

ASX ANNOUNCEMENT

30 April 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

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 March 2021. The quarter reflects the first period of normalised trading post the substantial organisational restructure completed at the end of calendar year 2020.

Trading was subdued across the contingent collection business, with forbearance arrangement implemented by our clients remaining in place for the majority of the quarter. The flood event in NSW resulted in limited collection activity against a significant portion of the portfolio toward the end of the quarter.

Despite depressed trading conditions, the operating cashflow for the period was positive. This reflects the underlying sustainability of the business, post restructure and demonstrates a strong platform for future growth. Residual cashflows received during the quarter associated with finalisation of the asset sale transaction were applied in debt reduction. Total repayment of borrowings in the quarter was \$16.2 million reducing total

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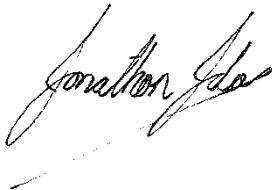
debt to \$61.4 million as at 31 March 2021. The Company ended the quarter in a sound cash position, with sufficient cash reserves to support its new growth strategy.

Referral volumes are slowly improving but are yet to return to pre-COVID levels. With the cessation of government stimulus initiatives on 31 March 2021, we have seen early signs of increasing charge-off rates. We remain cautiously optimistic that recent strong economic data will underpin an increase in unsecured credit and create new contingent and purchased debt management opportunities.

We remain focussed on supporting our clients manage their customers through the post COVID-19 recovery phase.

Yours faithfully

Collection House Limited



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