

ASX ANNOUNCEMENT

28 July 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) – Quarterly Company Update

Quarter 4 Cashflow Update

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 30 June 2021. The results reflect the second quarter of trading since the substantial organisational restructure completed at the end of calendar year 2020.

Operating results were generally consistent with the previous quarter but continued to be subdued across the contingent collection business, with client-initiated forbearance arrangements remaining in place for the majority of the quarter. Contact restrictions implemented by clients in respect of recent lockdowns in NSW and Victoria impacted contingent revenue streams towards the end of the quarter. In light of these volatile market conditions, management has taken further action to reduce expenditure across the business where possible during the quarter.

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The Group reports an operating cashflow loss for the quarter, but management is confident that it is creating a platform of strong revenue growth from both its existing portfolio and new opportunities secured during the quarter. The Group satisfied debt repayment obligations in the quarter of \$0.2 million, reducing loan facilities to \$61.2 million as at 30 June 2021. The Company ended the quarter in a sound cash position, with sufficient cash reserves continuing to support its growth strategy and return the Company to a positive operating cashflow position.

Referral volumes are slowly improving but are yet to return to pre-COVID levels. Notwithstanding, the Company remains confident that there are significant opportunities to support clients and customers during the protracted recovery phase post pandemic. The Company continues to enhance its customer engagement approach and is focussed on ensuring that it is delivering the highest standards of customer service during this challenging period.

Yours faithfully,

Collection House Limited



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