-19. We expect a stronger contribution from Collection Services in quarter three as these embargoes are progressively lifted.

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Net proceeds from the refinancing transaction received at the end of the quarter were applied in the immediate reduction of the Company's existing senior debt facilities. The Company ended the quarter in a sound cash position, with sufficient cash reserves to support its new growth strategy.

We remain confident that now that the refinancing transaction is complete, the current operating environment will generate new opportunities for the Group's as we support new and existing clients manage their customers through the post COVID-19 recovery phase.

2. Lodgement of 31 December 2020 Half-year Financial Report

The Company is in the process of finalising its financial results for the six month period to 31 December 2020. Results will be released no later than 26 February 2021.

Yours faithfully

Collection House Limited



Jonathon Idas, Company Secretary

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For further information please contact Collection House Limited Investor Enquiries:

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