

29 June 2020

H&T Group plc

COVID-19 Update

Further to the announcement made on 6 April 2020 in relation to the Covid-19 situation H&T Group plc ("H&T" or the "Group"), the UK's leading pawnbroker, provides an update on operational and financial matters.

Operational update:

All of our stores are now reopen following the temporary closure of the entire estate on 24 March, in the light of HM Government's introduction of nationwide social restrictions and instructions regarding retail operations.

Our priority is the health, safety and wellbeing of our colleagues and customers and we have taken the time to implement health and safety measures within our stores. We commenced a phased reopening of our store estate from 12 May and by 31 May all stores except two were open, servicing essential financial services with the exclusion of personal unsecured lending.

HM Government's guidance in May widened the services we could offer so allowing us to open with a full financial service offering and from 15 June, we recommenced offering retail jewellery through our stores. At the same time, we have finalised and implemented our online pawnbroking payment portal, allowing customers to settle loans remotely. To date 12,000 customers have used this service, making payments of £3m.

Throughout the period we have continued to sell jewellery online and have maintained our gold processing operation, smelted gold and so benefited from the relatively high gold price.

While our stores were closed, our store colleagues were furloughed under the government's Job Retention Scheme. Most colleagues have now returned to employment as we have reopened for business. During the last three months, our colleagues across the UK have offered support in their local communities and the Group has provided a charitable fund to support local, small charities who are connected to our customers and employees.

Customer interaction:

Treating our customers fairly is at the heart of the way that H&T does business and through this period we have implemented initiatives to help them through this extraordinary period, including:

- i) an interest holiday on all outstanding secured loans while our stores were closed;

- ii) providing pawnbroking customers with the opportunity to defer payment, by extending their loan period for up to 3-months;
- iii) allowing personal loan customers the opportunity to take up to 3-month payment deferral; and
- iv) launching our new and fully functional online pawnbroking payment portal.

We have supported and stayed in touch with our customers by offering a dedicated call centre operation and online chat facility, regularly updating our website providing information and guidance, and issuing additional sms text and postal communications direct to customers.

Financial update:

The Group has mitigated its costs and cash outflows and has been able to reduce its drawn credit facility with Lloyds and reduced overall net debt. We now have the full revolving credit facility to draw on as the pledge book grows in coming months.

Revenues were materially impacted during the period of closure and the phased reopening. We have mitigated this through prompt actions on costs and stronger performance in gold processing. As a result we have seen cash inflow and a reduction in overall net debt at the period end. We will continue to focus on operating expenses while we build revenues back to pre Covid-19 levels. While it is too early to determine the trading impact of Covid-19 on our performance for the year as a whole we are reassured by the volume of customers being serviced since we have safely re-opened our stores, and the early recovery in new customer lending.

FCA Review:

On 18 November the Group announced that it was working with the FCA to review its creditworthiness assessments and lending processes for its unsecured HCSTC loans. Since then the Group has been developing its methodology for conducting a past-book review. In collaboration with the FCA progress towards appointment of a skilled person was postponed until Covid-19 restrictions eased and we expect their appointment later in the next calendar quarter.

Comment from John Nichols, Chief Executive Officer:

"We remain focused on doing the right thing for our colleagues, customers and the communities where we operate. We have supported our customers through this extraordinary period, put in place the right procedures and protocols to ensure the wellbeing of our staff and safely re-opened all of our stores.

I am immensely grateful for the dedication and commitment of our colleagues and supplier partners who have demonstrated great agility and determination in a dynamic and unprecedented situation. Whilst not immune to the effects of the pandemic, H&T has come through this phase of this global crisis in good order and in a robust financial position. We

therefore look forward to both serving our customers and acting upon the other opportunities that we see ahead.”

- ENDS -

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