

# ASX ANNOUNCEMENT

29 April 2022

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**

Collection House Limited (“CLH” or “the Company” or “the Group”) has lodged an Appendix 4C Quarterly Cashflow Report for the Quarter Ended 31 March 2022. During the quarter, and in accordance with announcements on 23 February 2022 and 26 April 2022, CLH completed a series of transactions resulting in the Company now being largely debt free. This is an important milestone for CLH as it reflects good progress towards its objective of becoming a capital light, service focussed collections business. There have been no other significant changes in the nature of the Group’s business activities since the previous quarterly cashflow report.

Operating results for the quarter were consistent with the previous quarter and continue to reflect subdued trading conditions across the contingent collection business, with improvement expected in the fourth quarter. Client-initiated COVID-19 forbearance arrangements continued to restrict the Company’s ability to efficiently contact customers. This continued to impact commission revenues generated under contingent collection arrangements as well as the commencement of new client opportunities secured over

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recent months. Customer contact restrictions in respect of lockdowns in NSW, Victoria and New Zealand were in effect during the quarter. The recent floods also resulted in customer contact restrictions in March. However, towards the end of the quarter there were indications of a gradual return to normal referral volumes, and collection restrictions have been progressively scaled back.

The Group reports an operating cashflow loss for the quarter of \$4.2 million. This is a minor improvement on the prior quarter operating cashflow loss of \$4.4 million after excluding the effect of the \$12.3 million tax refund included in the operating section of the Company's cashflow statement. This operating cashflow loss continues to be funded out of working capital reserves. The Company is confident of steady improvements to services revenue over coming months, and has implemented a number of initiatives to urgently return CLH to a cashflow breakeven position on a month-to-month basis. The Company continues to carefully manage its cost structure, has curtailed all discretionary expenditure, and has accelerated its strategy of significantly reducing its fixed occupancy costs through sub-leasing. In addition, the Company is well advanced on a number of non-core asset sale initiatives to improve the Company's liquidity position.

The Company continues to enhance its customer engagement approach and is focused on ensuring that it is delivering the highest standards of customer service. The virtual elimination of the Company's remaining senior debt is a significant step in assuring the ongoing sustainability of the business, and in conjunction with strong operating improvements over coming months, the Company looks forward to a new phase of growth and positive influence in the financial services sector.

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This announcement was authorised to be provided to the ASX by the Company's Board of Directors.

Yours faithfully  
Collection House Limited

A handwritten signature in black ink, appearing to read "Jonathon Idas", written over a faint horizontal line.

**Jonathon Idas**  
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*For further information please contact Collection House Limited Investor Enquiries:*

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## About Collection House

Collection House is one of Australia's largest and most respected end-to-end receivables management companies. For over 25 years, the Group has developed deep customer service capabilities and delivered world-class systems that enable it to provide practical, customer focussed and cost-effective solutions in collections, credit management and customer care. We do that through first party and third party contingent collection arrangements and outsourced support style contracts. We retain the organisational capability to value and manage purchased debt portfolios for ourselves and others.

We are a purpose-driven organisation that aspires to help both businesses and individuals improve their financial positions. We seek to lead positive change within the financial services sector and have greater social impact in the communities in which we operate, through collaboration with a range of community partners that share our desire to champion financial inclusion for all.

The Group employs over 600 people across Australia, New Zealand and the Philippines, providing a strong platform for growth, but more importantly the capacity, resources and scale to provide the highest standards of service to our diversified portfolio of clients across the globe. Collection House has the inherent flexibility and operational agility to challenge historical expectations of service, compliance and conduct in the receivables management space.

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