UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Fiscal Year Ended September 30, 2023 or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to __________

Commission File No. 0-19424

EZCORP, INC.
(Exact name of registrant as specified in its charter)

Delaware	**74-2540145**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
2500 Bee Cave Road Bldg One Suite 200 Rollingwood TX	**78746**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(512) 314-3400**

Securities Registered Pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Class A Non-voting Common Stock, $.01 par value per share	**EZPW**	**The NASDAQ Stock Market (NASDAQ Global Select Market)**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☑

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☑
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☑

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

The only class of voting securities of the registrant issued and outstanding is the Class B Voting Common Stock, par value $.01 per share, all of which is owned by an affiliate of the registrant. There is no trading market for the Class B Voting Common Stock. The aggregate market value of the Class A Non-Voting Common Stock held by non-affiliates of the registrant was $440 million, based on the closing price on the NASDAQ Stock Market on March 31, 2023.

As of November 8, 2023, 51,746,892 shares of the registrant's Class A Non-Voting Common Stock, par value $.01 per share, and 2,970,171 shares of the registrant's Class B Voting Common Stock, par value $.01 per share, were outstanding.

Documents incorporated by reference: None

EZCORP, INC.
FISCAL YEAR ENDED SEPTEMBER 30, 2023
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PART I

This report contains forward-looking statements that reflect our future plans, estimates, beliefs and expected performance. Our actual results may differ materially from those currently anticipated and expressed or implied by those forward-looking statements because of a number of risks and uncertainties, including those discussed under “Part I, Item 1A — Risk Factors.” We caution that assumptions, expectations, projections, intentions or beliefs about future events may, and often do, vary from actual results, and the differences can be material. See also “Part II, Item 7 — Management's Discussion and Analysis of Financial Condition and Results of Operations — Cautionary Statement Regarding Risks and Uncertainties That May Affect Future Results.”

Unless otherwise specified, references to the “Company,” “we,” “our,” “us” and “EZCORP” refer to EZCORP, Inc. and its consolidated subsidiaries, collectively. References to a “fiscal” year refer to our fiscal year ended September 30 of the specified year. For example, “fiscal 2023” refers to the fiscal year ended September 30, 2023. All currency amounts preceded with “$” are stated in U.S. dollars, except as otherwise indicated.

ITEM 1. BUSINESS

Purpose, Vision and Strategy

EZCORP, Inc. is a leading provider of pawn services in the United States (“U.S.”) and Latin America with 1,231 locations and more than 7,500 Team Members. We are a Delaware corporation headquartered in Austin, Texas.

Our purpose statement:

“We exist to serve our customers’ short-term cash and pre-owned retail needs, helping them to live and enjoy their lives. We are driven by a diverse team with a passion for pawn who are motivated to be their best — because our customers, families, stakeholders, and the communities and environment in which we live deserve it.”

This purpose is supported by a customer-centric strategy that includes the following:

- Providing fast, easy and simple access to cash;
- Serving our customers in a friendly and respectful way;
- Always being competitive and fair;
- Passionately serving customer needs;
- Building enduring relationships; and
- Recognizing and rewarding customer loyalty.

That strategy consists of three fundamental pillars:

- **Strengthen the Core** — Relentless focus on superior execution and operational excellence in our pawn business.
- **Cost Efficiency and Simplification** — Shape a culture of cost efficiency through ongoing focus on simplification and optimization.
- **Innovate and Grow** — Broaden customer engagement to serve more customers more frequently in more locations.

And we rely on four foundational capabilities to execute our strategy and achieve our purpose:

- **Team Members** — We enable diverse, engaged and tenured teams with a true passion for pawnbroking.
- **IT and Data Modernization** — We modernize our IT and data assets to capitalize on growth opportunities and create greater value at every customer interaction.
- **Risk Management and Building a Culture of Compliance** — We are continually focused on strengthening our capabilities to manage operational, financial, regulatory, compliance, information security and reputational risk.
- **Environment, Social and Governance (ESG)** — We prioritize developing the foundational elements of a comprehensive and integrated sustainability program.

Overview of Our Business

At September 30, 2023, we operated a total of 1,231 locations, consisting of:

- 529 U.S. pawn stores (operating primarily as EZPAWN or Value Pawn & Jewelry);
- 549 Mexico pawn stores (operating primarily as Empeño Fácil and Cash Apoyo Efectivo); and

- 153 pawn stores in Guatemala, El Salvador and Honduras (operating as GuatePrenda and MaxiEfectivo).

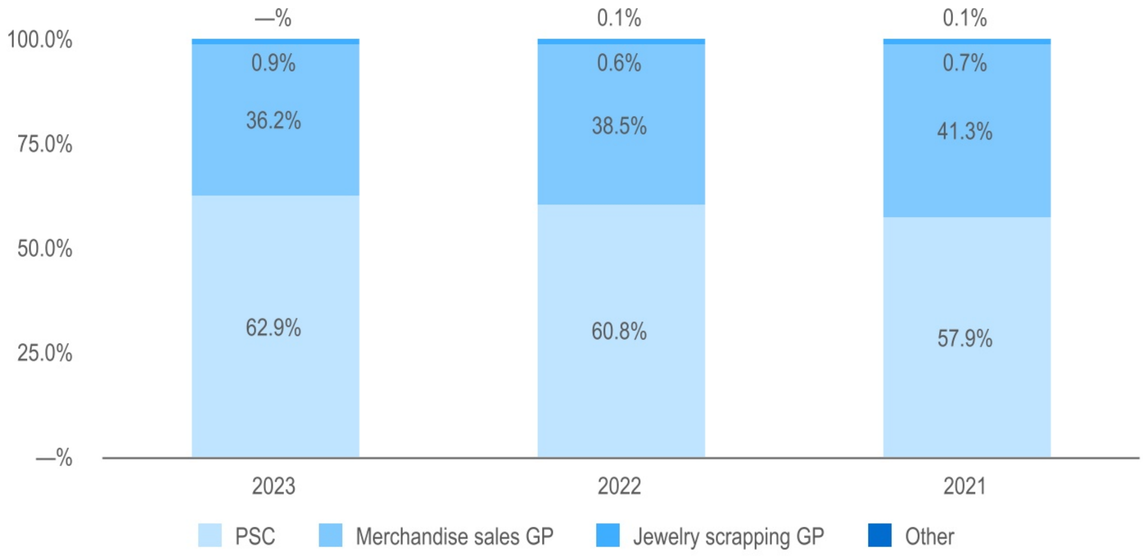
At our pawn stores, we advance cash against the value of collateralized tangible personal property and sell merchandise to customers looking for good value. The merchandise we sell primarily consists of pre-owned collateral forfeited from our pawn activities or merchandise purchased from customers. By store count, we are the second largest pawn store owner and operator in the U.S. and one of the largest in Latin America. We also offer web-based applications named EZ+ that allow customers to manage their pawn transactions, layaways and loyalty rewards online.

In addition to our core pawn business in the U.S. and Latin America, we have made the following strategic investments:

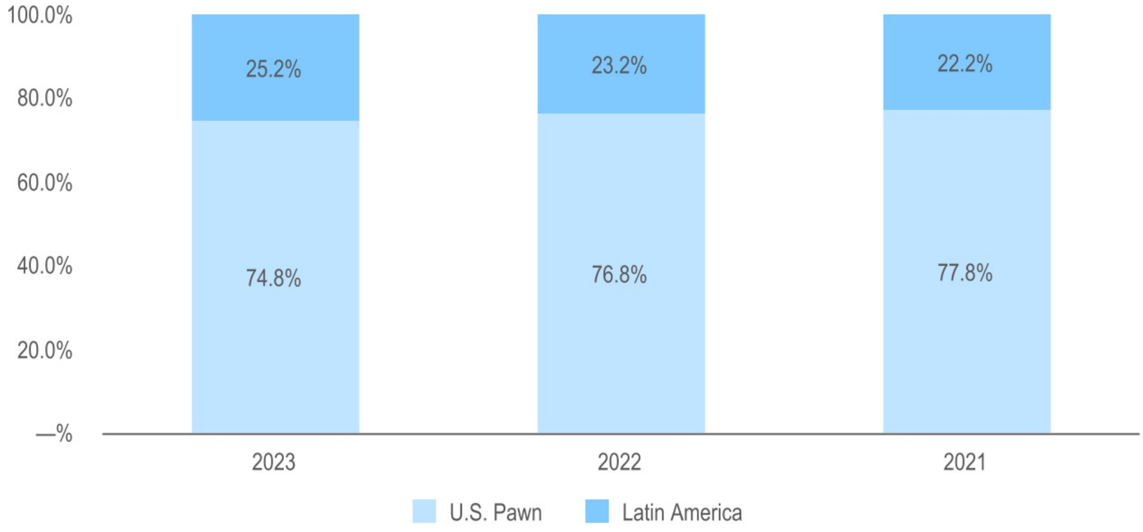
- We own 43.7% of Cash Converters International Limited ("Cash Converters"), a publicly traded company (ASX: CCV) headquartered in Perth, Western Australia. Cash Converters and its controlled companies comprise a diverse group generating revenues from franchising, store operations, personal finance (including pawn transactions) and vehicle finance in over 600 stores across 14 countries.

- We own a preferred interest in Founders One, LLC ("Founders") that has majority ownership in Simple Management Group, Inc. ("SMG"), which owns and operates 95 pawn stores in the U.S., Caribbean and Central America, with plans to build and acquire more stores in that region.

We generate revenues primarily from pawn service charges ("PSC") on pawn loans outstanding ("PLO"), merchandise sales and jewelry scrapping. We remain focused on optimizing our balance of PLO and the resulting higher PSC. The following chart presents sources of gross profit, including PSC, merchandise sales gross profit ("Merchandise sales GP") and jewelry scrapping gross profit ("Jewelry scrapping GP") for fiscal 2023, fiscal 2022 and fiscal 2021:



The following charts present sources of gross profit by geography for fiscal 2023, fiscal 2022 and fiscal 2021:



Segment and Geographic Information

We conduct our business globally and manage our business by geography. Our business is organized into the following reportable segments:

- U.S. Pawn, which includes our EZPAWN, Value Pawn & Jewelry and other branded pawn operations in the United States;
- Latin America Pawn, which includes our Empeño Fácil, Cash Apoyo Efectivo ("CAE") and other branded pawn operations in Mexico, as well as our GuatePrenda and MaxiEfectivo pawn operations in Guatemala, El Salvador and Honduras (referred to as "GPMX");
- Cash Converters, which includes our equity interest in the net loss (income) of Cash Converters; and
- Other Investments, which includes our investments in Rich Data Corporation ("RDC") and our investment in and notes receivable from Founders.

The following table presents store data by segment:

	Company-owned Stores			
	U.S. Pawn	Latin America Pawn	Other Investments	Consolidated
As of September 30, 2020	505	500	—	1,005
New locations opened	—	15	—	15
Locations acquired	11	128	—	139
Locations sold, combined or closed	—	(11)	—	(11)
As of September 30, 2021	516	632	—	1,148
New locations opened	—	28	—	28
Locations acquired	3	—	—	3
Locations sold, combined or closed	(4)	—	—	(4)
As of September 30, 2022	515	660	—	1,175
New locations opened	3	44	—	47
Locations acquired	12	—	—	12
Locations sold, combined or closed	(1)	(2)	—	(3)
As of September 30, 2023	529	702	—	1,231

For additional information about our segments and geographic areas, see Note 14: Segment Information of Notes to Consolidated Financial Statements included in “Part II, Item 8 — Financial Statements and Supplemental Data.”

Pawn Activities

At our pawn stores, we advance cash against the value of collateralized tangible personal property. We earn pawn service charges (“PSC”) for those cash advances, and the PSC rate varies by state and transaction size. At the time of the transaction, we take possession of the pawned collateral, which consists of tangible personal property, generally jewelry, consumer electronics, tools, sporting goods and musical instruments. If the customer chooses to redeem their pawn, they will repay the amount advanced plus any accrued PSC. If the customer chooses not to redeem their pawn, the pawned collateral becomes our inventory, which we sell in our retail merchandise sales activities or, in some cases, scrap for its inherent gold or precious stone content. Consequently, the success of our pawn business is largely dependent on our ability to accurately assess the probability of pawn redemption and the estimated resale or scrap value of the collateralized personal property.

As of September 30, 2023, we had a closing PLO balance of $245.8 million. In fiscal 2023, PSC accounted for approximately 37% of our total revenues and 63% of our gross profit.

In the U.S., PSC rates generally vary between 13% and 25% per month as permitted by applicable law, and the pawn term generally ranges between 30 and 90 days. Individual pawn transactions typically average between $160 and $180.

In Mexico, PSC rates generally vary between 15% and 21% per month as permitted by applicable law, and the pawn primary term is 30 days. Individual pawn transactions typically average between 1,100 and 1,500 Mexican pesos, or approximately $60 to $80 on average using the average exchange rate for fiscal 2023.

In GPMX, PSC rates generally vary between 12% and 18% per month as permitted by applicable law, and the pawn primary term is 30 days. Individual pawn transactions are made in the local currency of the country and typically average between $110 and $130 using the average exchange rates for fiscal 2023. The average transaction amounts tend to be higher in the GPMX countries than in Mexico due to the higher concentration of jewelry used as pawn collateral.

If a customer chooses not to redeem, renew or extend their pawn, the pawn collateral is forfeited and becomes inventory available for sale. We do not record losses or charge-offs when the pawned collateral is forfeited because the amount advanced for the unpaid pawn becomes the inventory carrying cost of the forfeited collateral. The difference between the subsequent sale of the forfeited collateral and the amount of the pawn (offset by any inventory reserve) is reflected in merchandise sales gross margin.

Our ability to offer quality pre-owned goods at prices significantly lower than original retail prices attracts value-conscious customers. The gross profit on sales of inventory depends primarily on our assessment of the estimated resale or scrap value at the time the property is either accepted as pawn collateral or purchased and our ability to sell that merchandise in a timely manner. As a significant portion of our inventory and sales involve gold and jewelry, our results can be influenced by the market price of gold and diamonds.

Customers in the U.S. and the majority of our Latin America stores may purchase a product protection plan that allows them to exchange certain general merchandise (non-jewelry) sold through our retail pawn operations within six months of purchase. In the U.S., we also offer a jewelry VIP package, which guarantees customers a minimum future pawn advance amount on the item sold, allows them full credit if they trade in the item to purchase a more expensive piece of jewelry and provides minor repair service on the item sold. Customers may also purchase an item on layaway by paying a minimum layaway deposit of typically 10% of the item’s sale price, in addition to an upfront fee. We hold items on layaway for a 90-to-180-day period, during which the customer is required to pay the balance of the sales price through a series of installment payments. If a payment is missed, we hold the item for up to 30 days, after which it is returned to active inventory for sale.

Operations and Risk Management

Our pawn operations are designed to provide the optimum level of support to the store teams, providing coaching, mentoring and problem solving to identify opportunities to better serve our customers and position us to be the leader in customer service and satisfaction.

Our risk management structure consists of asset protection, compliance and internal audit departments, which monitor the inventory system, lending practices, regulatory compliance and compliance with our policies and procedures. We perform full physical audits of inventory at each store at least annually, and more often in higher risk stores or those experiencing higher shrinkage. Inventory counts are completed daily for jewelry and firearms, and other inventory categories more susceptible to theft are cycle counted multiple times annually. We record shrink adjustments for known losses at the conclusion of each inventory count. These adjustments are recorded as estimates during interim periods and as discovered during cycle counts.

Human Capital Management

Engagement Survey

We performed a Global Employee Engagement Survey, administered by Glint, in April 2023, and had a 91% participation rate with an overall engagement score of 84. Our engagement score is nine points higher than the global benchmark, which contains data from over 900 companies of varying size across a variety of industries (Finance, Healthcare, Manufacturing, Professional Services, Retail, Technology and Utilities) and includes results from over eight million respondents located in over 150 countries.

Our top strengths were Career, Customer Focus and Continuous Improvement. Our focus areas for improvement included Team, Valued Teammate and Work-Life Balance. Team Members provided over 11,500 comments with mixed sentiment, 29% positive, 38% neutral and 33% negative. To ensure we address issues raised in the survey, all people leaders at the District Manager and above level will have Engagement Objectives for fiscal 2024 guided by actions that will yield the greatest business and Team Member impact.

Talent Management and Development

We employ more than 7,500 Team Members across all our geographies, including over 3,400 in United States, approximately 3,300 in Mexico and 800 in Central America. We seek to hire and promote Team Members to lead the way today and to step into greater roles in the future. We achieve this goal through Training and Development programs that Team Members can use to plan their careers and identify future growth opportunities. We engage Team Members at all levels so we can understand their professional and personal goals, identify high potential future leaders to strengthen our internal bench, support them in their journey and retain our talent.

In our pawn stores we provide:

- An onboarding program that blends online and hands-on training in the art and science of pawnbroking;
- Career path programs aligned with our talent and succession strategy, emphasizing career progression and individual development programs; and
- A learning experience that unlocks and accelerates Team Member potential as well as business growth.

Our investment in store-level Team Members produced tangible results during fiscal 2023:

- High scoring questions in our 2023 Global Employee Engagement Survey included “I know the career path(s) available to me at EZCORP” (with an 89% favorability rating) and “I have good opportunities to learn and develop at EZCORP” (with an 86% favorability rating).
- Over 70% of managerial positions were filled via internal promotion.

In our Corporate Support Center, we reinforced the utilization of our career and competency framework to build individual development plans to guide the career paths of corporate Team Members and to prepare them for future roles.

Culture and Ethics

Culture is critical to our long-term success and to our ability to attract, develop and retain the top talent needed to accomplish our Purpose, Vision and Strategy.

Our values — People, Pawn, Passion — define our priorities as a business, and our Guiding Principles — Leadership, Customer Service, Accountability, Respect, Diversity and Sustainability — characterize the expectations for how we interact with Team Members, customers and communities. Various tools are used globally to demonstrate commitment to our principles, values and positive culture, including a plain-language Code of Conduct and supporting policies, annual training on expectations and clear communications from executive management reinforcing ethical behavior and a positive culture.

To support our ethical business practices, we maintain an Ethics Hotline available to all Team Members and external stakeholders to report (anonymously if desired) any matter of concern. Communications to the hotline (which is managed by an independent third party) are routed to appropriate functions (whether Human Resources, Legal or Compliance), and in some cases directly to the Board of Directors, for investigation and resolution. In addition, any shareholder or other interested party may send communications to the Board of Directors, either individually or as a group, through a process that is outlined in the Investor Relations section of our website.

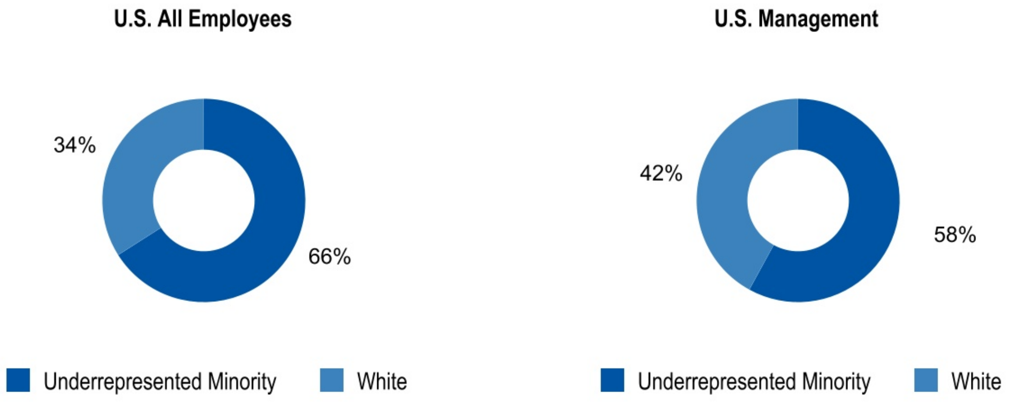
Diversity and Inclusion

At EZCORP, we foster an environment that values diversity, inclusion and development for all. In our 2023 Global Employee Engagement Survey, 83% of participants responded positively to the question, “I feel a sense of belonging at EZCORP.” In fiscal 2023, we continued to further our Diversity and Inclusion strategy by focusing on the following initiatives:

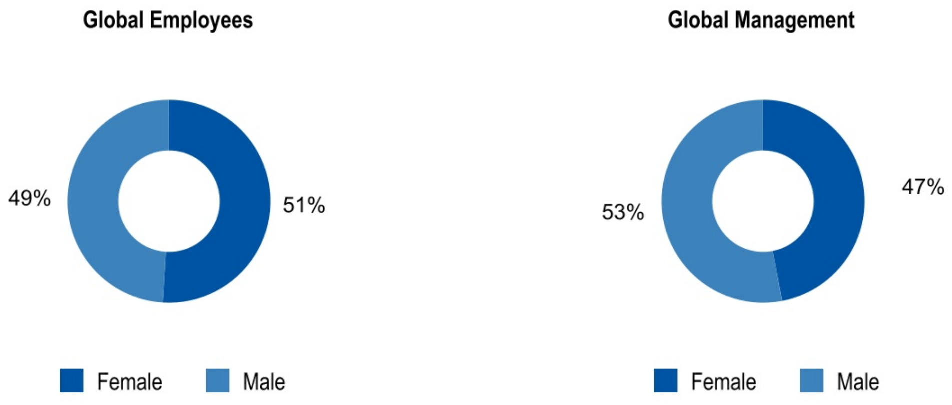
- *Commitment and Accountability* — Demonstrate commitment and accountability through corporate policy, communications and actions.
- *Workplace Inclusion* — Foster work environments that value diversity and inclusion and encourage collaboration, flexibility and fairness.
- *Diverse Workforce* — Recruit and promote from diverse, qualified candidate pools to increase diversity of perspectives and experiences.

  Sponsor affinity groups to foster an inclusive and supportive environment, where Team Members with shared characteristics, experiences or interests can connect, collaborate and contribute effectively. The Women's Empowerment, Black Empowerment and Hispanic Organization for Leadership Advocacy (HOLA) affinity groups in the U.S. and the Women's Empowerment and Working Parents affinity groups in Latin America all aim to enhance diversity, equity and inclusion efforts by providing a platform for open dialogue, resource-sharing, professional development and cultural enrichment.
- *Sustainability* — Identify and eliminate systemic barriers by embedding diversity and inclusion in all human capital life cycle policies and practices.

Fiscal 2023 U.S. Race and Ethnicity Demographics [(1) (2)]



Fiscal 2023 Global Gender Demographics [(2)]



(1) The term underrepresented minority is used to describe diverse populations, including African American, Hispanic, Asian and Native American Team Members who self-identified their race and ethnicity at hire.

(2) The term Management is used to describe Team Members with one or more direct reports.

Total Rewards

Our compensation programs are designed to align the compensation of Team Members with individual and Company performance and to provide the proper incentives to attract, retain and motivate Team Members to achieve results.

The structure of our compensation programs balances incentive earnings for both short-term and long-term performance. Specifically:

- We provide wages and incentive plans that are competitive and consistent with positions, skill levels, experience, knowledge and geographic location. Additionally, on an annual basis (U.S.) gender and racial/ethnic analysis is performed to ensure pay equity.
- We engage a nationally recognized outside compensation and benefits consulting firm to independently evaluate the effectiveness of our executive compensation and to provide benchmarking against our selected peer group, which includes direct competitors in the pawn industry and similarly-sized companies from relevant industries that serve similar customer bases, operate in the retail or consumer finance industries and typically have similar operating dynamics.
- We align our executives' long-term equity compensation with our shareholders' interests by linking realizable pay with stock performance.
- All employees are eligible for paid time off, retirement savings plan and Company-paid life insurance.

Health and Safety

Our commitment to our Team Members is to provide a safe and injury-free workplace. We continue to invest in programs designed to improve physical, mental and social well-being.

Management and Oversight

The People and Compensation Committee of the Board of Directors has primary responsibility for analyzing, advising and (as appropriate) approving executive compensation. The committee is also responsible for organizational development matters and otherwise assisting the Board of Directors in its overall responsibility to enable EZCORP to attract, retain, develop and motivate qualified executives who will contribute to the long-term success of the Company.

The committee actively participates in the executive recruitment and selection process. Committee members are instrumental in the executive talent management and succession processes, including the review and attainment of annual objectives for our executive officers. All Executive Officers have a minimum of one objective related to People, generally broken into the areas of Employee Engagement Scores, Voluntary Attrition and Inclusion.

Environmental, Social and Governance (ESG)

EZCORP is committed to meeting our customers' needs in a responsible manner, and in that regard, we have aligned purpose, vision, values, guiding principles and business strategy with environmental, social and governance sustainability factors.

Our pawnbroking and related retail sales activities inherently contribute to the "circular economy" and promote environmental sustainability. We provide unique options for our customers to satisfy their needs for cash — options that are not offered by traditional lenders such as banks and credit unions, credit card providers, or installment and short-term lenders. For many of our customers, pawn transactions provide an essential and financially responsible lifeline for meeting their unexpected expenses. Our retail activities rely primarily on local sourcing of pre-owned merchandise and the recirculation of those items back into the neighborhoods we serve. In short, our business is unique, essential and sustainable.

Environmental Sustainability

Our business contributes to overall environmental sustainability in the following ways:

- Our business is fundamentally a neighborhood business, where each store principally serves the surrounding neighborhood. This "local" focus reduces the need of our customers to travel long distances to access our products and services and eliminates the need for delivery services.
- Each of our stores serves as its own "supply chain." We take in pre-owned merchandise, either through pawn or purchases from customers, and then sell that merchandise (after forfeiture, in the case of pawn transactions) generally in the same store. Thus, we do not maintain or rely on mass supply, distribution or warehousing facilities.

- Virtually all of the merchandise we sell is pre-owned, which contributes to pre-owned goods recycling and the circular economy. In fiscal 2023, we sold approximately 5.4 million pre-owned items, including over 3.2 million items in the consumer electronics, camera and household goods categories, 1.1 million other general merchandise items (such as tools and musical instruments) and 0.8 million jewelry items. In addition, through our jewelry scrapping activities, we recycle significant volumes of gold and diamonds. All of these activities effectively extend the useful life of many products, reducing waste and lessening the demand for new manufacturing and mining.
- Our store operations themselves leave a relatively small carbon footprint when compared to big-box or other mass retailers that rely on manufacturers and extensive supply chain and distribution channels. Our stores are relatively small (generally 3,300 square feet or less). To reduce energy consumption, we have installed energy-efficient LED lighting in 78% of our U.S. stores and 60% of Latin America stores.
- In all of our facilities, including our corporate support offices, we promote environmental stewardship by reducing consumption, recycling paper products (approximately 1.24 million pounds across all U.S. locations during fiscal 2023) and responsibly disposing of end-of-life computers, electronics and related accessories through recycling or other sound e-waste processing. Our corporate office in Austin, Texas is LEED Certified Silver status.

Social Responsibility

Our business promotes social responsibility in the following ways:

- Our business serves as an essential and responsible financial resource for many unbanked and or underserved consumers who have limited access to traditional forms of capital or credit and comprise a large majority of our customer base. We improve the reach and access to financial services through neighborhood-based stores, supported by digital offerings. We provide instant access to cash in transactions that generally average around $180 or less. Our pawn transactions are simple, transparent, regulated and safe, and funding approval is based on the valuation of the collateral item, not on the credit worthiness of the customer. The customer is under no legal obligation to repay the amount advanced; we do not engage in collection efforts or take other legal actions against our customers; and we do not report transaction histories to external credit agencies. Rather, the customer may choose to repay the amount advanced or forfeit the collateralized merchandise.
- Customer satisfaction measurement and feedback are key factors in improving our customer service and Team Member engagement. To capture direct customer feedback, we have enabled Google Reviews across all stores and have received over 195,000 Google reviews with an average satisfaction rating of 4.8 out of 5 across U.S and Latin America.
- We offer customers multiple payment options, including cross-store, over-the-phone and web-based and mobile platforms, reducing their need to travel to the stores to make payments. Online payments are accepted on layaway, pawn extension and bulk payments, with electronic payment receipts delivered on these transactions.
- We have refreshed the mission of EZCORP Foundation, our philanthropic arm that is focused on making a difference in communities where we live and operate by supporting charitable organizations that align with our operating values of People, Pawn and Passion. Current initiatives include supporting financial literacy efforts, working to eradicate food insecurity, empowering young people to succeed and other poverty intervention activities.
- For a discussion of our Diversity and Inclusion initiatives, see “Human Capital Management — Diversity and Inclusion” above.

Governance

At EZCORP, we believe that “The Way We Do Business is as Important as the Business We Do.” That belief underlies our Code of Conduct, which outlines our expectations and provides guidance on how our Team Members can carry out their daily activities ethically and responsibly. Our ethical principles include Honesty, Integrity, Reliability, Loyalty, Respect, Responsibility, Fairness, Caring, Leadership and Diversity, and these principles form the foundation for how we govern our business.

- Even though we are a “Controlled Company” under the Nasdaq Listing Rules, we maintain the governance standards required of all publicly-listed Nasdaq companies, including:
    - Independent directors comprise a majority of our Board of Directors. Four of the seven members of our Board of Directors meet all of the “independence” requirements set forth in the Nasdaq Listing Rules, and none of the independent directors have any past or existing relationship with our controlling stockholder outside of their Board service.
    - All of our standing Board committees (Audit Committee, People and Compensation Committee and Nominating Committee) are comprised of solely independent directors.
    - We satisfy Nasdaq’s board diversity rules, with two of our seven Board members being diverse directors, one of whom self-identifies as female and an underrepresented minority and one whom self-identifies as an underrepresented minority.

For further discussion of our corporate governance standards, see “Part III, Item 10 — Directors, Executive Officers and Corporate Governance.”

- Our pawn operations are licensed and supervised in all jurisdictions in which we operate. We maintain a strong compliance culture that is monitored and overseen by our Board of Directors and supported by seasoned regulatory and compliance teams.
- Protecting the privacy, integrity and security of our customers’ data and our enterprise network is a top priority that is also monitored and overseen by our Board of Directors. We maintain a separate IT Security team that is responsible for the design and implementation of our cyber risk strategy, including deployment of systems, enterprise-wide training, monitoring and reporting of threat incidents and response preparedness.

Growth and Expansion

Part of our strategy is to grow the number of locations we operate through opening new (“de novo”) locations and through acquisitions in both Latin America and the U.S. and potential new markets. Our ability to add new stores is dependent on several variables, such as projected achievement of internal investment hurdles, the availability of acceptable sites or acquisition candidates, the alignment of acquirer/seller price expectations, the regulatory environment, local zoning ordinances, access to capital and availability of qualified personnel.

During fiscal 2023, we continued our expansion in Latin America with the opening of 44 de novo stores (23 in Mexico, 19 in Guatemala and 2 in Honduras). We now own a total of 702 stores in Latin America, representing 57% of our total pawn stores. In fiscal 2023, these stores represented 25% of our consolidated gross profit as the average scale of Latin America pawn stores is smaller than in the U.S. We see opportunity for further expansion in Latin America through both acquisitions and de novo openings.

For further information about our acquisitions, see Note 3: Acquisitions of Notes to Consolidated Financial Statements included in “Part II, Item 8 — Financial Statements and Supplemental Data.”

Seasonality and Quarterly Results

In the U.S., PSC is historically highest in our fourth fiscal quarter (July through September) due to a higher average PLO balance during the summer and lowest in our third fiscal quarter (April through June) following the tax refund season, and merchandise sales are highest in our first and second fiscal quarters (October through March) due to the holiday season, jewelry sales surrounding Valentine’s Day and the availability of tax refunds. In Latin America, most of our customers receive additional compensation from their employers in December, and many receive additional compensation in June or July, applying downward pressure on PLO balances and fueling some merchandise sales in those periods. In Mexico, we saw similar downward pressure in loan balances during the third quarter due to a recent change in law related to company profit sharing payments to employees. We believe this change will impact pawn loan balances in May and June going forward. As a net effect of these and other factors and excluding discrete charges, our consolidated profit before tax is generally highest in our first fiscal quarter (October through December) and lowest in our third fiscal quarter (April through June).

Competition

We encounter significant competition in connection with all of our activities. These competitive conditions may have an impact on our revenues, profitability and ability to expand. We compete with other pawn stores, credit service organizations, banks, credit unions and other financial institutions, such as consumer finance companies. We believe the primary elements of competition are the quality of customer service and relationship management, including understanding our customers’ needs better than anyone else, convenience, store location and a customer-friendly environment. In addition, we believe the ability to compete effectively will be based increasingly on strong general management, regional focus, automated management information systems, access to capital and superior customer service.

Our competitors for merchandise sales include numerous retail and wholesale stores such as jewelry stores, discount retail stores, consumer electronics stores, other pawn stores, other resale stores, electronic commerce retailers and auction sites. Competitive factors in our retail operations include the ability to provide customers with a variety of merchandise at an exceptional value coupled with exceptional customer service and convenient locations.

The pawn industry in the U.S. is large, relatively mature and highly fragmented. The industry consists of a few large operators (of which we are the second largest) and then independent operators who primarily own one-to-three locations.

The pawn industry in Latin America is also fragmented, but less so than in the U.S. The industry consists of pawn stores owned by independent operators and chains, including some not-for-profit organizations. We are the second largest for-profit operator in Mexico and the largest operator in Guatemala. The pawn industry, particularly full-line stores dealing in both general merchandise and jewelry, remains in an expansion stage in Latin America.

We launched our EZ+ Rewards loyalty program in the U.S. and Mexico in 2021 and in GPMX in 2022, and now have 3.8 million members globally. This free program allows customers to earn points on most transactions that may be applied as a discount towards retail sales once a certain threshold is met. We believe this program provides a distinct competitive advantage over other pawn operators.

Trademarks and Trade Names

We operate our U.S. pawn stores principally under the names “EZPAWN” or “Value Pawn & Jewelry,” our Mexico pawn stores principally under the name “EMPEÑO FÁCIL” and “Cash Apoyo Efectivo,” our Guatemala pawn stores under the name “GuatePrenda,” and our El Salvador and Honduras pawn stores under the name “MaxiEfectivo.” We have registered the names EZPAWN, Value Pawn & Jewelry and EZCORP, among others, with the United States Patent and Trademark Office. In Mexico, we have registered the names “EMPEÑO FÁCIL,” “Bazareño,” “Presta Dinero”, “Montepio San Patricio” and “Cash Apoyo Efectivo” with the Instituto Mexicano de la Propiedad Industrial. We have registered the name “GuatePrenda” in Guatemala and the name “MaxiEfectivo” in Guatemala, El Salvador and Honduras.

Regulation

Compliance with federal, state and local laws and regulations is an integral part of how we manage our business, and we conduct our business in material compliance with all of these rules. The following is a general description of significant regulations affecting our business.

U.S. Regulations

Pawn Regulations — Our pawn stores are regulated by the states in which they are located and, in some cases, by individual municipalities or other local authorities. The applicable statutes, ordinances and regulations vary from location to location and typically impose licensing requirements for pawn stores or individual pawn store Team Members. Licensing requirements typically relate to financial responsibility and character and may establish restrictions on where pawn stores can operate. Additional rules regulate various aspects of the day-to-day pawn operations, including the pawn service charges that a pawn store may charge, the maximum amount of a pawn loan, the minimum or maximum term of a pawn loan, the content and format of the pawn ticket, and the length of time after a pawn loan default that a pawn store must hold a pawned item before it can be offered for sale. Failure to observe applicable regulations could result in a revocation or suspension of pawn licenses, the imposition of fines or requirements to refund service charges and fees, and other civil or criminal penalties. We must also comply with various federal requirements regarding the disclosure of the annual percentage rate, finance charge, amount financed, total of payments and payment schedule related to each pawn loan transaction. Additional federal regulations applicable to our pawn lending business are described in “Other Regulations” below.

The majority of our pawn stores, voluntarily or pursuant to applicable laws, provide periodic (generally daily) reports to local law enforcement agencies. These reports provide local law enforcement with information about the items received from customers (whether through pawn or purchase), including a detailed description of the goods involved and the name and address of the customer. If we accept as collateral or purchase merchandise from a customer and it is determined that our customer was not the rightful owner, the merchandise is subject to recovery by the rightful owner and those losses are included in our shrinkage. Historically, we have not experienced a material number of claims of this nature.

Some of our pawn stores in the U.S. handle firearms and each of those stores maintains a federal firearms license as required by federal law. The federal Gun Control Act of 1968 and regulations issued by the Bureau of Alcohol, Tobacco, Firearms and Explosives also require each pawn store dealing in firearms to maintain a permanent written record of all receipts and dispositions of firearms. In addition, we must comply with the Brady Handgun Violence Prevention Act, which requires us to conduct a background check before releasing, selling or otherwise disposing of firearms.

Other Regulations — Our pawn lending activities are subject to other state and federal statutes and regulations, including the following:

- We are subject to the federal Gramm-Leach-Bliley Act and its underlying regulations, as well as various state laws and regulations relating to privacy and data security. Under these regulations, we are required to disclose to our customers our policies and practices relating to the protection and sharing of customers’ nonpublic personal information. These regulations also require us to ensure that our systems are designed to protect the confidentiality of customers’ nonpublic personal information, and many of these regulations dictate certain actions that we must take to notify customers if their personal information is disclosed in an unauthorized manner. We are subject to the Fair Credit Reporting Act, which was enacted, in part, to address privacy concerns associated with the sharing of consumers’ financial information and credit history contained in consumer credit reports and limits our ability to share certain consumer report information. We are subject to the Federal Fair and Accurate Credit Transactions Act, which amended the Fair Credit Reporting Act and requires us to adopt written guidance and procedures for detecting, preventing and mitigating identity theft, and to adopt various policies and procedures (including Team Member training) that address and aid in detecting and responding to suspicious activity or identity theft “red flags.”

- As a provider of consumer financial products, we are prohibited from engaging in any unfair, deceptive or abusive act or practice (UDAAP) under the Dodd-Frank Act, as they can cause significant financial injury to consumers, erode consumer confidence and undermine the financial marketplace.
- The Equal Credit Opportunity Act prohibits discrimination on the basis of race, color, religion, national origin, sex, marital status, age, receipt of public assistance or good faith exercise of any rights under the Consumer Credit Protection Act.
- Under the USA PATRIOT Act, we must maintain an anti-money laundering compliance program that includes the development of internal policies, procedures and controls; the designation of a compliance officer; an ongoing Team Member training program and an independent audit function to test the program.
- We are subject to the Bank Secrecy Act and its underlying regulations, which require us to report and maintain records of certain high-dollar transactions. In addition, federal laws and regulations require us to report certain transactions (or series of transactions) deemed suspicious to the Financial Crimes Enforcement Network of the Treasury Department ("FinCen"). Generally, a transaction is considered suspicious if we know, suspect or have reason to suspect that the transaction (a) involves funds derived from illegal activity or is intended to hide or disguise such funds, (b) is designed to evade the requirements of the Bank Secrecy Act or (c) appears to serve no legitimate business or lawful purpose.
- The Office of Foreign Assets Control ("OFAC") of the Department of the Treasury administers and enforces economic and trade sanctions based on U.S. foreign policy and national security goals against targeted foreign countries and regimes, terrorists, international narcotics traffickers, those engaged in activities related to the proliferation of weapons of mass destruction and other threats to the national security, foreign policy or economy of the United States. We are prohibited from doing business with named individuals, businesses and countries subject to sanctions and restrictions, and we are required to report any transactions involving those named by the US. Department of the Treasury.
- The Foreign Corrupt Practices Act ("FCPA") makes it unlawful for certain classes of persons and entities to make payments to foreign government officials to assist in obtaining or retaining business. Specifically, the anti-bribery provisions of the FCPA prohibit the willful use of mail or any means of instrumentality of interstate commerce corruptly in furtherance of any offer, payment, promise to pay, or authorization of the payment of money or anything of value to any person, while knowing that all or a portion of such money or thing of value will be offered, given or promised, directly or indirectly, to a foreign official to influence the foreign official in his or her official capacity, induce the foreign official to do or omit to do an act in violation of his or her lawful duty, or to secure any improper advantage in order to assist in obtaining or retaining business for or with, or directing business to, any person.
- The Department of Defense regulations promulgated under the Military Lending Act limit the annual percentage rate charged on certain consumer loans (including pawn loans) made to active military personnel or their dependents to 36%.

Under certain circumstances, the federal Consumer Financial Protection Bureau ("CFPB") may be able to exercise regulatory authority over the U.S. pawn industry through its rule making authority. To date, the CFPB has not taken any steps to exercise such authority or indicated any intention to do so, although it has initiated actions against pawn companies for alleged violations of consumer lending regulations, including the Military Lending Act discussed above.

Mexico Regulations

Pawn Regulations — Federal law in Mexico provides for administrative regulation of the pawnshop industry by Procuraduría Federal del Consumidor (PROFECO), Mexico's primary federal consumer protection agency. PROFECO regulates the form and terms of pawn loan contracts (but not interest or service charge rates) and defines certain operating standards and procedures for pawnshops, including retail operations, and establishes registration, disclosure, bonding and reporting requirements. There are significant fines and sanctions, including operating suspensions, for failure to comply with PROFECO's rules and regulations.

PROFECO requires that we report certain transactions (or series of transactions) when a customer pawns more than three items of the same category. Anti-money laundering regulations restrict the use of cash in certain transactions. Relevant aspects of the law specifically affecting the pawn industry include monthly reporting on "vulnerable activities," which includes certain high-value pawn and precious metal transactions.

The Federal Law on the Protection of Personal Data Held by Private Parties requires us to protect our customers' personal information. This law requires us to inform customers if we share customer personal information with third parties and to post (both online and in-store) our Data Privacy Policy.

Our pawn business in Mexico is also subject to regulation at the state and local level through state laws and local zoning and permitting ordinances. For example, some states require permits for pawn stores to operate, certification of Team Members as trained in the valuation of merchandise and strict customer identification controls. State and local agencies often have authority to suspend store operations pending resolution of actual or alleged regulatory, licensing and permitting issues.

Other Regulations — Our pawn business in Mexico is subject to the General Law of Administrative Responsibility (“GLAR”), which requires us to implement an integrity policy that contains mechanisms to ensure integrity standards throughout the organization. GLAR establishes administrative penalties for improper payments to government officials, influence peddling (including the hiring of public officials and the use of undue influence) and other corrupt acts in public procurement processes.

We are also subject to The Federal Law for the Prevention and Identification of Transactions with Funds from Illegal Sources, which requires reporting of certain transactions exceeding certain monetary limits, the appointment of a compliance officer and maintenance of customer identification records and controls. This law affects all vulnerable activities in Mexico and is intended to detect commercial activities arising from illicit or ill-gotten means through bilateral cooperation between Mexico’s Ministry of Finance and Public Credit and Mexico’s Attorney General’s Office. The law also restricts the use of cash in certain transactions associated with high-value assets and limits, and to the extent possible, money laundering activities protected by the anonymity that such cash transactions provide. Relevant aspects of the law specifically affecting the pawn industry include monthly reporting on “vulnerable activities,” which include pawn transactions exceeding 166,502.70 Mexican pesos and retail transactions of precious metals exceeding 166,502.70 Mexican pesos. Retail transactions of precious metals in cash exceeding 333,005.40 Mexican pesos are prohibited. There are significant fines and sanctions for failure to comply with these rules.

We must also comply with the Official Mexican Standards issued by regulatory agencies in accordance with Article 40 of the Federal Law on Metrology and Standardization, which establishes rules applicable to a retail products and services, and related disclosures, labeling, and marketing, including NOM-179-SCFI-2016, NOM-017-SCFI-1993, and NOM-024-SCFI-2013.

In addition to the above, our pawn business in Mexico is subject to various general business regulations in the areas of tax compliance, customs, consumer protections, money laundering, civil protection regulations, municipal regulations, trade code (federal), public safety and employment matters, among others, by various federal, state and local governmental agencies.

Other Latin American Regulations

Local governmental entities in Guatemala, El Salvador and Honduras also regulate lending and retail businesses. Certain laws and local zoning and permitting ordinances require basic commercial business licenses and signage permits. Operating in these countries also subjects us to other types of regulations, including regulations related to financial reporting, data protection and privacy, tax compliance, labor and employment practices, real estate transactions, anti-money laundering, commercial and electronic banking restrictions, credit card transactions, usury law, consumer protection, marketing, advertising and other general business activities. As the scope of our international operations increases, we may face additional administrative and regulatory costs in managing our business. In addition, unexpected changes in laws and regulations, administrative interpretations of local requirements or legislation, or public remarks by elected officials could negatively affect our operations and profitability.

Available Information

We file annual, quarterly and current reports and other documents with the Securities and Exchange Commission (“SEC”) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). The SEC maintains an internet website that contains reports and other information regarding issuers that file electronically with the SEC. The public can obtain any documents that we file with the SEC at www.sec.gov.

We maintain a website at www.ezcorp.com. Our filings with the SEC, including our Annual Reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and Section 16 filings, are available free of charge through links maintained on our website under the heading “Investor Relations — SEC Filings.” Information contained on our website is not incorporated by reference into this report.

ITEM 1A. RISK FACTORS

There are many risks and uncertainties that may affect our operations, performance, development and results. Many of these risks are beyond our control. The following is a description of the important risk factors that may affect our business. If any of these risks were to occur, our business, financial condition or results of operations could be materially adversely affected. Additional risks and uncertainties not currently known to us or that we currently consider to be immaterial may also materially adversely affect our business, financial condition or results of operations.

Company Specific Risks

Changes in, or failure to comply with, laws and regulations affecting our products and services could have a material adverse effect on our operations and financial performance.

Our products and services are subject to regulation under various laws and regulations in each country and jurisdiction in which we operate (see "Part I, Item 1 — Business — Regulation"), and adverse legislation or regulations could be adopted in any such country or jurisdiction. If such legislation or regulation is adopted in any particular jurisdiction, we generally evaluate our business in the context of the new rules and determine whether we can continue to operate in that jurisdiction with new or modified products or whether it is feasible to enhance our business with additional product offerings. In any case, if we are unable to continue to operate profitably under the new rules, we may decide to close or consolidate stores, resulting in decreased revenues, earnings and assets. Further, our failure to comply with applicable laws and regulations could result in fines, penalties or orders to cease or suspend operations, which could have a material adverse effect on our results of operations.

Negative characterizations of the pawn industry by consumer advocates, media or others could result in increased legislative or regulatory activity, could adversely affect the market value of our publicly traded stock, or could make it harder to operate our business successfully.

Many of the legislative and regulatory efforts that are adverse to the pawn industry are the result of negative characterization of the pawn industry by consumer advocacy groups, members of the media or others that focus on the cost of pawn loans or instances of pawn operators purchasing stolen property or accepting it as pawn collateral. We can give no assurance that there will not be further negative characterizations of our industry or that legislative or regulatory efforts to restrict the availability of pawn loans or otherwise regulate pawn operations will not be successful despite significant customer demand for such services. Such efforts, if successful, could have a material adverse effect on our operations or financial performance.

Furthermore, negative characterizations of our industry could limit the number of investors who are willing to hold our Class A Common Stock, which may adversely affect its market value; limit sources of the debt or equity financing that we need in order to conduct our operations and achieve our strategic growth objectives; or make it harder for us to attract, hire and retain talented executives and other key Team Members.

A significant portion of our U.S. business is concentrated in Texas and Florida.

As of September 30, 2023, more than 62% of our U.S. pawn stores were located in Texas (45%) and Florida (17%), and those stores account for a significant portion of our revenues and profitability. The legislative, regulatory and general business environment in Texas and Florida has been relatively favorable for our pawn business activities, but a negative legislative or regulatory change in either of those states could have a material adverse effect on our overall operations and financial performance. Further, as discussed below, areas in Texas and Florida where we have significant operations are particularly susceptible to hurricane and tropical storm activity.

A significant or sudden decrease in gold values or the volume of gold transactions may have a material impact on our earnings and financial position.

Gold jewelry comprises a large portion of the collateral security for our pawn loans and our inventory. PSC, sales proceeds and our ability to liquidate excess jewelry inventory at an acceptable margin are dependent upon gold values and the volume of gold transactions. A decline in the availability of gold or our customers' willingness or ability to sell us gold or use gold as collateral for pawn loans could impact our business. The impact on our financial position and results of operations of decreases in gold values or volumes or a change in customer behavior cannot be reasonably estimated because the market and customer response to changes in gold values is not known; however, a significant decline in gold values or gold volumes could result in decreases in sales, sales margins, PLO and PSC.

Fluctuations in our sales, PLO, sales margins and pawn redemption rates could have a material adverse impact on our operating results.

We regularly experience fluctuations in a variety of operating metrics. Changes in any of these metrics, as might be caused by changes in the economic environment, competitive pressures, changes in customers' tastes and preferences or a significant decrease in gold prices, could materially and adversely affect our profitability and ability to achieve our planned results of operations.

Achievement of our growth objectives is dependent upon our ability to open and acquire new stores.

Our expansion strategy includes acquiring existing stores and opening de novo store locations. Our acquisition strategy is dependent upon the availability of attractive acquisition candidates, while the success of our de novo store strategy is contingent upon numerous factors that cannot be predicted or controlled, such as the availability of acceptable locations with a desirable customer base, the negotiation of acceptable lease terms, the ability to obtain required government permits and licenses and the existence of a suitable competitive environment. The achievement of our growth objectives is also subject to our ability to attract, train and retain qualified Team Members. Failure to achieve our expansion goals could adversely affect our prospects, future results of operations and future cash flows.

We continue to have limited indemnity obligations to AlphaCredit for pre-closing taxes.

Under the terms of the Purchase Agreement related to the sale of our 94%-owned subsidiary, Prestaciones Finmart, S.A.P.I. de C.V., SOFOM, E.N.R. ("Grupo Finmart") to Alpha Holding, S.A. de C.V. ("AlphaCredit") in September 2016, we remain obligated to indemnify AlphaCredit for any "pre-closing taxes" (i.e., tax obligations arising from the Grupo Finmart business that are attributable to periods prior to the completion of the sale in September 2016). Those obligations continue until the expiration of the statute of limitations applicable to the pre-closing periods. In August 2019, AlphaCredit notified us of a potential indemnity claim for certain pre-closing taxes, but the nature, extent and validity of such claim has yet to be determined. The final payments from AlphaCredit totaling $8.0 million were placed into escrow in 2019 pending resolution of the potential indemnity claim.

The statute of limitations applicable to most of the pre-closing years has now expired, but AlphaCredit has informed us that they filed an amended return for 2016, which they claim extends the statute of limitations for that year. We were in discussions with AlphaCredit regarding the validity of the indemnity claim, the amount of any continuing exposure and whether some or all of the escrow can now be released. Those discussions have been interrupted due to AlphaCredit's recent emergence from a concurso mercantil (insolvency) proceeding in Mexico with new management. The escrowed funds were not impacted by that proceeding, and we are continuing to pursue release of the funds.

One person beneficially owns all of our voting stock and generally controls the outcome of all matters requiring a vote of stockholders, which may influence the value of our publicly traded non-voting stock.

Phillip E. Cohen is the beneficial owner of all our Class B Voting Common Stock, and all our publicly traded stock is non-voting stock. Consequently, stockholders other than Mr. Cohen have no vote with respect to the election of directors or any other matter requiring a vote of stockholders except in limited circumstances as required by law. Further, our Bylaws currently provide that the voting stockholder may appoint or remove officers or take any other action that the Board of Directors may take with respect to officers under the Bylaws. The lack of voting rights may adversely affect the market value of our publicly traded Class A Common Stock.

Mr. Cohen is a member of our Board of Directors and serves as Executive Chairman. As a member of the Board, Mr. Cohen is entitled to vote on all matters requiring approval of the Board. Our Bylaws currently provide that the presence of all directors shall constitute a quorum for the transaction of business, and that any act of the Board of Directors requires a unanimous approval of all directors. Consequently, Mr. Cohen, as is the case with each of the other directors, has the ability to block actions of the Board. Mr. Cohen has agreed that, as a member of the Board of Directors, he will not participate in any Board vote regarding his position as Executive Chairman.

We have a significant firearms business in the U.S., which exposes us to increased risks of regulatory fines and penalties, lawsuits and related liabilities.

Some of our stores in the U.S. conduct pawn and retail transactions involving firearms, which may be associated with an increased risk of injury and related lawsuits. We may be subject to lawsuits relating to the improper use of firearms that we sell, including actions by persons attempting to recover damages from firearms retailers relating to misuse of firearms. We may also incur fines, penalties or liabilities, or have our federal firearms licenses revoked or suspended, if we fail to properly perform required background checks for, and otherwise record and report, firearms transactions. Any such actions could have a material adverse effect on our business, prospects, results of operations, financial condition and reputation.

Our business is subject to Team Member and third-party robberies, burglaries and other crimes at the store level.

The nature of our business requires us to maintain significant cash on hand, loan collateral and inventories in our stores. Consequently, we are subject to loss of cash or merchandise as a result of robberies, burglaries, thefts, riots, looting and other criminal activity in our stores. Further, we could be subject to liability to customers or other third parties as a result of such activities. While we maintain asset protection and monitoring programs to mitigate these risks, as well as insurance programs to protect against catastrophic loss or exposure, there can be no assurance that these crimes will not occur or that such losses will not have an adverse effect on our business or results of operations.

Changes in competition from various sources could have a material adverse impact on our ability to achieve our plans.

We encounter significant competition from other pawn stores, consumer lending companies, other retailers, online retailers and auction sites, many of which have significantly greater financial resources than we do. Increases in the number or size of competitors or other changes in competitive influences, such as aggressive marketing and pricing practices, could adversely affect our operations. In Mexico, we compete directly with certain pawn stores owned and operated by government affiliated or sponsored non-profit foundations, and the government could take actions that would harm our ability to compete in that market.

Our continued profitability and growth plans are dependent on our ability to successfully design or acquire, deploy and maintain information technology and other business systems to support our current business and our planned growth and expansion.

The success of our business depends on the efficiency and reliability of our information technology and business systems and related controls, including the point-of-sale system utilized in our store locations. If access to our technology infrastructure is impaired (as may occur with a computer virus, a cyber attack or other intentional disruption by a third party, natural disaster, telecommunications system failure, electrical system failure or lost connectivity), or if there are flaws in the design or roll-out of new or refreshed technology systems (such as our point-of-sale system), we may be unable to process transactions or otherwise carry on our business in a timely and efficient manner. An infrastructure disruption could damage our reputation and cause us to lose customers and revenue. We consider security risks from multiple viewpoints, including physical security as well as security of infrastructure and databases. As our technology infrastructure continues to evolve from on premise to cloud service providers, we continue to assess the security of such infrastructure, including third party service providers.

We invested in Cash Converters International Limited for strategic reasons. Law or regulatory changes in Australia or other jurisdictions in which Cash Converters operates, or other factors, could adversely affect Cash Converters' operating performance, our share of which would be reflected in our own financial statements due to the equity method of accounting. Further, if that operating performance, or other factors, adversely impact the value of Cash Converters' publicly traded stock, then we may be required to impair our investment, as we have done in the past.

We own 43.7% of the outstanding ordinary shares of Cash Converters, which is a publicly traded company based in Australia. We made the initial investment in November 2009 and have made incremental investments periodically since then. The success of this strategic investment is dependent on a variety of factors, including Cash Converters's business performance and the market's assessment of that performance.

In December 2022, the Australian Parliament passed the Financial Sector Reform Bill 2022, which establishes lending limits on small amount credit contracts. The bill became effective in June 2023, and could adversely impact Cash Converters' financial position or results of operations. In response to the new law, Cash Converters recognized a one-time, non-cash impairment expense of AUD $110.5 million against goodwill in their financial statements for the period ended December 31, 2022 and, based upon our 43.7% ownership of Cash Converters at the time, we recorded $32.4 million of our share of their non-cash goodwill impairment charge during the second quarter of our fiscal 2023. Any additional decline in Cash Converters' operating results resulting from the change of law or other factors could adversely affect our financial performance.

We have recorded a number of impairments to the carrying value of our investment in Cash Converters in the past. After an analysis of Cash Converters' stock price performance and other factors, we determined the fair value of our investment in Cash Converters at September 30, 2023 was greater than its carrying value. See Note 5: Strategic Investments of Notes to Consolidated Financial Statements included in "Part II, Item 8 — Financial Statements and Supplemental Data." If the fair value of our investment declines and we determine that such decline is other-than-temporary, we may be required to further impair our investment and recognize the related investment loss, which would adversely affect our results of operations and financial position in the period of impairment. Furthermore, there can be no assurance that we will be able to dispose of some or all of our investment in Cash Converters on favorable terms, should we decide to do so in the future.

Our ability to recover our investments in other companies (such as our indirect investment in Simple Management Group, Inc. and our investment in Rich Data Corporation) is heavily dependent on the success and performance of those companies, including their respective ability to obtain further debt or equity financing.

We have certain investments in other companies. See Note 1: Organization and Summary of Significant Accounting Policies — Investments of Notes to Consolidated Financial Statements included in "Part II, Item 8 — Financial Statements and Supplemental Data." Our ability to recover our investment in these companies is heavily dependent on their success and performance, potentially including their ability to obtain further debt or equity financing. To the extent that any of such companies is not successful, we may be required in future periods to impair our investment and recognize related investment losses.

We may incur property, casualty or other losses, including losses related to natural disasters such as hurricanes, earthquakes and volcanoes. Not all such losses will be covered by insurance.

We maintain a program of insurance coverage for various types of property, casualty and other risks. The types and amounts of insurance that we obtain vary from time to time, depending on availability, cost and our decisions with respect to risk retention. The policies are subject to deductibles and exclusions that result in our retention of a level of risk on a self-insurance basis. Losses not covered by insurance could be substantial and may increase our expenses, which could harm our results of operations and financial condition.

We have significant operations located in areas that are susceptible to hurricanes (notably the Atlantic and Gulf Coast regions of Florida, the Gulf Coast regions of Texas including Houston, as well as Mexico and Central America). Certain areas of our operations are also susceptible to other types of natural disasters such as earthquakes, volcanoes and tornadoes. As noted above, not all physical damage that we incur as a result of any such natural disaster will be covered by insurance due to policy deductibles and risk retentions. In addition, natural disasters could have a significant negative impact on our business beyond physical damage to property, including a reduction of our PLO, inventory, pawn service charges and merchandise sales. Only limited portions, if any, of those negative impacts will be covered by applicable business interruption insurance policies. As a result, geographically isolated natural disasters could have a material adverse effect on our overall operations and financial performance.

Goodwill comprises a significant portion of our total assets. We assess goodwill for impairment at least annually, which could result in a material, non-cash write-down and could have a material adverse effect on our results of operations and financial conditions.

The carrying value of our goodwill was $302.4 million, or approximately 21% of our total assets, as of September 30, 2023. We test goodwill and intangible assets with an indefinite life for potential impairment annually, or more frequently if an event occurs or circumstances change that would more-likely-than-not reduce the fair value of a reporting unit below its carrying value. These events or circumstances could include a significant change in the business climate, a change in strategic direction, legal factors, operating performance indicators, a change in the competitive environment, the sale or disposition of a significant portion of a reporting unit, or future economic factors such as unfavorable changes in the estimated future discounted cash flows of our reporting units.

When performing our annual test of goodwill for impairment in the fourth quarter, we have the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more-likely-than-not that the estimated fair value of a reporting unit is less than its carrying amount. If we elect to perform a qualitative assessment and determine an impairment is more-likely-than-not, we are then required to perform a quantitative impairment test; otherwise, no further analysis is required. We also may elect not to perform a qualitative assessment and, instead, proceed directly to a quantitative impairment test. When performing a quantitative impairment test, we apply a one-step quantitative test and record the amount of goodwill impairment as the excess of a reporting unit's carrying amount over its fair value, not to exceed the total amount of goodwill allocated to that reporting unit.

When we perform a quantitative goodwill impairment test, we estimate the fair value of the reporting unit using an income approach based on the present value of expected future cash flows, including terminal value, utilizing a market-based weighted average cost of capital ("WACC") determined separately for each reporting unit. The determination of fair value involves the use of estimates and assumptions, including revenue growth rates, operating margins and terminal growth rates discounted by an estimated WACC derived from other publicly traded companies that are similar but not identical to us from an operational and economic standpoint. We use discount rates that are commensurate with the risks and uncertainties inherent in the respective businesses and in our internally developed forecasts.

See Note 1: Organization and Summary of Significant Accounting Policies and Note 8: Goodwill and Intangible Assets of Notes to Consolidated Financial Statements included in "Part II, Item 8 — Financial Statements and Supplemental Data" for a discussion of our annual impairment tests performed for goodwill and indefinite-lived intangible assets.

The conversion feature of our convertible notes, if triggered, may adversely affect our financial condition and operating results.

We have outstanding a total of $367.8 million of convertible notes. See Note 9: Debt of Notes to Consolidated Financial Statements included in “Part II, Item 8 — Financial Statements and Supplementary Data.” If the conversion feature of any of those convertible notes is triggered, holders will be entitled to convert the notes at their option at any time during specified periods. If one or more holders elect to convert their notes, we may be required, or may choose, to settle the obligation through the payment of cash, which could adversely affect our liquidity. In addition, even if holders do not elect to convert their notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the convertible notes as a current rather than long-term liability, which would result in a material reduction of our net working capital.

Conversion of our convertible notes into stock may dilute the ownership interests of existing stockholders or may otherwise depress the price of our Class A Common Stock.

If it were to occur, the conversion of convertible notes would dilute the ownership interests of existing stockholders to the extent we deliver shares of Class A Common Stock upon conversion. Any sales in the public market of such shares could adversely affect prevailing market prices of our Class A Common Stock. In addition, the existence of the convertible notes may encourage short selling by market participants because the conversion of such notes could be used to satisfy short positions, or anticipated conversion of the notes into shares of our Class A Common Stock could depress the price of our Class A Common Stock.

We have a limited number of unreserved shares available for future issuance, which may limit our ability to conduct future financings and other transactions and our ability to offer equity awards to management.

Our certificate of incorporation currently authorizes us to issue up to 100 million shares of Class A Common Stock. Taking into consideration the shares that are issued and outstanding, as well as the shares that have been reserved for issuance pursuant to convertible notes, outstanding equity incentive compensation awards and the conversion of the Class B Common Stock, we had approximately 3.0 million shares of authorized Class A Common Stock available for other uses as of September 30, 2023. We expect that number will be reduced to 2.1 million following the issuance of currently approved Long-Term Incentive awards in November 2023. Therefore, our ability to issue shares of Class A Common Stock (other than pursuant to the existing reserved-for commitments), or securities or instruments that are convertible into or exchangeable for shares of Class A Common Stock, may be limited until such time additional authorized, unissued and unreserved shares become available or unless we determine we are unlikely to issue all of the shares that are currently reserved. During this time, for example, our ability to complete equity or equity-linked financings or other transactions (including strategic acquisitions) that involve the issuance or potential issuance of Class A Common Stock may be limited. Further, our ability to offer equity-based compensation to our management team may also be limited, which could adversely affect our ability to align management’s incentives with stockholders or attract and retain key management personnel.

General Risks

Public health issues could adversely affect our financial condition, results of operations or liquidity.

Our business may be impacted by public health issues, such as COVID-19, other pandemics and the spread of contagious diseases. Such public health issues, and the government and consumer responses thereto, may (i) limit our ability to supply products and services to our customers as a result of store closures, reduced access to or foot traffic in our stores, or labor shortages, (ii) adversely affect the demand for our products and services or (iii) cause other unforeseen negative developments. Any of these factors may adversely affect our financial condition, results of operations or liquidity.

We have significant operations in Latin America, and changes in the business, regulatory, political or social climate could impact our operations there, which could adversely affect our results of operations and growth plans.

We own and operate a significant number of pawn stores in Latin America (primarily Mexico, but also Guatemala, El Salvador and Honduras). Further, our growth plans include potential expansion in some of those countries as well as potentially other countries in Latin America. Doing business in those countries exposes us to risks related to political instability, corruption, economic volatility, drug cartel and gang-related violence, social unrest including riots and looting, tax and foreign investment policies, public safety and security concerns, and uncertain application of laws and regulations. Consequently, actions or events in any of those countries that are beyond our control could restrict our ability to operate there or otherwise adversely affect the profitability of those operations. Furthermore, changes in the business, regulatory or political climate in any of those countries, or significant fluctuations in currency exchange rates, could affect our ability to expand or continue our operations there, which could have a material adverse impact on our prospects, results of operations and cash flows. For a description of the current regulatory environment in the Latin American countries in which we operate, see “Mexico Regulations” and “Other Latin America Regulations” under “Part I, Item 1 — Business — Regulation.”

A significant change in foreign currency exchange rates could have a material adverse impact on our earnings and financial position.

We have foreign operations in Latin America (primarily Mexico, but also Guatemala, El Salvador and Honduras) and an equity investment in Australia. Our assets and investments in, and earnings and dividends from each of these countries must be translated to U.S. dollars from their respective functional currencies. A significant weakening of any of these foreign currencies could result in lower assets and earnings in U.S. dollars, resulting in a potentially material adverse impact on our financial position, results of operations and cash flows.

Litigation and regulatory proceedings could have a material adverse impact on our business.

We are currently subject to various litigation and regulatory actions, and additional actions could arise in the future. Potential actions range from claims and assertions arising in the ordinary course of business (such as contract, customer or employment disputes) to more significant corporate-level matters or shareholder litigation. All of these matters are subject to inherent uncertainties, and unfavorable rulings could occur, which could include monetary damages, fines and penalties or other relief. Any unfavorable ruling or outcome could have a material adverse effect on our results of operations or could negatively affect our reputation.

Under our certificate of incorporation, we are generally obligated to indemnify our directors and officers for costs and liabilities they incur in their capacity as directors or officers of the Company. Consequently, if a proceeding names or involves any of our directors or officers, then (subject to certain exceptions) we are generally obligated to pay or reimburse the cost or liability such director or officer incurs as a result of such proceeding (including defense costs, judgments and amounts paid in settlement). We maintain management liability insurance that protects us from much of this potential indemnification exposure, as well as potential costs or liabilities that may be directly incurred by the Company in some cases. However, our insurance coverage is subject to deductibles and there may be elements of the costs or liabilities that are not covered under the insurance policies. In addition, to the extent our ultimate liability in any such proceeding (or any combination of proceedings that are included in the same policy year) exceeds the management liability policy limits, our results of operations and financial condition could be adversely affected.

Our acquisitions, investments and other transactions could disrupt our ongoing business and harm our results of operations.

In pursuing our business strategy, we routinely conduct discussions, evaluate opportunities and enter into agreements regarding possible acquisitions, investments and other transactions. These transactions may involve significant challenges and risks, including risks that we may not realize the expected return on an acquisition or investment, that we may not be able to retain key personnel of an acquired business, or that we may experience difficulty in integrating acquired businesses into our business systems and processes. If we do enter into agreements with respect to acquisitions, investments or other transactions, we may fail to complete them due to inability to obtain required regulatory or other approvals or other factors. Furthermore, acquisitions, investments and other transactions require substantial management resources and have the potential to divert our attention from our existing business, and there are inherent risks in integrating and operating any acquired business. These factors could harm our business and results of operations.

We may be exposed to liabilities under applicable anti-bribery, anti-corruption, anti-money laundering and other general business laws and regulations, and any determination that we violated these laws or regulations could have a material adverse effect on our business.

We are subject to various anti-bribery and anti-corruption laws that prohibit improper payments or offers of payments to foreign governments and their officials for the purpose of obtaining or retaining business, including the Foreign Corrupt Practices Act in the U.S. and the General Law of Administrative Responsibility in Mexico. We are also subject to various laws and regulations designed to prevent money laundering or the financial support of terrorism or other illegal activity, including the USA PATRIOT Act and the Bank Secrecy Act in the U.S. and The Federal Law for the Prevention and Identification of Transactions with Funds From Illegal Sources in Mexico. See “Part I, Item 1 — Business — Regulation.” Further, our business is expanding in countries and regions that are less developed and are generally recognized as potentially more corrupt business and political environments.

While we maintain controls and policies to ensure compliance with applicable laws and regulations, these controls and policies may prove to be less than effective. If Team Members, agents or other persons for whose conduct we are held responsible violate our policies, we may be subject to severe criminal or civil sanctions and penalties, and we may be subject to other liabilities that could have a material adverse effect on our business, results of operations and financial condition.

Changes in our liquidity and capital requirements or in access to capital markets or other financing and transactional banking sources could limit our ability to achieve our plans.

A significant reduction in cash flows from operations or the availability of debt or equity financing could materially and adversely affect our ability to achieve our planned growth and operating results. Our ability to obtain debt or equity financing, including the possible refinancing of existing indebtedness, will depend upon market conditions, our financial condition and the willingness of financing sources to make capital available to us at acceptable rates and terms. The inability to access capital at acceptable rates and terms could restrict or limit our ability to achieve our growth objectives, which could adversely affect our financial condition and results of operations.

Our access to transactional banking services, as well as international wire services between certain countries, is an ongoing business requirement. Inability in accessing or maintaining transactional banking or wire services could lead to increased costs or the inability to efficiently manage our cash as we would be required to seek alternative banking services or obtain services from several regional or local retail banks.

We collect and store a variety of sensitive customer information, and breaches in data security or other cyber-attacks could harm our business operations and lead to reputational damage.

In the course of conducting our business, we collect and store on our information technology systems a variety of information about our customers, including sensitive personal identifying and financial information. We may not have the resources or technical expertise to anticipate or prevent rapidly evolving types of cyber attacks. Attacks may be targeted at us, our service providers, our customers or others who have entrusted us with information. Actual or anticipated attacks may cause us to incur increased costs, including costs to hire additional personnel, purchase additional protection technologies, train Team Members and engage third-party experts and consultants. Advances in computer capabilities, new technological discoveries or other developments may result in the technology we use to protect data being breached or compromised. In addition, data and security breaches can occur as a result of non-technical issues, including breach by us or by persons with whom we have commercial relationships that result in the unauthorized release of personal or confidential information. We could be subject to fines, penalties and liabilities if any such information is misappropriated from our systems or we otherwise fail to maintain the security and confidentiality of such information. Further, any such data security breach could cause damage to our reputation and a loss of confidence in our data security measures, which could adversely affect our business and prospects.

We may face business interruptions or other adverse effects on our operations and growth.

Our business and operations could be subject to interruption or damage due to inclement weather, natural disaster, power loss, acts of violence, terrorist attacks, war, civil unrest or similar events. Further, we may experience information technology or other business systems disruptions. Such events could impair our customers' access to our business, impact our ability to expand or continue our operations or otherwise have an adverse effect on our financial condition.

We face other risks discussed under "Part II, Item 7A — Quantitative and Qualitative Disclosures about Market Risk."

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

We lease our pawn store locations, which are located throughout our geographic areas of operations. See "Part I, Item 1 — Business — Segment and Geographic Information." Our pawn stores are typically located in a freestanding building or occupy all or part of a retail strip center with contiguous parking. A portion of the store interior is designed for retail operations, with merchandise displayed for sale by category. Distinctive exterior design and attractive in-store signage provide an appealing atmosphere to customers. We maintain or reimburse our landlords for maintaining property and general liability insurance for each of our stores. Our stores are open six or seven days a week.

Leases for our U.S. locations generally have initial terms ranging from three to 10 years and typically allow for renewals in increments of three-to-five years. Our primary corporate office is located in Austin, Texas and is leased through March 2029 with escalating rent payments annually and includes two five-year extension options at the end of the lease term. Our locations in Latin America are generally leased on three-to-five year terms.

Our existing leases expire on various dates through fiscal 2033, with a small number of leases on month-to-month terms. All leases provide for specified periodic rental payments at market rates. Most leases require us to maintain the property and pay the cost of insurance and taxes. We believe the termination of any one of our leases would not have a material adverse effect on our operations. Our strategy generally is to lease rather than own space for our stores. On an ongoing basis, we may close or consolidate under-performing store locations.

As of September 30, 2023, we had a total of 1,231 stores, 529 of which are located in the U.S., with 45% located in Texas, 17% in Florida and the remainder spread across 17 other states. We also have 549 locations in Mexico, 117 in Guatemala, 18 in El Salvador, and 18 in Honduras.

In addition to our store leases, we lease approximately 120,000 square feet of corporate office space in Austin, Texas (82,663 square feet of which is being subleased or made available for sublease to other tenants). We lease other corporate office space in Mexico (8,600 square feet), Guatemala (3,500 square feet), El Salvador (4,500 square feet) and Honduras (1,200 square feet).

For additional information about store locations, see "Part I, Item 1 — Business — Segment and Geographic Information."

ITEM 3. LEGAL PROCEEDINGS

See Note 13: Contingencies of Notes to Consolidated Financial Statements included in "Part II, Item 8 — Financial Statements and Supplemental Data."

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

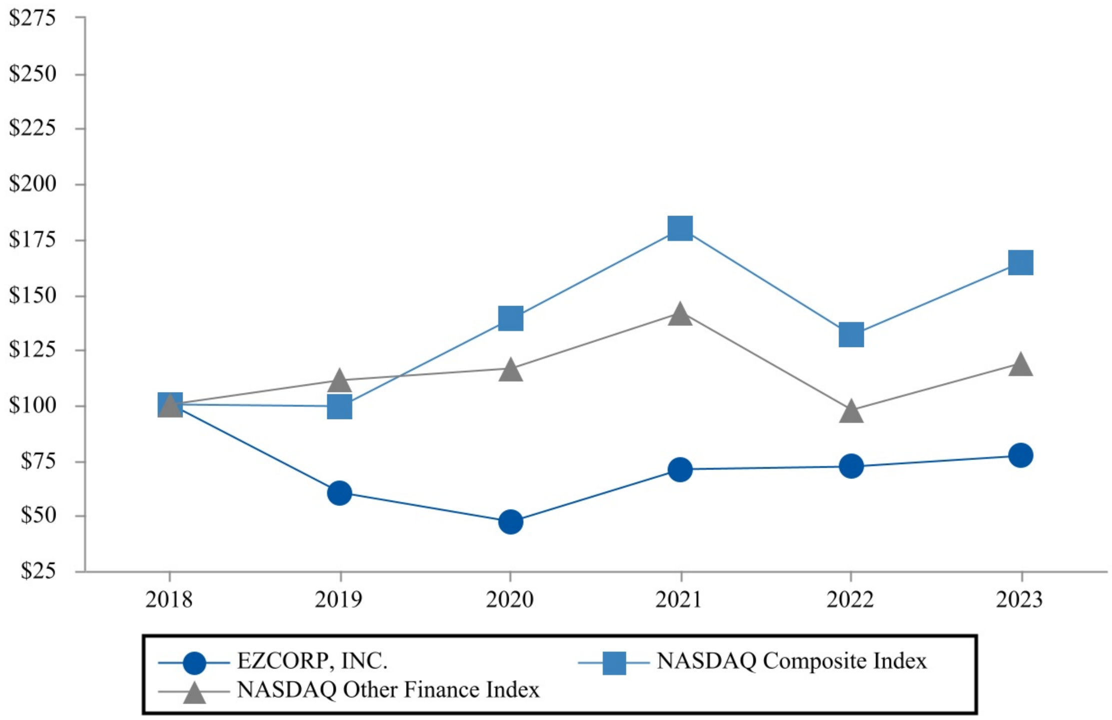
Market Information

Our Class A Non-Voting Common Stock (“Class A Common Stock”) is traded on the NASDAQ Stock Market under the symbol “EZPW.” As of November 1, 2023, there were approximately 71 stockholders of record of our Class A Common Stock. There is no trading market for our Class B Voting Common Stock (“Class B Common Stock”), which was held by one stockholder as of November 1, 2023. As of September 30, 2023, the closing sales price of our Class A Common Stock, as reported by the NASDAQ Stock Market, was $8.25 per share.

Stock Performance Graph

The following Stock Performance Graph and related information shall not be deemed to be “filed” with the Securities and Exchange Commission, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933 or the Securities Exchange Act of 1934.

The following table compares cumulative total stockholder returns for our Class A Common Stock for the last five fiscal years, with the cumulative total return on the NASDAQ Composite Index (ticker symbol: IXIC) and the NASDAQ Other Financial Index (ticker symbol: IXFN) over the same period. The graph shows the value, at the end of each of the last five fiscal years, of $100 invested in our Class A Common Stock or the indices on September 30, 2018. The graph depicts the change in the value of our Class A Common Stock relative to the indices at the end of each fiscal year and not for any interim period. Historical stock price performance is not necessarily indicative of future stock price performance.



Company Index	2018	2019	2020	2021	2022	2023
EZCORP, INC.	$100.00	$60.37	$47.01	$70.75	$72.06	$77.10
NASDAQ Composite Index	$100.00	$99.42	$138.79	$179.57	$131.43	$164.29
NASDAQ Other Finance Index	$100.00	$111.30	$116.51	$141.80	$97.71	$118.76

Share Repurchase Activity

The table below provides certain information about our repurchase of shares of Class A Non-voting Common Stock during the quarter ended September 30, 2023. All repurchases during the quarter were made in open market transactions at prevailing market prices and were executed pursuant to a trading plan under Rule 10b5-1 under the Securities Exchange Act of 1934.

	Share Repurchases			
	Total Number of Shares Purchased (1)	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Programs (1)
	(in thousands, except number of shares and average price information)			
July 1, 2023 through July 31, 2023	113,182	$ 8.83	113,182	$ 38,003
August 1, 2023 through August 31, 2023	109,845	$ 8.81	109,845	$ 37,036
September 1, 2023 through September 30, 2023	128,372	$ 8.04	128,372	$ 36,004
Quarter ended September 30, 2023	351,399	$ 8.54	351,399	$ 36,004

(1) On May 3, 2022, the Board of Directors approved a share repurchase program, under which the Company is authorized to repurchase up to $50 million of our Class A Non-Voting common shares over a three-year period. Execution of the program will be responsive to fluctuating market conditions and valuations, liquidity needs and the expected return on investment compared to other opportunities.

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's Discussion and Analysis of Financial Condition and Results of Operations is intended to inform the reader about matters affecting the financial condition and results of operations of EZCORP, Inc. and its subsidiaries (collectively, "we," "us", "our" or the "Company") for the two-year period ended September 30, 2023. The following discussion should be read together with our consolidated financial statements and accompanying notes included in "Part II, Item 8 — Financial Statements and Supplementary Data." This discussion and analysis contains forward-looking statements, and our actual results could differ materially from those anticipated in these forward-looking statements. See "Part I, Item 1A — Risk Factors" and "Cautionary Statement Regarding Risks and Uncertainties That May Affect Future Results" below.

Results of Operations

Non-GAAP Financial Information

To supplement our consolidated financial statements, which are prepared and presented in accordance with GAAP, we provide certain other non-GAAP financial information on a constant currency basis ("constant currency") and "same store" basis. We use constant currency results to evaluate our Latin America Pawn operations, which are denominated primarily in Mexican pesos, Guatemalan quetzales and other Latin American currencies. We analyze results on a same store basis (which is defined as stores open during the entirety of the comparable periods) to better understand existing store performance without the influence of increases or decreases resulting solely from changes in store count. We believe presentation of constant currency and same store results is meaningful and useful in understanding the activities and business metrics of our Latin America Pawn operations (in the case of constant currency) and our store operations (in the case of same store results) and reflect an additional way of viewing aspects of our business that, when viewed with GAAP results, provide a better understanding and evaluation of factors and trends affecting our business. We provide non-GAAP financial information for informational purposes and to enhance understanding of our GAAP consolidated financial statements. We use this non-GAAP financial information to evaluate and compare operating results across accounting periods. Readers should consider the information in addition to, but not rather than or superior to, our financial statements prepared in accordance with GAAP. This non-GAAP financial information may be determined or calculated differently by other companies, limiting the usefulness of those measures for comparative purposes.

Constant currency results reported herein are calculated by translating consolidated balance sheet and consolidated statement of operations items denominated in local currency to U.S. dollars using the exchange rate from the prior-year comparable period, as opposed to the current period, in order to exclude the effects of foreign currency rate fluctuations. We used the end-of-period rate for balance sheet items and the average closing daily exchange rate on a monthly basis during the appropriate period for statement of operations items. Our statement of operations constant currency results reflect the monthly exchange rate fluctuations and are not directly calculable from the rates below. Constant currency results, where presented, also exclude the foreign currency gain or loss. The end-of-period and approximate average exchange rates for each applicable currency as compared to U.S. dollars as of and for the fiscal years ended September 30, 2023 and 2022 were as follows:

	September 30,		Twelve Months Ended September 30,	
	2023	2022	2023	2022
Mexican peso	17.4	20.1	18.3	20.4
Guatemalan quetzal	7.7	7.6	7.6	7.5
Honduran lempira	24.5	24.1	24.3	24.1
Australian dollar	1.6	1.6	1.5	1.4

Operating Results

Fiscal 2023 vs. Fiscal 2022

These tables, as well as the discussion that follows, should be read in conjunction with the accompanying consolidated financial statements and related notes.

Summary Financial Data

The following table presents selected summary consolidated financial data for fiscal 2023 and fiscal 2022.

	Fiscal Year Ended September 30,		
(in thousands)	2023	2022	Change
Gross profit:			
Pawn service charges	$ 383,772	$ 320,865	20%
Merchandise sales	615,446	532,886	15%
Merchandise sales gross profit	220,667	203,504	8%
Gross margin on merchandise sales	36 %	38 %	(200) bps
Jewelry scrapping sales	49,528	32,033	55%
Jewelry scrapping gross profit	5,104	3,337	53%
Gross margin on jewelry scrapping sales	10 %	10 %	0 bps
Other revenues, net	295	441	(33)%
Gross profit	609,838	528,147	15%
Store expenses	418,574	357,417	17%
General and administrative	67,529	64,342	5%
Impairment of goodwill, intangible and other assets	4,343	—	*
Depreciation and Amortization	32,131	32,140	—%
Loss (gain) on sale or disposal of assets and other	208	(674)	(131)%
Other income	(5,097)	—	*
Total operating expenses	517,688	453,225	14%
Interest expense	16,456	9,972	65%
Interest income	(7,470)	(817)	*
Equity in net loss (income) of unconsolidated affiliates	28,459	(1,779)	*
Other expense (income)	3,072	(167)	*
Total non-operating expenses	40,517	7,209	462%
Income before income taxes	51,633	67,713	(24)%
Income tax expense	13,170	17,553	(25)%
Net income	$ 38,463	$ 50,160	(23)%
Net pawn earning assets:			
Pawn loans	$ 245,766	$ 210,009	17%
Inventory, net	166,477	151,615	10%
Total net pawn earning assets	$ 412,243	$ 361,624	14%

* Represents a percentage computation that is not mathematically meaningful.

Pawn loans outstanding (“PLO”) increased $35.8 million (17%) to $245.8 million due to improved operational performance and continued strong pawn demand.

Total revenues increased $162.8 million (18%) and gross profit increased 15%, reflecting improved pawn service charge (“PSC”) revenue, merchandise sales and merchandise sales gross profit.

PSC increased $62.9 million (20%) as a result of higher average PLO and yields. Merchandise sales increased $82.6 million (15%), driven primarily by our continued focus on customer engagement, pricing merchandise to maintain strong inventory turnover and an increase in stores. Merchandise sales gross margin remains within our targeted range at 36%.

Operating expenses increased $64.5 million (14%) primarily due to (a) a $61.2 million increase in store expenses as a result of increased labor in-line with store activity, higher store count and, to a lesser extent, expenses related to our loyalty program and (b) a $3.2 million increase in general and administrative expenses primarily due to an increase in costs related to incentive compensation, insurance and our Workday implementation, partially offset by the litigation accrual charge of $2.0 million recorded in the prior period.

Total non-operating expenses increased $33.3 million (462%), primarily due to the net loss on our share of losses in Cash Converters’ net results related to their non-cash goodwill impairment charge and interest expense. Interest expense increased $6.5 million, primarily driven by the net loss recorded on the partial extinguishments of the 2024 convertible notes and 2025 convertible notes, and higher average total debt outstanding at overall higher average effective interest rates due to the issuance of the 2029 convertible notes in December 2022. See Note 9: Debt of Notes to Consolidated Financial Statements included in “Part II, Item 8 — Financial Statements and Supplemental Data” for further discussion.

Income tax expense decreased $4.4 million primarily due to the decrease in income before income taxes of $16.1 million, offset by an increase in tax expense for the non-deductible loss realized on the refinancing of the convertible notes in the current year. Income tax expense includes other items that do not necessarily correspond to pre-tax earnings and create volatility in our effective tax rate. These items include the net effect of state taxes, non-deductible items and changes in valuation allowances for certain foreign operations. See Note 11: Income Taxes of Notes to Consolidated Financial Statements included in “Part II, Item 8 — Financial Statements and Supplemental Data” for quantification of these items.

U.S. Pawn

The following table presents selected summary financial data from our U.S. Pawn segment:

(in thousands)	Fiscal Year Ended September 30, 2023	2022	Change
Gross profit:			
Pawn service charges	$ 285,919	$ 240,982	19%
Merchandise sales	432,578	391,958	10%
Merchandise sales gross profit	164,704	161,717	2%
Gross margin on merchandise sales	38 %	41 %	(300) bps
Jewelry scrapping sales	43,305	25,739	68%
Jewelry scrapping sales gross profit	5,596	2,984	88%
Gross margin on jewelry scrapping sales	13 %	12 %	100 bps
Other revenues	119	83	43%
Gross profit	456,338	405,766	12%
Segment operating expenses:			
Store expenses	299,319	266,114	12%
Depreciation and amortization	10,382	10,552	(2)%
Loss on sale or disposal of assets and other	115	51	125%
Segment operating contribution	146,522	129,049	14%
Other segment income	(2)	(2)	—%
Segment contribution	$ 146,524	$ 129,051	14%
Other data:			
Average monthly ending pawn loan balance per store (a)	$ 327	$ 287	14%
Monthly average yield on pawn loans outstanding	14 %	13 %	100 bps
Pawn collateral - general merchandise	34 %	36 %	(6)%
Pawn collateral - jewelry	66 %	64 %	3%

(a) Balance is calculated based on the average of the monthly ending balance averages during the applicable period.

PLO continued to increase, ending the year at $190.6 million, up 17% in total and 13% on a same store basis due to improved customer service and increased pawn demand.

Total revenues increased 16% and gross profit increased 12%, primarily due to increased PSC.

PSC increased 19% as a result of higher average PLO and yields.

Merchandise sales increased 10%, primarily driven by our continued focus on customer engagement and pricing merchandise to maintain strong inventory turnover. Offsetting the sales increase, merchandise sales gross margin decreased 300 bps to 38%, reflecting a return to normalized margins.

Store expenses increased 12% (10% on a same store basis), primarily due to increased labor in-line with store activity, higher store count and, to a lesser extent, expenses related to our loyalty program.

Segment contribution increased $17.5 million due to the changes described above.

During fiscal 2023, segment net store count in our U.S. pawn segment increased by 14 due to the acquisition of 12 stores, the opening of 3 de novo stores and the consolidation of 1 store.

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Latin America Pawn

The following table presents selected summary financial data from our Latin America Pawn segment, including constant currency results, after translation to U.S. dollars from functional currencies. See "Results of Operations — Non-GAAP Financial Information" above.

	Fiscal Year Ended September 30,				
(in thousands)	2023 (GAAP)	2022 (GAAP)	Change (GAAP)	2023 (Constant Currency)	Change (Constant Currency)
Gross profit:					
Pawn service charges	$ 97,853	$ 79,883	22%	$ 90,605	13%
Merchandise sales	182,868	140,928	30%	167,810	19%
Merchandise sales gross profit	55,963	41,787	34%	51,368	23%
Gross margin on merchandise sales	31 %	30 %	100 bps	31 %	100 bps
Jewelry scrapping sales	6,223	6,294	(1)%	5,778	(8)%
Jewelry scrapping sales gross profit	(492)	353	(239)%	(445)	(226)%
Gross margin on jewelry scrapping sales	(8)%	6 %	(1,400) bps	(8)%	(1,400) bps
Other revenues, net	121	247	(51)%	113	(54)%
Gross profit	153,445	122,270	25%	141,641	16%
Segment operating expenses:					
Store expenses	119,255	91,303	31%	109,552	20%
Depreciation and amortization	9,191	7,913	16%	8,412	6%
Other income	(5,097)	—	100%	(4,481)	100%
Segment operating contribution	30,096	23,054	31%	28,158	22%
Other segment income (a)	(1,562)	(1,000)	56%	(1,723)	72%
Segment contribution	$ 31,658	$ 24,054	32%	$ 29,881	24%
Other data:					
Average monthly ending pawn loan balance per store (b)	$ 73	$ 64	14%	$ 67	5%
Monthly average yield on pawn loans outstanding	17 %	16 %	100 bps	17 %	100 bps
Pawn collateral - general merchandise	68 %	72 %	(6)%	67 %	(7)%
Pawn collateral - jewelry	32 %	28 %	14%	33 %	18%

* Represents a percentage computation that is not mathematically meaningful.

(a) Fiscal 2023 and 2022 constant currency amounts exclude net GAAP basis foreign currency transaction loss of $0.4 million and a minimal loss, respectively, resulting from movement in exchange rates.

(b) Balance is calculated based on the average of the monthly ending balance averages during the applicable period.

	2023 Change (GAAP)	2023 Change (Constant Currency)
Same Store data: (a)		
PLO	16%	4%
PSC	20%	11%
Merchandise Sales	24%	14%
Merchandise Sales Gross Profit	45%	33%
Store Expenses	26%	15%

(a) Stores open at the end of the period included in the same store calculation were 651.

PLO improved to $55.1 million, up 19% (7% on constant currency basis). On a same store basis, PLO increased 16% (4% on a constant currency basis) as consumer demand increased.

Total revenues were up 26% (16% on a constant currency basis), while gross profit increased by 25% (16% on a constant currency basis), primarily due to increased PSC, higher merchandise sales and improved gross profit.

PSC increased 22% (13% on constant currency basis) as a result of higher average PLO and yields.

Merchandise sales increased 30% (19% on a constant currency basis) and 24% on a same store basis (14% on a constant currency basis). Merchandise sales increase was driven primarily by our continued focus on customer engagement, pricing merchandise to maintain strong inventory turnover and increase in stores. Merchandise sales gross margin increased 100 bps to 31%, within our target range.

Store expenses increased $28.0 million, up 31% (20% on a constant currency basis), primarily due to increases in minimum wage and headcount, higher store count and, to a lesser extent, expenses related to our loyalty program and rent. Same-store expenses increased 26% (15% on a constant currency basis).

Segment contribution was up 32% to $31.7 million (24% on a constant currency basis). This increase was primarily due to the reversal of contingent consideration liability in connection with a previously completed acquisition, which was recorded to "Other income," and the changes in revenue and store expenses described above.

During fiscal 2023, net store count in our Latin America pawn segment increased by 42 due to the opening of 44 de novo stores and the consolidation of 2 stores.

Other Investments and Cash Converters

The following table presents selected summary financial data for our Other Investments and Cash Converters segments after translation to U.S. dollars from its functional currency of primarily Australian dollars:

	Fiscal Year Ended September 30,		
(in thousands)	**2023**	**2022**	**Change**
Gross profit:			
Consumer loan fees and interest	$ 55	$ 111	(50)%
Gross profit	55	111	(50)%
Segment operating expenses:			
Interest income	(1,500)	—	100%
Equity in net loss (income) of unconsolidated affiliates	28,459	(1,779)	*
Segment operating (loss) contribution	(26,904)	1,890	*
Other segment loss	31	52	(40)%
Segment (loss) contribution	$ (26,935)	$ 1,838	*

* Represents a percentage computation that is not mathematically meaningful.

Segment loss was $26.9 million, a decrease of $28.8 million, primarily due to the net loss on our share of Cash Converters' net results related to their non-cash goodwill impairment charge.

Other Items

The following table reconciles our consolidated segment contribution discussed above to net income, including items that affect our consolidated financial results but are not allocated among segments:

	Fiscal Year Ended September 30,		
(in thousands)	2023	2022	Change
Segment contribution	$ 151,247	$ 154,943	(2)%
Corporate expenses (income):			
General and administrative	67,532	64,342	5%
Impairment of goodwill and intangibles	4,343	—	*
Depreciation and amortization	12,558	13,675	(8)%
Loss (gain) on sale or disposal of assets and other	382	(688)	(156)%
Interest expense	16,456	9,972	65%
Interest income	(4,829)	—	*
Other expense (income)	3,172	(71)	*
Income before income taxes	51,633	67,713	24%
Income tax expense	13,170	17,553	25%
Net income	$ 38,463	$ 50,160	23%

* Represents a percentage computation that is not mathematically meaningful.

Segment contribution decreased $3.7 million or 2%, primarily due to the net loss on our share of losses in Cash Converters's net results related to their non-cash goodwill impairment charge, partially offset by the improved operating results of the segments above.

General and administrative expenses increased $3.2 million (5%), primarily due to the impact related to the reversal of incentive compensation for the departed CEO in the prior year and to a lesser extent, an overall increase in incentive-based compensation, and costs primarily related to our Workday implementation, partially offset by the litigation accrual charge of $2.0 million recorded in the prior period.

Interest expense increased $6.5 million (65%), primarily driven by the net loss recorded on the partial extinguishments of the 2024 convertible notes and 2025 convertible notes, and higher average total debt outstanding at overall higher average effective interest rates due to the issuance of the 2029 convertible notes during December 2022. See Note 9: Debt of Notes to Consolidated Financial Statements included in “Part II, Item 8 — Financial Statements and Supplemental Data” for further discussion.

Interest income increased $4.8 million, due primarily to our treasury management with increased market interest rates.

Income tax expense decreased $4.4 million primarily due to a decrease in income before income taxes of $16.1 million, offset by an increase in tax expense for the non-deductible loss realized on the refinancing of the convertible notes in the current year. Income tax expense includes other items that do not necessarily correspond to pre-tax earnings and create volatility in our effective tax rate. These items include the net effect of state taxes, non-deductible items and changes in valuation allowances for certain foreign operations. See Note 11: Income Taxes of Notes to Consolidated Financial Statements included in “Part II, Item 8 — Financial Statements and Supplemental Data” for quantification of these items.

Fiscal 2022 vs. Fiscal 2021

The Results of Operations discussion for fiscal 2022 vs. fiscal 2021 is located in “Part II, Item 7 — Management’s Discussion and Analysis of Financial Condition and Results of Operations” of our Annual Report on Form 10-K for the year ended September 30, 2022.

Liquidity and Capital Resources

Cash and Cash Equivalents

Our cash and equivalents balance was $220.6 million at September 30, 2023 compared to $206.0 million at September 30, 2022. Our cash and equivalents were held in cash depository accounts with major banks or invested in high quality, short-term liquid investments.

Cash Flows

The table and discussion below present a summary of the sources and uses of our cash:

(in thousands)	Fiscal Year Ended September 30, 2023	Fiscal Year Ended September 30, 2022	Change
Cash flows provided by operating activities	$ 101,834	$ 66,535	53%
Cash flows used in investing activities	(110,886)	(113,283)	(2)%
Cash flows provided by (used in) financing activities	23,692	(2,832)	*
Effect of exchange rate changes on cash and cash equivalents and restricted cash	(41)	325	(113)%
Net increase (decrease) in cash and cash equivalents and restricted cash	$ 14,599	$ (49,255)	130%

* Represents a percentage computation that is not mathematically meaningful.

The $35.3 million increase in cash flows provided by operating activities was primarily due to an increase in net income (when considering adjustments for non-cash items affecting net income) as well as changes in working capital primarily related to the timing of payments of income taxes, inventory, prepaid expenses and accounts payable.

The $2.4 million decrease in cash flows used in investing activities was primarily due to an increase of $33.4 million in net pawn lending outflows and a $29.8 million net increase in cash flows used to fund acquisitions, strategic investments and capital expenditures, the largest of which is $15.0 million related to a note receivable from Founders, as discussed in Note 5: Strategic Investments in Notes to Consolidated Financial Statements included in “Part II, Item 8 — Financial Statements and Supplemental Data.” These were offset by a $61.9 million increase in cash inflows from the sale of forfeited collateral.

The $26.5 million increase in cash flows provided by financing activities was primarily related to the December 2022 financing of the 2029 Convertible Notes, in which we issued $230.0 million principal amount of 3.750% Convertible Senior Notes Due 2029 offset by the extinguishment of approximately $109.4 million aggregate principal amount of our 2024 Convertible Notes for approximately $117.5 million plus accrued interest and approximately $69.1 million aggregate principal amount of our 2025 Convertible Notes for approximately $62.9 million plus accrued interest. In addition, we used approximately $5.0 million of the net proceeds from the 2029 Convertible Notes offering to repurchase 578,703 shares of our Class A common stock from purchasers of the notes in privately negotiated transactions. Further, the Company repurchased and retired 1,389,102 shares of our Class A Common Stock for $12.0 million under the Common Stock Repurchase Program during the fiscal year ended September 30, 2023.

The net effect of these changes was a $14.6 million increase in cash on hand during the current year, resulting in a $229.0 million ending cash and restricted cash balance.

Sources and Uses of Cash

In December 2022, we issued $230.0 million aggregate principal amount of 2029 Convertible Notes. In conjunction with the issuance of the 2029 Convertible Notes, we extinguished approximately $109.4 million aggregate principal amount of our 2024 Convertible Notes for approximately $117.5 million plus accrued interest and approximately $69.1 million aggregate principal amount of our 2025 Convertible Notes for approximately $62.9 million plus accrued interest. In addition, we used approximately $5.0 million of the net proceeds from the 2029 Convertible Notes offering to repurchase 578,703 shares of our Class A common stock from purchasers of the notes in privately negotiated transactions. See Note 9: Debt of Notes to Consolidated Financial Statements included in “Part II, Item 8 — Financial Statements and Supplemental Data.” The shares repurchased in conjunction with the transactions discussed above were authorized separately from, and not considered part of, the publicly announced share repurchase program referred to below.

In May 2022, our Board of Directors (the “Board”) authorized the repurchase of up to $50 million of our Class A Common Stock over 3 years. Execution of the program will be responsive to fluctuating market conditions and valuations, liquidity needs and the expected return on investment compared to other opportunities.

The amount and timing of purchases will be dependent on a variety of factors, including stock price, trading volume, general market conditions, legal and regulatory requirements, general business conditions, the level of cash flows, and corporate considerations determined by management and the Board, such as liquidity and capital needs and the availability of attractive alternative investment opportunities. The Board has reserved the right to modify, suspend or terminate the program at any time. Through September 30, 2023, we have repurchased and retired 1,627,045 shares of our Class A Common Stock for $14.0 million, which amount was allocated between “Additional paid-in capital” and “Retained earnings” in our Consolidated Balance Sheets.

We anticipate that cash flows from operations and cash on hand will be adequate to fund ongoing operations, deb service requirements, tax payments, any future stock repurchases, strategic investments, our contractual obligations, planned de novo store growth, capital expenditures and working capital requirements through fiscal 2024. We continue to explore acquisition opportunities, both large and small, and may choose to pursue additional debt, equity or equity-linked financings in the future should the need arise. Depending on the level of acquisition activity and other factors, our ability to repay our longer term debt obligations, including the convertible debt maturing in 2024, 2025 and 2029, may require us to refinance these obligations through the issuance of new debt securities, equity securities, convertible securities or through new credit facilities.

Convertible Notes

For a description of the terms of our convertible notes, including the associated conversion and other related features and transactions, see Note 9: Debt of Notes to Consolidated Financial Statements included in “Part II, Item 8 — Financial Statements and Supplemental Data.”

Contractual Obligations

Below is a summary of our cash needs to meet future aggregate contractual obligations as of September 30, 2023:

		Payments due by Period			
(in thousands)	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Debt obligations (a)	$ 367,762	$ 34,389	$ 103,373	$ —	$ 230,000
Interest on long-term debt obligations	58,535	11,822	18,682	17,250	10,781
Lease obligations (b)	310,275	76,290	124,035	69,358	40,592
Total (c) (d)	$ 736,572	$ 122,501	$ 246,090	$ 86,608	$ 281,373

(a) Excludes debt discount and deferred financing costs as well as convertible features.

(b) Excludes $6.7 million in sublease payments expected to be received.

(c) No provision for uncertain tax benefits has been reflected in the contractual obligations table as the timing of any such payment is uncertain. See Note 11: Income Taxes of Notes to Consolidated Financial Statements included in “Part II, Item 8 — Financial Statements and Supplemental Data.” Additionally, no provision for insurance reserves, deferred compensation arrangements, or other liabilities totaling $6.6 million has been included as the timing of such payments are uncertain.

(d) Total excludes contractual obligations already recorded on our consolidated balance sheets as current liabilities, except for the accrued portions of interest and lease obligations which are included in interest on long-term debt obligations and lease obligations captions above.

In addition to the lease obligations in the table above, we are responsible for the maintenance, property taxes and insurance at most of our locations. During the fiscal year ended September 30, 2023, these collectively amounted to $16.3 million.

Critical Accounting Estimates

The preparation of financial statements in accordance with generally accepted accounting principles in the United States (“GAAP”) requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an on-going basis, we evaluate our estimates and judgments including those related to revenue recognition, inventory, loan loss allowances, goodwill and indefinite-lived intangible assets, long-lived and other intangible assets, income taxes, contingencies and litigation. We base our estimates on historical experience, observable trends and various other assumptions that we believe to be reasonable under the circumstances. We use this information to make judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from the estimates under different assumptions or conditions.

The critical accounting policies and estimates that could have a significant impact on our results of operations, as well as relevant recent accounting pronouncements, are described in Note 1: Organization and Summary of Significant Accounting Policies of Notes to Consolidated Financial Statements included in “Part II, Item 8 — Financial Statements and Supplemental Data.” Certain accounting policies regarding the quantification of the sensitivity of certain critical estimates are discussed further below.

Pawn Loan Revenue Recognition

We record PSC using the effective interest method over the life of the loan for all pawn loans we believe to be collectible. We base our estimate of collectible loans on several inputs, including recent redemption rates, historical trends in redemption rates and the amount of loans due in the following months. Unexpected variations in any of these factors could change our estimate of collectible loans, affecting our earnings and financial condition. As of September 30, 2023, the balance of our PSC receivable was $38.9 million. Assuming the average forfeiture rate increased or decreased by 10%, our pawn service charges receivable balance as of September 30, 2023 would have increased or decreased by approximately $1.2 million.

Inventory and Cost of Goods Sold

We consider our estimates of obsolete or slow-moving inventory and shrinkage in determining the appropriate overall valuation allowance for inventory. We monitor our sales margins for each type of inventory on an ongoing basis and compare to historical margins. Significant variances in those margins may require a revision to future inventory reserve estimates. We have historically revised our reserve pertaining to jewelry inventory depending on the current price of gold and resulting trends in margins. Future declines in gold prices may cause an increase in reserve rates pertaining to jewelry inventory. As of September 30, 2023, the gross balance of our inventory was $169.1 million, for which we have included reserves of $2.7 million. Assuming the reserve rates were increased or decreased by 10%, our inventory reserve balance as of September 30, 2023 would have increased or decreased by approximately $0.3 million.

Goodwill and Indefinite-Lived Intangible Assets

When testing goodwill for impairment, we have the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more-likely-than-not that the estimated fair value of a reporting unit is less than its carrying amount. If we elect to perform a qualitative assessment and determine an impairment is more-likely-than-not, we are then required to perform a quantitative impairment test; otherwise, no further analysis is required. We also may elect not to perform a qualitative assessment and, instead, proceed directly to a quantitative impairment test. When performing a quantitative impairment test, we apply a one-step quantitative test and record the amount of goodwill impairment as the excess of a reporting unit’s carrying amount over its fair value, not to exceed the total amount of goodwill allocated to that reporting unit.

When we perform a quantitative goodwill impairment test, we estimate the fair value of the reporting unit using an income approach based on the present value of expected future cash flows, including terminal value, utilizing a market-based weighted average cost of capital (“WACC”) determined separately for each reporting unit. The determination of fair value involves the use of estimates and assumptions, including revenue growth rates, operating margins and terminal growth rates discounted by an estimated WACC derived from other publicly traded companies that are similar but not identical to us from an operational and economic standpoint. We use discount rates that are commensurate with the risks and uncertainties inherent in the respective businesses and in our internally developed forecasts.

We test indefinite-lived intangible assets for impairment by first assessing qualitative factors to determine whether it is necessary to perform a quantitative impairment test. If we believe as a result of the qualitative assessment that it is more-likely-than-not that the fair value of the indefinite-lived intangible asset is less than its carrying amount, a quantitative impairment test is required. Otherwise, no further testing is required.

We consider the assessment of the occurrence of triggering events or substantive changes in circumstances that may indicate the fair value of goodwill may be impaired to be a critical estimate. Furthermore, we consider the assumptions discussed above pertaining to the income approach we use in the quantitative testing of impairment to be critical estimates.

The results of the impairment analyses for fiscal year 2023 and fiscal year 2022 are discussed in Note 8: Goodwill and Intangible Assets of Notes to Consolidated Financial Statements included in “Part II, Item 8 — Financial Statements and Supplemental Data.”

Income Taxes

Management believes that it is more likely than not that forecasted income, including income that may be generated as a result of certain tax planning strategies, together with future reversals of existing taxable temporary differences, will be sufficient to fully recover the net recorded deferred tax assets. In the event we determine all or part of the net deferred tax assets are not realizable in the future, we will make an adjustment to the valuation allowance that would be charged to earnings in the period such determination is made. We have included valuation allowances against deferred tax assets for net operating losses and tax credits not expected to be utilized based on specific facts and estimates for each jurisdiction.

We consider the earnings of certain non-U.S. subsidiaries to be indefinitely invested outside the U.S. on the basis of estimates that future domestic cash generation will be sufficient to meet future domestic cash needs and our specific plans for reinvestment of those subsidiary earnings. We have not recorded a deferred tax liability related to foreign withholding taxes of our undistributed earnings of foreign subsidiaries indefinitely invested outside the U.S.

We may be subject to income tax audits by the respective tax authorities in any or all of the jurisdictions in which we operate or have operated within a relevant period. Significant judgment is required in determining uncertain tax positions. We utilize the required two-step approach to recognize and measure uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes. The second step is to measure the tax benefit as the largest amount that is more than 50% likely to be realized upon ultimate settlement. We consider many factors when evaluating and estimating our tax positions and tax benefits, which may require periodic adjustments and which may not accurately forecast actual outcomes. We adjust these reserves in light of changing facts and circumstances, such as the closing of an audit or the refinement of an estimate. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. We believe adequate provisions for income taxes have been made for all periods.

Cautionary Statement Regarding Risks and Uncertainties That May Affect Future Results

This Annual Report on Form 10-K, including Management's Discussion and Analysis of Financial Condition and Results of Operations, includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. We intend that all forward-looking statements be subject to the safe harbors created by these laws. All statements, other than statements of historical facts, regarding our strategy, future operations, financial position, future revenues, projected costs, prospects, plans and objectives are forward-looking statements. The words "may," "can," "should," "could," "will," "would," "predict," "anticipate," "believe," "estimate," "expect," "intend," "plan," "project" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Such statements are only predictions of the outcome and timing of future events based on our current expectations and currently available information. Actual results could differ materially from those expressed in the forward-looking statements due to a number of risks and uncertainties, many of which are beyond our control. Accordingly, you should not regard any forward-looking statement as a representation that the expected results will be achieved. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements in this report. Such risks and uncertainties include, among other things:

- Changes in laws and regulations;
- Negative characterizations of our industry;
- Concentration of business in Texas and Florida;
- Changes in gold prices or volumes;
- Changes in sales, pawn loan balances, sales margins, pawn redemption rates or other important operating metrics;
- Our ability to continue growing our store count through acquisitions and de novo openings;
- Continuing indemnification obligations for pre-closing taxes related to our sale of Grupo Finmart;
- Our controlled ownership structure;
- Potential regulatory fines and penalties, lawsuits and related liabilities related to firearms business;
- Potential robberies, burglaries and other crimes at our stores;
- Changes in the competitive landscape;
- Our ability to design or acquire, deploy and maintain adequate information technology and other business systems;
- Failure to achieve adequate return on investments;
- Potential uninsured property, casualty or other losses;
- Potential natural disasters;
- Financial statement impact of potential impairment of goodwill or other intangible assets such as trade names;
- Potential conversion of Convertible Notes into cash (which could adversely affect liquidity) or stock (which will cause dilution of existing stockholders);
- Limited number of unreserved shares available for future issuance;
- Public health issues that could adversely affect our financial condition or results of operations;
- Changes in the business, regulatory, political or social climate in Latin America;
- Changes in foreign currency exchange rates;
- The outcome of future litigation and regulatory proceedings;
- Potential disruptive effect of acquisitions, investments and new businesses;
- Potential exposure under anti-corruption, anti-bribery, anti-money laundering and other general business laws and regulations;
- Changes in liquidity, capital requirements or access to debt and capital markets;
- Potential data security breaches or other cyber-attacks; and

- Potential civil unrest or government overthrow and other events beyond our control.

For a discussion of these important risk factors, see "Part I, Item 1A — Risk Factors."

In addition, we cannot predict all of the risks and uncertainties that could cause our actual results to differ from those expressed in the forward-looking statements. You should not place undue reliance on our forward-looking statements. Although forward-looking statements reflect our good faith beliefs, forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause our actual results, performance or achievements to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements. Accordingly, you should not regard any forward-looking statements as a representation that the expected results will be achieved.

We specifically disclaim any responsibility to publicly update any information contained in a forward-looking statement except as required by law. All forward-looking statements attributable to us are expressly qualified in their entirety by this cautionary statement.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market Risk Disclosures

We are exposed to market risk related primarily to gold values and changes in foreign currency exchange rates.

Our earnings and financial position are affected by changes in gold values, and to a lesser extent silver and precious stone values, and the resulting impact on pawn lending, jewelry sales and jewelry cost of goods sold. The proceeds of scrap sales and our ability to sell jewelry inventory at an acceptable margin depend on gold values. The impact on our financial position and results of operations of a hypothetical change in gold values cannot be reasonably estimated due to the timing of scrap sales, among other operational considerations.

Our earnings and financial position are affected by foreign exchange rate fluctuations related to our equity investments and our operations outside the U.S. While we generally do not seek to hedge amounts in foreign currencies, we consider hedging strategies from time to time to mitigate certain discrete risks of exposure via short term arrangements.

The translation adjustment from Cash Converters through June 30, 2023 (included in our September 30, 2023 results on a three-month lag) was a $4.4 million increase to stockholders' equity, excluding income tax impacts. As of September 30, 2023, $1.00 Australian dollar was essentially flat at $0.6452 U.S. as compared to $0.6480 in the prior year.

The translation adjustment from Latin America primarily representing the change of the Mexican peso during the fiscal year ended September 30, 2023 was a $20.9 million increase to stockholders' equity. As of September 30, 2023, the Mexican peso strengthened approximately 16% to $1.00 Mexican to $0.0574 U.S. from $0.0495 U.S. as of September 30, 2022. As of September 30, 2023, the Guatemalan quetzal strengthened approximately 5% Q1.00 Guatemalan to $0.1302 U.S. from $0.1243 U.S. as of September 30, 2022. We have currently assumed indefinite reinvestment of earnings and capital in Latin America. Accumulated translation gains or losses related to any future repatriation of earnings or capital would impact our earnings in the period of repatriation.

To a lesser degree, our operations are affected by fluctuations in the exchange rate of the Honduran lempira.

We cannot predict the future valuation of foreign currencies or how further movements in exchange rates could affect our future earnings or financial position due to the interrelationship of operating results and exchange rates.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Index to Consolidated Financial Statements

Report of Independent Registered Public Accounting Firm

Shareholders and Board of Directors
EZCORP, Inc.
Rollingwood, Texas

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of EZCORP, Inc. (the "Company") as of September 30, 2023 and 2022, the related consolidated statements of operations, comprehensive income, stockholders' equity, and cash flows for each of the three years in the period ended September 30, 2023, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at September 30, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended September 30, 2023, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of September 30, 2023, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") and our report dated November 15, 2023, expressed an unqualified opinion thereon.

Change in Accounting Principle

As is discussed in Note 1 to the consolidated financial statements, the Company changed its method of accounting for convertible debt as of October 1, 2021, due to the adoption of Accounting Standards Update 2020-06, Debt-Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging-Contracts in Entity's Own Equity (Subtopic 815–40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing separate opinions on the critical audit matter or on the accounts or disclosures to which it relates.

Accounting for Convertible Debt

As described in Note 9 to the Company's consolidated financial statements, in December 2022, the Company issued $230.0 million aggregate principal amount of 3.750% Convertible Senior Notes Due 2029 (the "2029 Convertible Notes"). The 2029 Convertible Notes contain certain conversion, redemption, and other embedded features that require the Company to assess if such features are embedded derivatives that require bifurcation from the 2029 Convertible Notes, and are to be accounted for separately. The Company determined the embedded features did not require bifurcation from the 2029 Convertible Notes, and therefore were not accounted for separately.

We identified the Company’s accounting for the 2029 Convertible Notes as a critical audit matter. Determination of the accounting treatment for the 2029 Convertible Notes required complex evaluation in order to: (a) identify the embedded conversion, redemption, and other features present within the 2029 Convertible Notes, and (b) assess if the conditions requiring one or more of the identified embedded features to be bifurcated were satisfied. Auditing management’s conclusions required an increased level of audit effort, including the involvement of professionals with specialized skill and knowledge in the accounting treatment for embedded derivatives.

The primary procedures we performed to address this critical audit matter included:

- Analyzing the terms included in the 2029 Convertible Notes Indenture, to assess the appropriateness of management's conclusion on the accounting treatment for the 2029 Convertible Notes.
- Utilizing personnel with specialized skill and knowledge in the relevant technical accounting guidance to (a) assist with identifying the embedded conversion, redemption and other features present within the 2029 Convertible Notes, and (b) assist with evaluating the appropriateness of management’s conclusions regarding bifurcation of the embedded features.

/s/ BDO USA, P.C.

We have served as the Company’s auditor since 2015.

Dallas, Texas
November 15, 2023

EZCORP, Inc.
CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per share amounts)	September 30, 2023	September 30, 2022
Assets:		
Current assets:		
Cash and cash equivalents	$ 220,595	$ 206,028
Restricted cash	8,373	8,341
Pawn loans	245,766	210,009
Pawn service charges receivable, net	38,885	33,476
Inventory, net	166,477	151,615
Prepaid expenses and other current assets	39,623	34,694
Total current assets	719,719	644,163
Investments in unconsolidated affiliates	10,987	37,733
Other investments	36,220	24,220
Property and equipment, net	68,096	56,725
Right-of-use assets, net	234,388	221,405
Goodwill	302,372	286,828
Intangible assets, net	58,216	56,819
Notes receivable, net	—	1,215
Deferred tax asset, net	25,702	12,145
Other assets, net	12,011	6,625
Total assets	$ 1,467,711	$ 1,347,878
Liabilities and equity:		
Current liabilities:		
Current maturities of long-term debt, net	$ 34,265	$ —
Accounts payable, accrued expenses and other current liabilities	81,605	84,509
Customer layaway deposits	18,920	16,023
Operating lease liabilities, current	57,182	52,334
Total current liabilities	191,972	152,866
Long-term debt, net	325,847	312,903
Deferred tax liability, net	435	373
Operating lease liabilities	193,187	180,756
Other long-term liabilities	10,502	8,749
Total liabilities	721,943	655,647
Commitments and contingencies (Note 13)		
Stockholders' equity:		
Class A Non-Voting Common Stock, par value $0.01 per share; shares authorized: 100 million; 51,869,569 issued and outstanding as of September 30, 2023; and issued and outstanding of 53,454,885 as of September 30, 2022	519	534
Class B Voting Common Stock, convertible, par value $0.01 per share; shares authorized: 3 million; issued and outstanding: 2,970,171 as of September 30, 2023 and 2022	30	30
Additional paid-in capital	346,181	345,330
Retained earnings	431,140	402,006
Accumulated other comprehensive loss	(32,102)	(55,669)
Total equity	745,768	692,231
Total liabilities and equity	$ 1,467,711	$ 1,347,878

See accompanying notes to consolidated financial statements.

EZCORP, Inc.
CONSOLIDATED STATEMENTS OF OPERATIONS

	Fiscal Year Ended September 30,		
(in thousands, except per share amounts)	2023	2022	2021
Revenues:			
Merchandise sales	$ 615,446	$ 532,886	$ 442,798
Jewelry scrapping sales	49,528	32,033	26,025
Pawn service charges	383,772	320,865	260,196
Other revenues	295	441	532
Total revenues	1,049,041	886,225	729,551
Merchandise cost of goods sold	394,779	329,382	257,218
Jewelry scrapping cost of goods sold	44,424	28,696	22,848
Gross profit	609,838	528,147	449,485
Operating expenses:			
Store expenses	418,574	357,417	330,837
General and administrative	67,529	64,342	56,495
Impairment of other assets	4,343	—	—
Depreciation and amortization	32,131	32,140	30,672
Loss (gain) on sale or disposal of assets and other	208	(674)	83
Other (income) expense	(5,097)	—	229
Total operating expenses	517,688	453,225	418,316
Operating income	92,150	74,922	31,169
Interest expense	16,456	9,972	22,177
Interest income	(7,470)	(817)	(2,477)
Equity in net loss (income) of unconsolidated affiliates	28,459	(1,779)	(3,803)
Other expense (income)	3,072	(167)	(790)
Income before income taxes	51,633	67,713	16,062
Income tax expense	13,170	17,553	7,450
Net income	$ 38,463	$ 50,160	$ 8,612
Basic earnings per share	$ 0.69	$ 0.89	$ 0.15
Diluted earnings per share	$ 0.53	$ 0.70	$ 0.15
Weighted-average basic shares outstanding	55,586	56,498	55,744
Weighted-average diluted shares outstanding	80,865	82,400	55,949

See accompanying notes to consolidated financial statements.

EZCORP, Inc.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in thousands)	Fiscal Year Ended September 30, 2023	2022	2021
Net income	$ 38,463	$ 50,160	$ 8,612
Other comprehensive income:			
Foreign currency translation adjustment, net of income tax expense for our investment in unconsolidated affiliate of $666, $229 and $280 for the years ended September 30, 2023, 2022 and 2021, respectively	23,567	2,746	9,653
Comprehensive income	$ 62,030	$ 52,906	$ 18,265

See accompanying notes to consolidated financial statements.

EZCORP, Inc.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(in thousands)	Common Stock Shares	Common Stock Par Value	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Equity
Balances as of October 1, 2020	55,303	$ 551	$ 398,475	$ 318,169	$ (68,068)	$ 649,127
Stock compensation	—	—	3,946	—	—	3,946
Transfer of consideration for current period acquisition	213	2	1,545	—	—	1,547
Transfer of consideration for prior period acquisition	33	—	185	—	—	185
Release of restricted stock	508	7	—	—	—	7
Taxes paid related to net share settlement of equity awards	—	—	(839)	—	—	(839)
Foreign currency translation gain	—	—	—	—	9,653	9,653
Net income	—	—	—	8,612	—	8,612
Balances as of September 30, 2021	56,057	$ 560	$ 403,312	$ 326,781	$ (58,415)	$ 672,238
Stock compensation	—	—	5,053	—	—	5,053
Transfer of consideration for other investment	213	2	1,498	—	—	1,500
Release of restricted stock	393	4	—	—	—	4
Taxes paid related to net share settlement of equity awards	—	—	(792)	—	—	(792)
Cumulative effect of adoption of ASU 2020-06 (Note 1)	—	—	(62,804)	26,166	—	(36,638)
Foreign currency translation gain	—	—	—	—	2,746	2,746
Purchase and retirement of treasury stock	(238)	(2)	(937)	(1,101)	—	(2,040)
Net income	—	—	—	50,160	—	50,160
Balances as of September 30, 2022	56,425	$ 564	$ 345,330	$ 402,006	$ (55,669)	$ 692,231
Stock compensation	—	—	9,539	—	—	9,539
Transfer of equity consideration for acquisition	10	—	99	—	—	99
Release of restricted stock, net of shares withheld for taxes	373	5	—	—	—	5
Taxes paid related to net share settlement of equity awards	(1)	—	(1,148)	—	—	(1,148)
Foreign currency translation gain	—	—	—	—	23,567	23,567
Purchase and retirement of treasury stock	(1,967)	(20)	(7,639)	(9,329)	—	(16,988)
Net income	—	—	—	38,463	—	38,463
Balances as of September 30, 2023	54,840	$ 549	$ 346,181	$ 431,140	$ (32,102)	$ 745,768

See accompanying notes to consolidated financial statements.

EZCORP, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)	Fiscal Year Ended September 30, 2023	2022	2021
Operating activities:			
Net income	$ 38,463	$ 50,160	$ 8,612
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	32,131	32,140	30,672
Amortization of debt discount and deferred financing costs	1,561	1,433	13,797
Non-cash lease expense	56,937	52,201	48,480
Deferred income taxes	(12,802)	4,945	3,283
Impairment of other assets	4,343	—	—
Other adjustments	(2,890)	2,511	(185)
Provision for inventory reserve	603	(2,253)	(8,003)
Stock compensation expense	9,539	5,053	3,946
Equity in net loss (income) from investment in unconsolidated affiliates	28,459	(1,779)	(3,803)
Net loss on extinguishment of debt	3,545	—	—
Changes in operating assets and liabilities, net of business acquisitions:			
Service charges and fees receivable	(4,204)	(4,572)	(7,332)
Inventory	(4,810)	(15,341)	371
Prepaid expenses, other current assets and other assets	(1,814)	3,238	7,373
Accounts payable, accrued expenses and other liabilities	(61,522)	(65,141)	(54,209)
Customer layaway deposits	1,376	3,359	1,256
Income taxes	12,919	(2,785)	2,180
Dividends from unconsolidated affiliates	—	3,366	—
Net cash provided by operating activities	101,834	66,535	46,438
Investing activities:			
Loans made	(821,725)	(740,057)	(601,638)
Loans repaid	458,854	410,523	351,092
Recovery of pawn loan principal through sale of forfeited collateral	336,349	274,423	208,551
Capital expenditures, net	(40,446)	(31,895)	(23,601)
Acquisitions, net of cash acquired	(14,874)	(1,850)	(19,015)
Issuance of note receivable	(15,500)	(1,000)	—
Investment in unconsolidated affiliate	(2,133)	(6,927)	—
Investment in other investments	(15,000)	(16,500)	—
Dividends from unconsolidated affiliates	3,589	—	—
Net cash used in investing activities	(110,886)	(113,283)	(84,611)
Financing activities:			
Taxes paid related to net share settlement of equity awards	(1,148)	(792)	(839)
Proceeds from borrowings	230,000	—	—
Debt issuance cost	(7,458)	—	—
Cash paid on extinguishment of debt	(1,951)	—	—
Payments on assumed debt and other borrowings	(178,488)	—	(15,414)
Purchase and retirement of treasury stock	(16,988)	(2,040)	—
Payments of finance leases	(275)	—	—
Net cash provided by (used in) financing activities	23,692	(2,832)	(16,253)
Effect of exchange rate changes on cash and cash equivalents and restricted cash	(41)	325	5,497
Net increase (decrease) in cash and cash equivalents and restricted cash	14,599	(49,255)	(48,929)
Cash and cash equivalents and restricted cash at beginning of period	214,369	263,624	312,553
Cash and cash equivalents and restricted cash at end of period	$ 228,968	$ 214,369	$ 263,624

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business

EZCORP, Inc. was founded in 1989 and is a provider of pawn services in the United States and Latin America. At our pawn stores, we advance cash against the value of collateralized personal property. We also sell merchandise, primarily collateral forfeited from pawn activities and pre-owned merchandise purchased from customers. We fulfill short-term cash needs to consumers, with a focus on delivering an industry-leading customer experience.

As of September 30, 2023, we operated a total of 1,231 locations, consisting of:

- 529 United States pawn stores (operating primarily as EZPAWN or Value Pawn & Jewelry);
- 549 Mexico pawn stores (operating primarily as Empeño Fácil and Cash Apoyo Efectivo); and
- 153 pawn stores in Guatemala, El Salvador and Honduras (operating as GuatePrenda and MaxiEfectivo).

We have an equity interest (43.7% as of September 30, 2023) in Cash Converters International Limited ("Cash Converters"), a publicly traded company (ASX:CCV) headquartered in Perth, Western Australia. Cash Converters and its controlled companies comprise a diverse group generating revenues from franchising, store operations, personal finance (including pawn transactions) and vehicle finance, in over 600 stores across 14 countries. Additionally, we own a preferred interest in Founders One, LLC ("Founders") that has majority ownership in Simple Management Group, Inc. ("SMG").

Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles and are expressed in U.S. dollars. They include the accounts of EZCORP, Inc., and its wholly-owned subsidiaries. We use the equity method of accounting for entities over which we exercise significant influence, but in which we have a 50% or less investment. We account for equity investments in entities over which we do not exercise significant influence, and do not have a readily determinable fair value, at cost. If we obtain evidence the fair value of such an investment has declined below its cost, we reduce the recorded cost to the lower value through an impairment charge recorded in the Consolidated Statements of Operations. All inter-company accounts and transactions have been eliminated in consolidation.

Use of Estimates and Assumptions

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. We regularly evaluate estimates and judgments, including those related to revenue recognition, inventory, loan loss allowances, long-lived and intangible assets, share-based compensation, income taxes, contingencies and litigation. We base our estimates on historical experience, observable trends and various other assumptions we believe are reasonable, the results of which form the basis for making judgements about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. Actual results may differ materially from the estimates under different assumptions or conditions.

Pawn Loans and Revenue Recognition

Our pawn loans are fully collateralized and the carrying values are based on the initial amounts loaned to customers. We record pawn service charges using the effective interest method over the life of the pawn loans for all pawn loans we believe to be collectible. We base our estimate of collectability on several inputs, including recent redemption rates, historical trends in redemption rates and the amount of loans due in the following months. Unexpected variations in any of these factors could change our estimate of collectability and affect our results of operations and financial condition. If a pawn loan is not repaid, the forfeited collateral is recorded as inventory at the lower of the principal balance of the pawn loan or the net realizable value of the item. As of September 30, 2023, consolidated pawn loans outstanding was $245.8 million, of which $95.5 million (39%) is attributable to stores in Texas and $25.7 million (10%) is attributable to stores in Florida.

Merchandise Sales Revenue Recognition

Our performance obligations for merchandise sales primarily relate to point in time retail sales in our stores. We recognize the satisfaction of the performance obligations and record merchandise sales revenue and the related costs when merchandise inventory is sold and delivered to the customer or, in the case of a layaway sale, when we receive the final payment. Customer layaway deposits are recorded as liabilities when a customer provides a deposit for merchandise. Customer layaway deposits are generally refundable upon cancellation. Our customer layaway deposits balance as of September 30, 2023, 2022 and 2021 was $18.9 million, $16.0 million and $12.6 million, respectively, and are generally recognized as revenue within a one-year period. Customers have a limited period of time to return merchandise for a refund or exchange, and actual returns for refunds are not material. Sales taxes collected on sales of inventory are excluded from the amounts recognized as merchandise sales and are recorded as “Accounts payable, accrued expenses and other current liabilities” in our Consolidated Balance Sheets until remitted to the appropriate governmental authorities.

For precious metals and stones sold as scrap, we recognize the satisfaction of the performance obligations and record the revenues and the related costs when the inventory is legally transferred to the refiner and the refiner obtains control of the inventory. The accounts receivable outstanding at the end of a given reporting period from such transactions are not material as payments are generally received within a short period of time after the legal transfer of the inventory.

Our transaction prices are explicitly stated within the contracts with our customers.

Inventory and Cost of Goods Sold

If a pawn loan is not redeemed, the forfeited collateral is recorded as inventory at the lower of the principal balance of the pawn loan or the net realizable value of the item. We do not record a loan loss allowance or charge-off expense on the principal portion of forfeited pawn loans, as such loans are fully collateralized. Inventory is recorded using the specific identification method of accounting.

In order to state inventory at the lower of cost or net realizable value, we record an allowance for excess, obsolete or slow-moving inventory based on the type and age of the underlying merchandise. Our inventory consists primarily of general merchandise and jewelry. “Merchandise cost of goods sold” as recorded in our Consolidated Statements of Operations includes the historical cost of inventory sold, inventory shrinkage and any change in the allowance for inventory shrinkage and valuation. We include the costs of operating our central jewelry processing unit as “Jewelry scrapping cost of goods sold” in our Consolidated Statements of Operations as such costs relate directly to sales of precious metals and stones to refiners.

We consider our estimates of obsolete or slow-moving inventory and shrinkage critical to the determination of the appropriate overall valuation allowance for inventory. We continually monitor our sales margins for each type of inventory and compare the current margins to historical margins. Significant variances in those margins may require a revision to future inventory reserve estimates. We determine our reserve pertaining to jewelry inventory based on the current and projected prices of gold. Future declines in the value of gold may result in an increase in reserves pertaining to jewelry inventory.

Situations that may result in excess or obsolete inventory include changes in business and economic conditions, changes in consumer confidence caused by changes in market conditions, decreases in demand for our products or inventory obsolescence resulting from changes in technology.

With respect to our Mexico pawn operations, we do not own the forfeited collateral. However, we assume the risk of loss on such collateral and are solely responsible for its care and disposition and, therefore, record such collateral as inventory in our Consolidated Balance Sheets. As of September 30, 2023 and 2022, inventory related to our Mexico pawn operations was $31.4 million and $29.8 million, respectively.

Cash and Cash Equivalents and Cash Concentrations

Cash and cash equivalents consist primarily of cash on deposit or highly liquid investments with original contractual maturities of three months or less, or money market mutual funds. We hold cash at major financial institutions in amounts that often exceed FDIC insured limits. We manage our credit risk associated with cash and cash equivalents and cash concentrations by maintaining our cash deposits in high quality financial institutions and by periodically evaluating the credit quality of the primary financial institutions issuing investments or holding such deposits. Historically, we have not experienced any losses due to such cash concentrations.

Restricted Cash

Restricted cash consists of $0.3 million related to the acquisition of PLO del Bajio S. de. R.L. de C.V. as discussed in Note 3: Acquisitions and $8.1 million held in escrow pending the resolution of a pre-closing tax indemnity claim related to the sale of Grupo Finmart.

Investments

We account for our investment in Cash Converters under the equity method. Because the fiscal year of Cash Converters ends three months before our fiscal year, we record our interest from the results of Cash Converters on a three-month lag. Thus, the results of our operations reported for the fiscal years ended September 30, 2023, 2022 and 2021 include our percentage interest in the results of Cash Converters for the twelve-month periods ended June 30, 2023, 2022 and 2021, respectively.

During the first quarter of our fiscal year, we record our percentage interest in the results of Cash Converters for the three months ended June 30 based on an estimate of the results of Cash Converters for the three months ended March 31 of that year. Similarly, during the third quarter of our fiscal year, we record our percentage interest in the results of Cash Converters for the three months ended December 31 using the estimated results of Cash Converters for the three months ended September 30 of that year. Cash Converters files semi-annual financial reports with the Australian Securities & Investments Commission and the Australian Stock Exchange as of and for the periods ended June 30 and December 31. We use these publicly available financial reports to adjust the estimated amounts we recorded. The actual results of Cash Converters may vary from our estimates. Refer to Note 5: Strategic Investments for further details on our investment in Cash Converters.

We account for our investment in Rich Data Corporation ("RDC") in accordance with ASC 321, *Investments — Equity Securities,* and we have elected to use the measurement alternative to measure this investment at cost, less any impairment, plus or minus changes resulting from observable price changes in orderly transactions for identical or similar investments of the same issuer, if any. As of September 30, 2023 and 2022, the carrying value of our investment in RDC was $6.2 million.

Refer to Note 5: Strategic Investments for details on our investment in Founders.

Leases

We determine if an arrangement contains a lease at inception. We have elected not to recognize on the balance sheet leases with terms of one year or less as a practical expedient. Operating lease assets are included in Right-of-use assets, net and financing lease assets are included in Other assets, net on the Consolidated Balance Sheets. We enter into operating lease agreements for real estate related to pawn locations and corporate offices. We have entered into financing lease agreements mainly for motor vehicles.

Operating and financing lease liabilities are recognized at the lease commencement date based on the present value of fixed lease payments using the Company's incremental borrowing rate. As our leases generally do not include an implicit rate, we compute our incremental borrowing rate based on information available at the lease commencement date applying the portfolio approach to groups of leases with similar characteristics. Our lease terms include options to extend the lease when it is reasonably certain we will exercise its option. We used incremental borrowing rates that match the duration of the remaining lease terms of our operating leases on a fully collateralized basis to initially measure our lease liability. We evaluate renewal options periodically for any changes in assumptions.

We do not account for lease and non-lease components separately. Lease components generally include rent, taxes and insurance, and non-lease components generally include common area maintenance. Right-of-use assets are tested for impairment in the same manner as long-lived assets. We recognize lease expense on a straight-line basis over the lease term with variable lease expense recognized in the period in which the costs are incurred. Our operating lease portfolio consists of pawn locations and corporate offices with lease terms ranging from three to ten years, including options to renew. Our financing lease terms range from two to five years. We generally account for the initial lease term of our pawn locations as up to ten years. Our primary corporate office is leased through March 2029 with annual escalating rent payments and includes two, five-year extension options at the end of the initial lease term.

Goodwill and Indefinite-Lived Intangible Assets

Goodwill represents the excess of the purchase price over the net amount of identifiable assets acquired and liabilities assumed in a business combination measured at fair value. We evaluate goodwill for impairment annually on September 30 and upon the occurrence of certain triggering events or substantive changes in circumstances that indicate that the fair value of goodwill may be impaired. We consider the assessment of the occurrence of triggering events or substantive changes in circumstances that may indicate the fair value of goodwill may be impaired to be a critical estimate.

Impairment of goodwill is tested at the reporting unit level. A reporting unit is an operating segment or one level below an operating segment, referred to as a "component." A component of an operating segment is required to be identified as a reporting unit if the component is a business for which discrete financial information is available and segment management regularly reviews its operating results.

When testing goodwill for impairment, we have the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more-likely-than-not the estimated fair value of a reporting unit is less than its carrying amount. If we elect to perform a qualitative assessment and determine that an impairment is more-likely-than-not, we are then required to perform a quantitative impairment test; otherwise, no further analysis is required. We also may elect not to perform a qualitative assessment and, instead, proceed directly to a quantitative impairment test. When performing a quantitative impairment test, we apply a one-step quantitative test and record the amount of goodwill impairment as the excess of a reporting unit's carrying amount over its fair value, not to exceed the total amount of goodwill allocated to that reporting unit.

When we perform a quantitative goodwill impairment test, we estimate the fair value of the reporting unit using an income approach based on the present value of expected future cash flows, including terminal value, utilizing a market-based weighted average cost of capital ("WACC") determined separately for each reporting unit. The determination of fair value involves the use of estimates and assumptions, including revenue growth rates, operating margins and terminal growth rates discounted by an estimated WACC derived from other publicly traded companies that are similar but not identical to us from an operational and economic standpoint. We use discount rates that are commensurate with the risks and uncertainties inherent in the respective businesses and in our internally developed forecasts.

We test indefinite-lived intangible assets for impairment by first assessing qualitative factors to determine whether it is necessary to perform a quantitative impairment test. If we believe as a result of its qualitative assessment that it is more-likely-than-not the fair value of the indefinite-lived intangible asset is less than its carrying amount, a quantitative impairment test is required. Otherwise, no further testing is required.

Property and Equipment

We record property and equipment at cost. We depreciate these assets on a straight-line basis using estimated useful lives of 30 years for buildings and two-to-seven years for furniture, equipment and software development costs. We depreciate leasehold improvements over the shorter of their estimated useful life (typically 10 years) or the reasonably assured lease term at the inception of the lease.

Valuation of Long-Lived Assets

The carrying values of long-lived assets, inclusive of right-of-use (ROU) assets, are periodically reviewed whenever events or changes in circumstances indicate the carrying value may not be recoverable, such as historical operating losses or plans to close stores before the end of their previously estimated useful lives. A potential impairment has occurred if projected future undiscounted cash flows are less than the carrying value of the assets. The estimate of cash flows includes management's assumptions of cash inflows and outflows directly resulting from the use of those assets in operations. We consider the assumptions associated with the determination of projected future cash flows to be a critical estimate. When a potential impairment has occurred, an impairment write-down is recorded if the carrying value of the long-lived asset exceeds its fair value.

Software Development Costs and Cloud Computing Arrangements

We capitalize certain costs incurred in connection with developing or obtaining software for internal use and amortize the costs on a straight-line basis over the estimated useful lives of the software, typically five years. Net capitalized development costs are included in "Capital expenditures, net" in our Consolidated Statements of Cash Flows.

In evaluating whether our cloud computing arrangements include a software license, we consider whether we have the contractual right to take possession of the software at any time during the hosting period without significant penalty and whether it is feasible for us to either run the software on our own hardware or contract with another party unrelated to the vendor to host the software. If a cloud computing arrangement includes a software license, we account for the software license element of the arrangement consistent with the acquisition of other software licenses. If a cloud computing arrangement does not include a software license, we account for the arrangement as a service contract. For cloud computing arrangements that meet the definition of a service contract, the Company capitalizes implementation costs incurred during the application development stage and until the software is ready for its intended use within Other assets, net in our Consolidated Balance Sheets and then amortizes the costs on a straight-line basis over the term of the contract. The hosting service fees are not considered an implementation cost and are treated as a prepaid expense and then the Company amortizes the costs on a straight-line basis over the term of the contract. Costs related to data conversion, training and other maintenance activities are expensed as incurred.

Business Combinations

We allocate the total acquisition price to the fair value of assets and liabilities acquired under the acquisition method with goodwill representing the excess of purchase price over the fair value of net assets acquired. We expense transaction costs as incurred. We recognize any adjustments to provisional amounts and goodwill that are identified during the measurement period in the reporting period in which the adjustment amounts are determined, with the effect on current period earnings of changes in depreciation, amortization or other income effects, if any, as a result of the change to the provisional amounts, calculated as if the accounting had been completed at the acquisition date.

Convertible Debt Securities

On October 1, 2021, we early adopted Accounting Standards Update 2020-06, *Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity's Own Equity (Subtopic 815 – 40)*, ("ASU 2020-06") on a modified retrospective basis. Under ASU 2020-06, we no longer separate the convertible senior notes into liability and equity components. We recognized a cumulative effect of initially applying the ASU as an adjustment to the October 1, 2021 opening balance of retained earnings. The conversion option that was previously accounted for in equity under the cash conversion model was recombined into the convertible debt outstanding, and as a result, additional paid in capital and the related unamortized debt discount on the convertible senior notes were reduced. The removal of the remaining debt discounts recorded for this previous separation has the effect of increasing our net debt balance. The prior period consolidated financial statements have not been retrospectively adjusted and continue to be reported under the accounting standards in effect for those periods.

Prior to our adoption of Accounting Standards Update 2020-06, *Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity's Own Equity (Subtopic 815 – 40)*, ("ASU 2020-06"), on October 1, 2021, we accounted for our convertible debt securities at issuance, by separating the securities into debt and equity components pursuant to the prior accounting standards for convertible debt instruments. The carrying value of the liability components were calculated by measuring the fair value of similar liabilities that did not have an associated conversion feature. The excess of the principal amount over the fair value of the liability component were recorded as a discount with a corresponding increase in additional paid-in capital. The debt discounts were accreted to "Interest expense" over the respective terms of the convertible debt securities using the effective interest method.

The conversion premium of the convertible debt securities were accounted for under the treasury method in accordance with our previous accounting policy, which assumed settlement of the conversion premium (equal to the as-converted value over the face principal amount) in shares of our Class A Common Stock.

Foreign Currency

Our foreign subsidiaries use the local currency of their respective countries as their functional currency. Assets and liabilities of our foreign subsidiaries' balance sheet accounts and our equity method investments are translated from their respective functional currencies into United States dollars at the exchange rate at the end of each quarter, and their earnings are translated into United States dollars at the average exchange rate each quarter. We present resulting translation adjustments as a separate component of stockholders' equity. The cumulative translation adjustments associated with the net assets of foreign subsidiaries are the only amounts recorded in Accumulated Other Comprehensive Loss in the accompanying Consolidated Statements of Stockholders' Equity.

Foreign currency transaction gains and losses not accounted for as translations are included in "Other expense (income)" in our Consolidated Statements of Operations.

Store Expenses

Included in "Store expenses" are costs related to operating our stores and any direct costs of support offices. These costs include labor, other direct expenses such as utilities, supplies and banking fees and indirect expenses such as store rent, building repairs and maintenance, advertising, store property taxes and insurance and regional and area management expenses.

General and Administrative Expense

Included in "General and administrative" expense are costs related to our executive and administrative offices. This includes executive and administrative salaries, wages, stock and incentive compensation, professional fees, license fees, costs related to the operation of our administrative offices such as rent, property taxes, insurance, information technology and other corporate costs.

Advertising

Advertising costs are expensed as incurred and included primarily within "Store expenses" in our Consolidated Statements of Operations. These costs were $4.9 million, $2.3 million and $1.6 million for fiscal 2023, 2022 and 2021, respectively. During fiscal years 2023 and 2022, we incurred $2.9 million and $0.3 million, respectively, related to digital advertising. The remaining for each year relates to general advertising costs.

Stock Compensation

We measure share-based compensation expense at the grant date based on the price of underlying shares at that date and recognize it as expense ratably over the vesting or service period, as applicable, of the stock award. Our policy is to recognize expense on performance-based awards, where satisfaction of the performance condition is probable, ratably over the awards' vesting period and recognize expense on awards that only have service requirements on a straight-line basis. We recognize forfeitures as they occur when calculating share-based compensation expense.

Income Taxes

We account for income taxes using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying value of assets and liabilities and their tax basis and for operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the related temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized when the rate change is enacted.

We consider the earnings of certain non-U.S. subsidiaries to be indefinitely invested outside the United States on the basis of estimates that future domestic cash generation will be sufficient to meet future domestic cash needs and our specific plans for reinvestment of those subsidiary earnings. We have not recorded a deferred tax liability related to the U.S. federal and state income taxes and foreign withholding taxes of our undistributed earnings of foreign subsidiaries indefinitely invested outside the U.S. We treat taxes due on future U.S. inclusions in taxable income related to Global Intangible Low-Taxed Income ("GILTI") as a current-period expense when incurred.

We may be subject to income tax audits by the respective tax authorities in any or all of the jurisdictions in which we operate or have operated within a relevant period. Significant judgment is required in determining uncertain tax positions. We utilize the required two-step approach to recognize and measure uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes. The second step is to measure the tax benefit as the largest amount that is more than 50% likely to be realized upon ultimate settlement. We consider many factors when evaluating and estimating our tax positions and tax benefits, which may require periodic adjustments, and which may not accurately forecast actual outcomes. We adjust these reserves in light of changing facts and circumstances, such as the closing of an audit or the refinement of an estimate. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. We believe adequate provisions for income taxes have been made for all periods. We recognize interest and penalties related to unrecognized tax benefits as "Income tax expense" in our Consolidated Statements of Operations. Our policy is to release income tax effects from accumulated other comprehensive income on a segregated unit of account basis.

We consider our assessment of the recognition of deferred tax assets as well as estimates of uncertain tax positions to be critical estimates.

Earnings per Share and Common Stock

We compute basic earnings per share based on the weighted average number of shares of common stock outstanding during the period. Upon our adoption of ASU 2020-06 on October 1, 2021, interest charges on the convertible debt are required to be added to net income and we calculate diluted earnings per share during the period using the if-converted method. Diluted net income (loss) and diluted weighted-average shares outstanding are adjusted to account for the impact of the assumed issuance of potential common shares that are dilutive, subject to dilution sequencing rules. Dilutive potential common shares include outstanding restricted stock awards as well as shares issuable on conversion of our outstanding convertible debt securities. Potential common shares are required to be excluded from the computation of diluted earnings per share if the assumed proceeds upon exercise or vest are greater than the cost to re-acquire the same number of shares at the average market price, and therefore the effect would be anti-dilutive. There were no participating securities outstanding during fiscal 2023, 2022 and 2021 requiring the application of the two-class method. When we are in a loss position for the period, dilutive securities are excluded from the calculation of earnings per share, as they would have an anti-dilutive effect.

Prior to our adoption of ASU 2020-06 on October 1, 2021, diluted earnings per share included the effect of dilutive potential associated with the conversion features embedded in our outstanding convertible debt using the treasury stock method.

Our capital stock consists of two classes of common stock designated as Class A Non-Voting Common Stock ("Class A Common Stock") and Class B Voting Common Stock ("Class B Common Stock"). The rights, preferences and privileges of the Class A and Class B Common Stock are similar except that each share of Class B Common Stock has one vote and each share of Class A Common Stock has no voting privileges, except as required by law. All Class A Common Stock is publicly held. Holders of Class B Common Stock may, individually or as a class, convert some or all of their shares into Class A Common Stock on a one-to-one basis. Class A Common Stock becomes voting common stock upon the conversion of all Class B Common Stock to Class A Common Stock. We are required to reserve the number of authorized but unissued shares of Class A Common Stock that would be issuable upon conversion of all outstanding shares of Class B Common Stock.

Recently Adopted Accounting Policies

In August 2020, the FASB issued ASU 2020-06, Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity's Own Equity (Subtopic 815 – 40). ASU 2020-06 simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts on an entity's own equity. The ASU 2020-06 amendments are effective for fiscal years beginning after December 15, 2021, and interim periods within those fiscal years. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020, including interim periods within those fiscal years.

We adopted this standard as of October 1, 2021 under the modified retrospective basis. Under this transition method, prior period financial information and disclosures were not adjusted and continued to be reported under the accounting standards that were in effect prior to our adoption of ASU 2020-06. The cash conversion model, which the Company has historically used to account for its convertible debt instruments, was eliminated by ASU 2020-06.The adoption of ASU 2020-06 reduced non-cash interest expense for the year ending September 30, 2022 and in future periods due to the derecognition of the debt discount associated with the bifurcated equity component of our convertible notes. The treasury stock method for calculating earnings per share will no longer be allowed for convertible debt instruments whose principal amount may be settled using shares, instead the if-converted method will be required to determine the dilutive effect of our convertible notes.

Impact of the Adoption of ASU 2020-06

On October 1, 2021, we early adopted ASU 2020-06 on a modified retrospective basis. Under ASU 2020-06, we no longer separate the convertible senior notes into liability and equity components. We recognized a cumulative effect of initially applying the ASU as an adjustment to the October 1, 2021 opening balance of retained earnings. The conversion option that was previously accounted for in equity under the cash conversion model was recombined into the convertible debt outstanding, and as a result, additional paid in capital and the related unamortized debt discount on the convertible senior notes were reduced. The removal of the remaining debt discounts recorded for this previous separation has the effect of increasing our net debt balance. The prior period consolidated financial statements have not been retrospectively adjusted and continue to be reported under the accounting standards in effect for those periods.

The impact of adoption on our consolidated statements of operations for the fiscal year ended September 30, 2022 was primarily to decrease interest expense by $13.9 million. This had the effect of increasing both our basic and diluted earnings per share for the fiscal year ended September 30, 2022 by $0.19, and $0.01, respectively. Additionally, adoption of the standard requires interest charges on the convertible debt to be added to net income as well as the use of the "if-converted" method to calculate diluted earnings per common share.

(in thousands)	As Reported September 30, 2021	Adjustments	Under ASU 2020-06 October 1, 2021
Principal	$ 316,250	$ —	$ 316,250
Unamortized debt discount	(48,785)	48,785	—
Deferred financing costs, net	(3,279)	(1,500)	(4,779)
Net carrying amount	264,186	47,285	311,471
Deferred tax asset	9,746	6,607	16,353
Deferred tax liability	3,684	(4,040)	(356)
Additional paid-in capital	403,312	(62,804)	340,508
Retained earnings	326,781	26,166	352,947

Recently Issued Accounting Pronouncements

We reviewed all recently issued accounting pronouncements and concluded that they were either not applicable or not expected to have a material impact on our Consolidated Financial Statements.

NOTE 2: OTHER CHARGES

During the fourth quarter of fiscal 2020, we began to implement strategic initiatives to refocus on our core pawn business and optimize our cost structure in order to improve our bottom line performance and position us for sustainable growth. The initiatives focused on workforce reductions, closure of our CASHMAX operations, store closures, write-offs and other miscellaneous charges.

Accrued charges at September 30, 2023 and 2022 were $2.0 million and $2.2 million, respectively, and are included within Accounts payable, accrued expenses and other current liabilities in our Consolidated Balance Sheets. Accrued charges includes $2.0 million related to other costs at September 30, 2023 and 2022 and $0.2 million related to store closure costs at September 30, 2022. There were no charges recorded for fiscal years ended September 30, 2023 and 2022 and we recorded $0.2 million of charges for the fiscal year ended September 30, 2021 related to the closure of store operations in Peru.

NOTE 3: ACQUISITIONS

Fiscal 2021 Acquisitions

On June 8, 2021, we completed the acquisition of 100% of the common shares of PLO del Bajio S. de R.L. de C.V. ("Bajio") and gained control of the entity, further expanding our geographic footprint within Mexico with the addition of 128 pawn stores. These stores operate under the name "Cash Apoyo Efectivo" and are located principally in the Mexico City metropolitan area.

At the time of acquisition, the total consideration for Bajio was $23.6 million, consisting of $17.4 million of cash, and 212,870 shares of our Class A Non-Voting Common Stock valued at $1.6 million. In addition, the sellers were entitled to additional payments of up to $4.6 million to be paid in two payments over the following two years, contingent on the growth of the loan portfolios of the acquired stores. We had the right, in our discretion, to pay up to 50% of any contingent payment in the form of shares of our Class A Non-Voting Common Stock. The value of the contingent consideration was included in the total consideration as the metrics were considered achievable as of the date of acquisition. Cash paid at closing was $11.6 million, and $3.8 million was paid during the fourth quarter of 2021.

During the first quarter of fiscal 2022, both parties completed the formal working capital reconciliation stipulated within the purchase agreement. As part of the working capital reconciliation, the Company and the seller agreed to reduce the purchase price, which was held in restricted cash as of September 30, 2021, by $1.3 million. As the working capital adjustment was recorded as of September 30, 2021, this reduction to the purchase price is a measurement period adjustment, and resulted in a $1.3 million reduction to goodwill during the period ended December 31, 2021. This reduced the total consideration for Bajio to $22.3 million. As the future payments decreased, we released $1.3 million of the previously held $2.0 million in restricted cash to our unrestricted cash. Of the remaining $0.6 million in restricted cash as of June 30, 2022, $0.3 million was paid during July 2022, and the remaining $0.3 million is expected to be paid on or around the fifth anniversary of the date of acquisition. During the second quarter of fiscal 2022, we obtained new information about the seller's calculation of pawn service charges receivable balance as of the date of acquisition, which resulted in a $0.7 million measurement period adjustment to reduce pawn service charges receivable and increase goodwill.

The remeasurement of the acquisition-related contingent obligation resulted in a reduction of the obligation to zero as of September 30, 2023, resulting in a $5.1 million reduction of the obligation with an offset recorded to "Other (income) expense" as an operating item in our consolidated statements of operations during year ended September 30, 2023. There is no remaining obligation in our Consolidated Balance Sheet as of September 30, 2023. As of September 30, 2022, the estimated fair value of the contingent obligation was $4.6 million and was included in "Accounts payable, accrued expenses and other current liabilities" in our Consolidated Balance Sheets as of such date. Reductions of acquisition-related contingent obligation after the measurement period adjustment have no impact to goodwill.

The assets acquired and liabilities assumed are based upon the estimated fair values at the date of acquisition. The excess purchase price over the estimated fair market value of the new assets acquired has been recorded as goodwill.

The purchase price allocation is as follows, in thousands:

Cash and cash equivalents	$	308
Pawn loans		4,619
Pawn service charges receivable		691
Inventory		1,319
Property and equipment		2,025
Right-of-use assets		10,651
Goodwill		25,422
Intangible assets		3,965
Deferred tax asset, net		381
Other assets		746
Accounts payable, accrued expenses and other liabilities		(2,290)
Debt		(14,931)
Lease liabilities		(10,651)
Total consideration	$	22,255

Intangible assets acquired consist of indefinite-lived trade names.

The factors contributing to the recognition of goodwill, which is recorded in our Latin America Pawn segment, were based on several strategic and synergistic benefits we expect to realize from the acquisition, including expansion of our store base as well as the ability to further leverage our pawn expertise, investments in information technology and other back office and support functions of our existing Mexico pawn business. We expect none of the goodwill resulting from this business combination will be deductible for income tax purposes.

The results of Bajio have been included in our consolidated financial statements from the date of acquisition in our Latin America Pawn segment. The acquired business contributed revenues of $9.6 million and net loss of $0.1 million during the fiscal year 2021, the year of acquisition.

On June 9, 2021, we repaid $14.9 million of Bajio's existing debt assumed in the acquisition.

The following unaudited pro forma summary presents consolidated information for us as if the business combination had occurred on October 1, 2020. The pro forma information is not necessarily indicative of our results of operations had the acquisitions been completed on the above date, nor is it necessarily indicative of our future results. The pro forma information does not reflect any cost savings from operating efficiencies or synergies that could result from the acquisitions, nor does it reflect additional revenue opportunities following the acquisition.

	Fiscal Year Ended September 30,	
(in thousands, except per share amounts)	2021	
Revenue	$	748,957
Net income	$	8,828
Basic earnings per common share	$	0.16
Diluted earnings per common share	$	0.16

We did not have any material, nonrecurring pro forma adjustments directly attributable to the business combination included in the reported pro forma gross profit and net income. These pro forma amounts have been calculated after applying the Company's accounting policies and adjusting the results to reflect the additional amortization that would have been incurred assuming the amortization of the trade name had been applied from October 1, 2020.

During the fiscal year end ended September 30, 2021, we incurred total acquisition-related costs of $0.8 million. The acquisition-related costs were primarily related to legal, accounting and consulting services and were expensed as incurred through September 30, 2021, and are included in general and administrative expenses in the Consolidated Statements of Operations.

NOTE 4: EARNINGS PER SHARE

The following table reconciles the number of common shares used to compute basic and diluted earnings per common share:

	Fiscal Year Ended September 30,		
(in thousands, except per share amounts)	2023	2022	2021
Basic earnings per common share:			
Net Income - Basic	$ 38,463	$ 50,160	$ 8,612
Weighted shares outstanding - Basic	55,586	56,498	55,744
Basic earnings per common share	$ 0.69	$ 0.89	$ 0.15
Diluted earnings per common share:			
Net Income - Basic	$ 38,463	$ 50,160	$ 8,612
Add: Convertible Notes interest expense, net of tax*	4,327	7,489	—
Net Income - Diluted	$ 42,790	$ 57,649	$ 8,612
Weighted shares outstanding - basic	55,586	56,498	55,744
Equity-based compensation awards - effect of dilution**	1,482	678	205
Convertible Notes - effect of dilution	23,797	25,224	—
Weighted Shares Outstanding - Diluted	80,865	82,400	55,949
Diluted earnings per common share	$ 0.53	$ 0.70	$ 0.15
Potential common shares excluded from the calculation of diluted earnings per share above:			
Convertible Notes***	5,596	—	—
Restricted stock****	801	1,975	1,233
Total	6,397	1,975	1,233

* The year ended September 30, 2023 includes $5.4 million gain on the partial extinguishment of debt, associated with the 2025 Convertible Notes, which was recorded to "Interest expense" in the Company's consolidated statement of operations. See Note 9: Debt for additional information.

** Includes time-based share-based awards and performance based awards for which targets for fiscal year tranches have been achieved and vesting is subject only to achievement of service conditions.

*** See Note 9: Debt for conversion price and initial conversion rate of the 2024 Convertible Notes, 2025 Convertible Notes and 2029 Convertible Notes. The 2024 Convertible Notes are considered anti-dilutive in the sequencing calculation for the fiscal year ended September 30, 2023.

**** Includes antidilutive share-based awards as well as performance-based share-based awards that are contingently issuable, but for which the condition for issuance has not been met as of the end of the reporting period.

NOTE 5: STRATEGIC INVESTMENTS

Cash Converters International Limited

The following table presents the Company's ownership in Cash Converters International Limited ("Cash Converters") for the periods presented:

Date of purchase		Purchase amount (in thousands)	Shares purchased	Shares owned	Ownership percentage
October 1, 2021	$	2,500	13,000,000	236,702,991	37.7 %
March 10, 2022	$	1,000	5,500,000	242,239,157	38.6 %
April 5, 2022	$	2,500	13,000,000	255,239,157	40.7 %
September 15, 2022	$	900	5,700,000	260,939,157	41.6 %
November 2, 2022	$	2,100	13,000,000	273,939,157	43.7 %

In October 2021, April 2022, November 2022 and April 2023, we received cash dividends of $1.7 million, $1.7 million, $1.8 million and $1.8 million, respectively, from Cash Converters.

As of September 30, 2023, we owned 273,939,157 shares, or approximately 43.7%, of Cash Converters. We acquired our original investment (representing approximately 30% of the outstanding shares) in November 2009 and have increased our ownership through the acquisition of additional shares periodically since that time.

The following tables present summary financial information for Cash Converters's most recently reported results as applicable after translation to U.S. dollars:

	June 30,			
(in thousands)	2023		2022	
Current assets	$	189,563	$	158,987
Non-current assets		103,595		170,798
Total assets	$	293,158	$	329,785
Current liabilities	$	97,630	$	59,256
Non-current liabilities		58,777		53,045
Shareholders' equity		136,751		217,484
Total liabilities and shareholders' equity	$	293,158	$	329,785

	Fiscal Year Ended June 30,					
(in thousands)	2023		2022		2021	
Gross revenues	$	203,608	$	178,215	$	150,165
Gross profit	$	125,709	$	116,106	$	105,851
Net (loss) profit	$	(65,351)	$	8,099	$	12,081

Our equity in Cash Converters's net loss was $28.5 million in fiscal 2023. This includes $32.4 million of our share of their non-cash goodwill impairment charge. Our equity in Cash Converters's net income was $2.9 million and $4.3 million in fiscal 2022 and 2021, respectively. Cash Converters's accumulated undistributed after-tax loss included in our consolidated retained earnings were $16.2 million as of September 30, 2023.

At September 30, 2023, 2022 and 2021, the fair value of our investment in Cash Converters, as estimated by reference to its quoted market price per share, was greater than its carrying value.

Founders One, LLC

In October 2021, we invested $15.0 million in exchange for a non-redeemable voting participating preferred equity interest in Founders, a newly-formed entity with one other member. Founders used that $15.0 million to acquire an equity interest in SMG.

On December 2, 2022, we contributed an additional $15.0 million to Founders associated with our preferred interest, which proceeds were used by Founders to acquire additional common stock in SMG. In addition, we loaned $15.0 million to Founders in exchange for a Demand Promissory Note secured by the common interest in Founders held by the other member. Founders then loaned that $15.0 million to SMG in exchange for a Subordinated Promissory Note.

We have an interest in Founders, a variable interest entity, but because the Company is not the primary beneficiary, we do not consolidate Founders. Further, as we are not the appointed manager, we do not have the ability to direct the activities of the investment entity that most significantly impact its economic performance. Consequently, our equity investment in Founders is accounted for utilizing the measurement alternative within Accounting Standards Codification ("ASC") 321, Investments — Equity Securities. As of September 30, 2023, our $30.0 million carrying value of the investment and $15.0 million Demand Promissory Note are included in "Other investments" and "Prepaid expenses and other current assets" in our consolidated balance sheets, respectively. As of September 30, 2023, our maximum exposure for losses related to our investment in Founders was our $30.0 million equity investment and $15.0 million Demand Promissory Note plus accrued and unpaid interest.

In October 2023, we contributed an additional $15.0 million to Founders associated with our preferred interest, for a total equity investment of $45.0 million. See Note 16: Subsequent Events.

NOTE 6: FAIR VALUE MEASUREMENTS

The fair value of a financial instrument is the amount that could be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy prioritizes the quality and reliability of the information used to determine fair values. Categorization within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The fair value hierarchy is defined into the following three categories:

- Level 1 — Quoted market prices in active markets for identical assets or liabilities.
- Level 2 — Other observable market-based inputs or unobservable inputs that are corroborated by market data.
- Level 3 — Unobservable inputs that are not corroborated by market data.

Financial Assets and Liabilities Not Measured at Fair Value

The tables below present our financial assets and liabilities that were not measured at fair value:

	Carrying Value	Estimated Fair Value			
			Fair Value Measurement Using		
(in thousands)	September 30, 2023	September 30, 2023	Level 1	Level 2	Level 3
Financial assets:					
2.89% promissory note receivable due April 2024	$ 1,251	$ 1,251	$ —	$ —	$ 1,251
12.00% promissory note receivable from Founders	16,500	16,500	—	—	16,500
Investments in unconsolidated affiliate	10,987	35,998	35,998	—	—
Financial liabilities:					
2024 Convertible Notes	$ 34,265	$ 35,765	$ —	$ 35,765	$ —
2025 Convertible Notes	102,563	96,137	—	96,137	—
2029 Convertible Notes	223,284	224,112	—	224,112	—

	Carrying Value	Estimated Fair Value			
			Fair Value Measurement Using		
(in thousands)	September 30, 2022	September 30, 2022	Level 1	Level 2	Level 3
Financial assets:					
2.89% promissory note receivable due April 2024	$ 1,215	$ 1,215	$ —	$ —	$ 1,215
Investments in unconsolidated affiliate	37,733	40,279	40,279	—	—
Financial liabilities:					
2024 Convertible Notes	$ 142,575	$ 157,727	$ —	$ 157,727	$ —
2025 Convertible Notes	170,328	147,488	—	147,488	—

Based primarily on the short-term nature of cash and cash equivalents, pawn loans, pawn service charges receivable and other liabilities, we estimate that their carrying value approximates fair value. We consider our cash and cash equivalents to be measured using Level 1 inputs and our pawn loans, pawn service charges receivable and other liabilities to be measured using Level 3 inputs. Significant increases or decreases in the underlying assumptions used to value pawn loans, pawn service charges receivable, consumer loans, fees and interest receivable and other debt could significantly increase or decrease these fair value estimates.

The inputs used to generate the fair value of the investment in Cash Converters were considered Level 1 inputs. These inputs consist of (a) the quoted stock price on the Australian Stock Exchange multiplied by (b) the number of shares we owned multiplied by (c) the applicable foreign currency exchange rate as of the end of our reporting period. We included no control premium for owning a large percentage of outstanding shares.

We measured the fair value of the 2024, 2025 and 2029 Convertible Notes using quoted price inputs. The notes are not actively traded, and thus the price inputs represent a Level 2 measurement. As the quoted price inputs are highly variable from day to day, the fair value estimates disclosed above could significantly increase or decrease.

In March 2019, we received $1.1 million in previously escrowed seller funds as a result of settling certain indemnification claims with the seller of GPMX. In April 2019, we loaned the $1.1 million back to the seller of GPMX in exchange for a promissory note. The note bears interest at the rate of 2.89% per annum and is secured by certain marketable securities owned by the seller and held in a U.S. brokerage account. All principal and accrued interest is due and payable in April 2024. Based primarily on the short-term nature of the note, we estimate that its carrying value approximates fair value as of September 30, 2023.

In December 2022, we loaned $15.0 million to Founders in exchange for a Demand Promissory Note secured by the common interest in Founders held by the other member. As of September 30, 2023, the interest rate on the note was 12.00% per annum, and all principal and accrued interest is due on demand. Based primarily on the short-term nature of the note, we estimate that its carrying value approximates fair value as of September 30, 2023. In October 2023, the interest rate on the demand promissory note from Founders was increased to 15.00% per annum. See “Note 16: Subsequent Events.”

The Company remeasures its acquisition-related contingent obligation associated with the acquisition of Bajio at the end of each reporting period. This remeasurement resulted in a $5.1 million reduction of the obligation with an offset recorded to “Other” as an operating item in our consolidated statements of operations during year ended September 30, 2023. There is no remaining obligation in our Consolidated Balance Sheet as of September 30, 2023. As of September 30, 2022, the estimated fair value of the contingent obligation was $4.6 million and was included in “Accounts payable, accrued expenses and other current liabilities“ in our Consolidated Balance Sheets. The key assumptions used to determine the fair value of acquisition-related contingent consideration are estimated by management, not observable in the market and, therefore considered Level 3 inputs within the fair value hierarchy.

See “Note 12: Leases” for discussion on the non-recurring fair value adjustment related to our corporate office lease during fiscal year 2023.

NOTE 7: PROPERTY AND EQUIPMENT

Major classifications of property and equipment were as follows:

	September 30,					
	2023			2022		
(in thousands)	Carrying Amount	Accumulated Depreciation	Net Book Value	Carrying Amount	Accumulated Depreciation	Net Book Value
Land	$ 4	$ —	$ 4	$ 4	$ —	$ 4
Buildings and improvements	146,687	(109,710)	36,977	123,434	(95,666)	27,768
Furniture and equipment	164,818	(133,870)	30,948	148,675	(120,747)	27,928
Software	33,952	(33,785)	167	33,803	(33,529)	274
Construction in progress	—	—	—	751	—	751
	$ 345,461	$ (277,365)	$ 68,096	$ 306,667	$ (249,942)	$ 56,725

The depreciation of property and equipment is recorded as depreciation expense and included under “Depreciation and amortization” recorded in our Consolidated Statements of Operations. These amounts were $22.1 million, $20.4 million and $19.4 million for fiscal 2023, 2022 and 2021, respectively.

NOTE 8: GOODWILL AND INTANGIBLE ASSETS

We evaluate goodwill for impairment annually on September 30 and upon the occurrence of certain triggering events or substantive changes in circumstances that indicate that the fair value of goodwill may be impaired.

As of September 30, 2023, we assessed qualitative and quantitative factors and determined that it was not more-likely-than-not that the fair values of our reporting units were less than their carrying values as of the testing date. As a result of our assessment, no goodwill impairment charge was recorded during the fiscal year ended September 30, 2023. There was no impairment charge during the fiscal year ended September 30, 2022. Accumulated goodwill impairment losses of $41.3 million were recorded prior to 2021 associated with the U.S. Pawn ($10.0 million) and Latin America Pawn ($31.3 million) segments because of the impact of the COVID-19 pandemic on typical customer behavior, which led to a significant decline in pawn loan balances and the mandated closure of stores in our GPMX countries.

The following table presents the changes in the carrying value of goodwill by segment:

(in thousands)	U.S. Pawn	Latin America Pawn	Consolidated
Balances as of September 30, 2021	$ 244,471	$ 41,287	$ 285,758
Acquisitions	1,032	—	1,032
Measurement period adjustments	—	(678)	(678)
Effect of foreign currency translation changes	—	716	716
Balances as of September 30, 2022	$ 245,503	$ 41,325	$ 286,828
Acquisitions	10,439	—	10,439
Effect of foreign currency translation changes	—	5,105	5,105
Balances as of September 30, 2023	$ 255,942	$ 46,430	$ 302,372

During the first quarter of fiscal 2023, we acquired nine pawn stores located in Houston, Texas and one luxury pawn store in Las Vegas, Nevada for total cash consideration of $13.0 million, inclusive of all ancillary arrangements, of which $9.5 million was recorded as goodwill. During the fourth quarter of fiscal 2023, we acquired one pawn store located in Nashville, Tennessee and one store in San Antonio, Texas for total cash consideration of $1.9 million, inclusive of all ancillary arrangements, of which $0.9 million was recorded as goodwill. These acquisitions expand our position in these strategic markets, and the luxury pawn transaction expands our offerings by providing a dedicated and targeted focus on higher-end products. These acquisitions were immaterial, individually and in the aggregate, and we have therefore omitted or aggregated certain disclosures.

As of September 30, 2023, we assessed qualitative and quantitative factors and determined that it was not more-likely-than-not that the fair values of our indefinite-lived intangible assets were less than their carrying values. Based on our assessment as of September 30, 2023, no impairment charges were recorded related to intangible assets or long-lived asset groups.

The following table presents the balance of each major class of intangible assets:

	September 30,	
(in thousands)	2023	2022
Non-amortizing intangible assets:		
Trade names	$ 19,793	$ 18,591
Pawn licenses	9,535	9,535
	$ 29,328	$ 28,126
Amortizing intangible assets:		
Internally developed software	$ 89,488	$ 79,146
Accumulated amortization	(60,628)	(50,600)
	$ 28,860	$ 28,546
Other	$ 2,346	$ 2,344
Accumulated amortization	(2,318)	(2,197)
	$ 28	$ 147
Intangible assets, net	$ 58,216	$ 56,819

The amortization of most definite-lived intangible assets is recorded as amortization expense and included under “Depreciation and amortization” expense in our Consolidated Statements of Operations. These amounts were $10.0 million, $11.7 million and $11.3 million for fiscal 2023, 2022 and 2021, respectively.

A charge of $2.4 million was recorded during fiscal 2022 to "General and administrative" expenses in our Consolidated Statements of Operations related to an asset write-down associated with an information technology software infrastructure migration.

As of September 30, 2023, our estimate of future amortization expense for definite-lived intangible assets is as follows (in thousands):

2024	$	8,297
2025		4,931
2026		2,976
2027		1,947
2028		1,378
Thereafter		9,359
	$	28,888

As acquisitions and dispositions occur in the future, amortization expense may vary from these estimates.

NOTE 9: DEBT

The following table presents the Company's debt instruments outstanding:

	September 30, 2023			September 30, 2022		
(in thousands)	Gross Amount	Debt Issuance Costs	Carrying Amount	Gross Amount	Debt Issuance Costs	Carrying Amount
2029 Convertible Notes	$ 230,000	$ (6,716)	$ 223,284	$ —	$ —	$ —
2025 Convertible Notes	103,373	(810)	102,563	172,500	(2,172)	170,328
2024 Convertible Notes	34,389	(124)	34,265	143,750	(1,175)	142,575
Total	$ 367,762	$ (7,650)	$ 360,112	$ 316,250	$ (3,347)	$ 312,903
Less current portion	34,389	(124)	34,265	—	—	—
Total long-term debt	$ 333,373	$ (7,526)	$ 325,847	$ 316,250	$ (3,347)	$ 312,903

The following table presents the Company's contractual maturities related to the debt instruments as of September 30, 2023

	Schedule of Contractual Maturities			
(in thousands)	2029 Convertible Notes	2025 Convertible Notes	2024 Convertible Notes	Total
Fiscal 2024	$ —	$ —	$ 34,389	$ 34,389
Fiscal 2025	—	103,373	—	103,373
Fiscal 2026	—	—	—	—
Fiscal 2027	—	—	—	—
Fiscal 2028	—	—	—	—
Thereafter	230,000	—	—	230,000
Total long-term debt	$ 230,000	$ 103,373	$ 34,389	$ 367,762

The following table presents the Company's interest expense related to the Convertible Notes:

(in thousands)	Fiscal Year Ended September 30, 2023	2022	2021
2029 Convertible Notes:			
Contractual interest expense	$ 6,900	$ —	$ —
Amortization of deferred financing costs	742	—	—
Total interest expense	$ 7,642	$ —	$ —
2025 Convertible Notes:			
Contractual interest expense	$ 2,779	$ 4,097	$ 4,097
Amortization of deferred financing costs	559	797	560
Amortization of debt discount	—	—	6,919
Gain on extinguishment	(5,389)	—	—
Total interest expense	$ (2,051)	$ 4,894	$ 11,576
2024 Convertible Notes:			
Contractual interest expense	$ 1,609	$ 4,133	$ 4,133
Amortization of deferred financing costs	260	635	446
Amortization of debt discount	—	—	5,903
Loss on extinguishment	8,935	—	—
Total interest expense	$ 10,804	$ 4,768	$ 10,482

3.750% Convertible Senior Notes Due 2029

In December 2022, we issued $230.0 million aggregate principal amount of 3.750% Convertible Senior Notes Due 2029 (the "2029 Convertible Notes"), for which $230.0 million remains outstanding as of September 30, 2023. The 2029 Convertible Notes were issued pursuant to an indenture dated December 12, 2022 (the "2022 Indenture") by and between the Company and Truist Bank, as trustee. The 2029 Convertible Notes were issued in a private offering under Rule 144A under the Securities Act of 1933. The 2029 Convertible Notes pay interest semi-annually in arrears at a rate of 3.750% per annum on June 15 and December 15 of each year, commencing June 15, 2023, and mature on December 15, 2029 (the "2029 Maturity Date"), unless converted, redeemed or repurchased in accordance with the terms prior to such date. At maturity, the holders of the 2029 Convertible Notes will be entitled to receive cash equal to the principal of the 2029 Convertible Notes plus accrued interest.

The effective interest rate for fiscal 2023 was approximately 4.28%. As of September 30, 2023, the remaining unamortized debt issuance costs will be amortized using the effective interest method through the 2029 Maturity Date assuming no early conversion.

The 2029 Convertible Notes are convertible based on an initial conversion rate of 89.0313 shares of Class A Common Stock per $1,000 principal amount (equivalent to an initial conversion price of $11.23 per share). The conversion rate will not be adjusted for any accrued and unpaid interest. The 2029 Convertible Notes contain certain make-whole fundamental change premiums and customary anti-dilution adjustments. Upon conversion, we may settle in cash, shares of Class A Common Stock or any combination thereof, at our election.

Prior to June 15, 2029, the 2029 Convertible Notes will be convertible only under the following circumstances: (1) during any fiscal quarter commencing after the fiscal quarter ending on March 31, 2023 (and only during such fiscal quarter), if the last reported sale price of our Class A Common Stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding fiscal quarter is greater than or equal to 130% of the conversion price on each applicable trading day; (2) during the five business day period after any five consecutive trading day period (the "measurement period") in which the trading price, as defined in the 2022 Indenture, per $1,000 principal amount of notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of our Class A Common Stock and the conversion rate on such trading day; (3) if we call any or all of the 2029 Convertible Notes for redemption, at any time prior to the close of business on the business day immediately preceding the redemption date; or (4) upon the occurrence of specified corporate events, as defined in the 2022 Indenture. On or after June 15, 2029 until the close of business on the business day immediately preceding the 2029 Maturity Date, holders of 2029 Convertible Notes may, at their option, convert their 2029 Convertible Notes at any time, regardless of the foregoing circumstances.

We may not redeem the Notes prior to December 21, 2026. At our option, we may redeem for cash all or any portion of the 2029 Convertible Notes on or after December 21, 2026, if the last reported sale price of the Class A Common Stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive), including the trading day immediately preceding the date on which we provide notice of redemption, during any 30 consecutive trading day period ending on, and including, the trading day immediately preceding the date on which we provide notice of redemption. The redemption price will be equal to 100% of the principal amount of the 2029 Convertible Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date.

As of September 30, 2023, the 2029 Convertible Notes were not convertible as no conditions of conversion had been met. Accordingly, the net balance of the 2029 Convertible Notes was classified as a non-current liability in our Consolidated Balance Sheets as of September 30, 2023. The classification of the 2029 Convertible Notes as current or non-current in the Consolidated Balance Sheets is evaluated at each balance sheet date and may change from time to time depending on whether any of the conversion conditions has been met.

If one of the conversion conditions is met in any future fiscal quarter, we will classify our net liability under the 2029 Convertible Notes as a current liability in the Consolidated Balance Sheets as of the end of that fiscal quarter. If none of the conversion conditions have been met in a future fiscal quarter prior to the one-year period immediately preceding the 2029 Maturity Date, we will classify our net liability under the 2029 Convertible Notes as a non-current liability in the Consolidated Balance Sheets as of the end of that fiscal quarter. If the note holders elect to convert their 2029 Convertible Notes prior to maturity, any unamortized debt issuance costs will be recognized as expense at the time of conversion. If the entire outstanding principal amount had been converted on September 30, 2023, we would have recorded an expense associated with the conversion, comprised of $6.7 million of unamortized debt issuance costs. As of September 30, 2023, none of the note holders had elected to convert their 2029 Convertible Notes.

The stock trading price condition and other triggers are measured on a quarter-by-quarter basis and were not met as of September 30, 2023. As of September 30, 2023, the if-converted value of the 2029 Convertible Notes did not exceed the principal amount.

Note Repurchases

In December 2022, we repurchased approximately $109.4 million aggregate principal amount of 2.875% Convertible Senior Notes Due 2024 for approximately $117.5 million plus accrued interest and approximately $69.1 million aggregate principal amount of 2.375% Convertible Senior Notes Due 2025 for approximately $62.9 million plus accrued interest and recognized a $3.5 million loss on extinguishment of debt recorded to “Interest expense” in our Consolidated Statement of Operations.

2.375% Convertible Senior Notes Due 2025

In May 2018, we issued $172.5 million aggregate principal amount of 2.375% Convertible Senior Notes Due 2025 (the “2025 Convertible Notes”), for which $103.4 million remains outstanding as of September 30, 2023. The 2025 Convertible Notes were issued pursuant to an indenture dated May 14, 2018 (the “2018 Indenture”) by and between the Company and Wells Fargo Bank, National Association, as the original trustee. Effective October 1, 2019, Truist (formerly BB&T) assumed the duties and responsibilities as trustee under the 2018 Indenture. The 2025 Convertible Notes were issued in a private offering under Rule 144A under the Securities Act of 1933. The 2025 Convertible Notes pay interest semi-annually in arrears at a rate of 2.375% per annum on May 1 and November 1 of each year, commencing November 1, 2018, and mature on May 1, 2025 (the “2025 Maturity Date”), unless converted, redeemed or repurchased in accordance with the terms prior to such date.

The effective interest rate for fiscal 2023 was approximately 2.88% for the 2025 Convertible Notes. As of September 30, 2023, the remaining unamortized debt issuance costs will be amortized using the effective interest method through the 2025 Maturity Date assuming no early conversion.

The 2025 Convertible Notes are convertible based on an initial conversion rate of 62.8931 shares of Class A Common Stock per $1,000 principal amount (equivalent to an initial conversion price of $15.90 per share). The conversion rate will not be adjusted for any accrued and unpaid interest. The 2025 Convertible Notes contain certain make-whole fundamental change premiums and customary anti-dilution adjustments. Upon conversion, we may settle in cash, shares of Class A Common Stock or any combination thereof, at our election.

Prior to November 1, 2024, the 2025 Convertible Notes are convertible only under the following circumstances: (1) during any fiscal quarter commencing after the fiscal quarter ended on June 30, 2018 (and only during such fiscal quarter), if the last reported sale price of our Class A Common Stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding fiscal quarter is greater than or equal to 130% of the conversion price on each applicable trading day; (2) during the five business day period after any five consecutive trading day period (the “measurement period”) in which the trading price, as defined in the 2018 Indenture, per $1,000 principal amount of notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of our Class A Common Stock and the conversion rate on such trading day; (3) if we call any or all of the 2025 Convertible Notes for redemption, at any time prior to the close of business on the business day immediately preceding the redemption date; or (4) upon the occurrence of specified corporate events, as defined in the 2018 Indenture. On or after November 1, 2024 until the close of business on the business day immediately preceding the 2025 Maturity Date, holders of 2025 Convertible Notes may, at their option, convert their 2025 Convertible Notes at any time, regardless of the foregoing circumstances.

At our option, we may redeem for cash all or any portion of the 2025 Convertible Notes on or after May 1, 2022, if the last reported sale price of the Class A Common Stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive), including the trading day immediately preceding the date on which we provide notice of redemption, during any 30 consecutive trading day period ending on, and including, the trading day immediately preceding the date on which we provide notice of redemption. The redemption price will be equal to 100% of the principal amount of the 2025 Convertible Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date.

As of September 30, 2023, the 2025 Convertible Notes were not convertible as no conditions of conversion had been met. Accordingly, the net balance of the 2025 Convertible Notes was classified as a non-current liability in our Consolidated Balance Sheets as of September 30, 2023. The classification of the 2025 Convertible Notes as current or non-current in the Consolidated Balance Sheets is evaluated at each balance sheet date and may change from time to time depending on whether any of the conversion conditions has been met.

If one of the conversion conditions is met in any future fiscal quarter, we will classify our net liability under the 2025 Convertible Notes as a current liability in the Consolidated Balance Sheets as of the end of that fiscal quarter. If none of the conversion conditions have been met in a future fiscal quarter prior to the one-year period immediately preceding the 2025 Maturity Date, we will classify our net liability under the 2025 Convertible Notes as a non-current liability in the Consolidated Balance Sheets as of the end of that fiscal quarter. If the note holders elect to convert their 2025 Convertible Notes prior to maturity, any unamortized debt issuance costs will be recognized as expense at the time of conversion. If the entire outstanding principal amount had been converted on September 30, 2023, we would have recorded an expense associated with the conversion, comprised of $0.8 million of unamortized debt issuance costs. As of September 30, 2023, none of the note holders had elected to convert their 2025 Convertible Notes.

The stock trading price condition and other triggers are measured on a quarter-by-quarter basis and were not met as of September 30, 2023. As of September 30, 2023, the if-converted value of the 2025 Convertible Notes did not exceed the principal amount.

2.875% Convertible Senior Notes Due 2024

In July 2017, we issued $143.75 million aggregate principal amount of 2.875% Convertible Senior Notes Due 2024 (the “2024 Convertible Notes”), for which $34.4 million remains outstanding as of September 30, 2023. The 2024 Convertible Notes were issued pursuant to an indenture dated July 5, 2017 (the “2017 Indenture”) by and between the Company and Wells Fargo Bank, National Association, as the original trustee. Effective October 1, 2019, Truist (formerly BB&T) assumed the duties and responsibilities as trustee under the 2017 Indenture. The 2024 Convertible Notes were issued in a private offering under Rule 144A under the Securities Act of 1933. The 2024 Convertible Notes pay interest semi-annually in arrears at a rate of 2.875% per annum on January 1 and July 1 of each year, commencing January 1, 2018, and mature on July 1, 2024 (the “2024 Maturity Date”), unless converted, redeemed or repurchased in accordance with the terms prior to such date. At maturity, the holders of the 2024 Convertible Notes will be entitled to receive cash equal to the principal of the 2024 Convertible Notes plus accrued interest.

The effective interest rate for fiscal 2023 was approximately 3.35%. As of September 30, 2023, the remaining unamortized debt issuance costs will be amortized using the effective interest method through the 2024 Maturity Date assuming no early conversion.

The 2024 Convertible Notes are convertible based on an initial conversion rate of 100 shares of Class A Common Stock per $1,000 principal amount (equivalent to an initial conversion price of $10.00 per share). The conversion rate will not be adjusted for any accrued and unpaid interest. The 2024 Convertible Notes contain certain make-whole fundamental change premiums and customary anti-dilution adjustments. Upon conversion, we may settle in cash, shares of Class A Common Stock or any combination thereof, at our election.

Prior to January 1, 2024, the 2024 Convertible Notes will be convertible only under the following circumstances: (1) during any fiscal quarter commencing after the fiscal quarter ending on September 30, 2017 (and only during such fiscal quarter), if the last reported sale price of our Class A Common Stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding fiscal quarter is greater than or equal to 130% of the conversion price on each applicable trading day; (2) during the five business day period after any five consecutive trading day period (the “measurement period”) in which the trading price, as defined in the 2017 Indenture, per $1,000 principal amount of notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of our Class A Common Stock and the conversion rate on such trading day; (3) if we call any or all of the 2024 Convertible Notes for redemption, at any time prior to the close of business on the business day immediately preceding the redemption date; or (4) upon the occurrence of specified corporate events, as defined in the 2017 Indenture. On or after January 1, 2024 until the close of business on the business day immediately preceding the 2024 Maturity Date, holders of 2024 Convertible Notes may, at their option, convert their 2024 Convertible Notes at any time, regardless of the foregoing circumstances.

At our option, we may redeem for cash all or any portion of the 2024 Convertible Notes on or after July 6, 2021, if the last reported sale price of the Class A Common Stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive), including the trading day immediately preceding the date on which we provide notice of redemption, during any 30 consecutive trading day period ending on, and including, the trading day immediately preceding the date on which we provide notice of redemption. The redemption price will be equal to 100% of the principal amount of the 2024 Convertible Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date.

As of September 30, 2023, the 2024 Convertible Notes were not convertible as no conditions of conversion had been met. The 2024 Convertible Notes mature on July 1, 2024, accordingly, the balance was classified as a current liability in our Consolidated Balance Sheets as of September 30, 2023.

If the note holders elect to convert their 2024 Convertible Notes prior to maturity, any unamortized debt issuance costs will be recognized as expense at the time of conversion. If the entire outstanding principal amount had been converted on September 30, 2023, we would have recorded an expense associated with the conversion, comprised of $0.1 million of unamortized debt issuance costs. As of September 30, 2023, none of the note holders had elected to convert their 2024 Convertible Notes.

The stock trading price condition and other triggers are measured on a quarter-by-quarter basis and were not met as of September 30, 2023. As of September 30, 2023, the if-converted value of the 2024 Convertible Notes did not exceed the principal amount.

NOTE 10: COMMON STOCK AND STOCK COMPENSATION

Common Stock Repurchase Program

On May 3, 2022, our Board of Directors (the “Board”) authorized the repurchase of up to $50 million of our Class A Common Stock over three years (the “Common Stock Repurchase Program”). Execution of the program will be responsive to fluctuating market conditions and valuations, liquidity needs and the expected return on investment compared to other opportunities.

The amount and timing of purchases will be dependent on a variety of factors, including stock price, trading volume, general market conditions, legal and regulatory requirements, general business conditions, the level of cash flows, and corporate considerations determined by management and the Board, such as liquidity and capital needs and the availability of attractive alternative investment opportunities. The Board has reserved the right to modify, suspend or terminate the program at any time. As of September 30, 2023, we had repurchased and retired 1,627,045 shares of our Class A Common Stock for $14.0 million under the Common Stock Repurchase Program, of which 1,389,102 shares were repurchased and retired for $12.0 million during fiscal year ended September 30, 2023. The repurchase amount is allocated between “Additional paid-in capital” and “Retained earnings” in our Consolidated Balance Sheets.

Other Common Stock Repurchases

During December 2022, we used approximately $5.0 million of the net proceeds from the 2029 Convertible Notes offering to repurchase for cash 578,703 shares of our Class A Common Stock from purchasers of the notes in privately negotiated transactions. Such transactions were authorized separately from, and not considered a part of, the publicly announced Common Stock Repurchase Program discussed above. The repurchase amount is allocated between “Additional paid-in capital” and “Retained earnings” in our consolidated balance sheets.

Stock Compensation

We utilize equity-based awards as a long-term incentive to attract and retain qualified employees, consultants and directors and motivate them to achieve long-term goals, thereby promoting the long-term financial interests of the Company and enhancing long-term stockholder return.

2022 LTI Plan

On March 1, 2022, we adopted the 2022 Long-Term Incentive Plan (the “2022 LTI Plan”), which gives us the ability to grant equity-based incentive compensation awards, in the form of restricted stock or restricted stock units, to its employees, members of the Board of Directors and consultants, independent contractors or advisors who are determined to have a direct and significant effect on the Company’s performance. The total number of shares of Class A Common Stock that may be issued pursuant to awards under the 2022 LTI Plan (“Authorized Shares”) is such number that is from time to time approved by the holder of the Company’s Class B Voting Common Stock (the “Voting Stockholder”). At the time the 2022 LTI Plan was adopted, 400,000 shares of our Class A Common Stock were added as Authorized Shares. That number was increased to 1,900,000 in October 2022 and to 3,300,000 in November 2023. At any time, the number of shares that are available for issuance under future awards (“Available Shares”) is equal to the number of Authorized Shares reduced by the number of shares previously issued and the number of shares that may be issued under outstanding awards. The number of Available Shares is increased for shares covered by awards that are forfeited, cancelled or otherwise terminated without the issuance of shares or shares that are withheld at the request of a participant to satisfy such participant’s tax withholding obligations.

The 2022 LTI Plan is administered by the People and Compensation Committee of the Board of Directors (the "Committee"). The Committee generally determines and recommends the type, recipient, amount and terms for all awards issued under the 2022 LTI Plan, but each award issuance requires the approval of the full Board of Directors.

Restricted stock awards are generally subject to continued service over a specified period (typically one-to-three years) and expensed straight-line over the service period. Restricted stock units are generally subject to the achievement of performance goals in addition to continued service, and they are expensed, on a tranche-by-tranche basis, ratably over the service period beginning with the start of the measurement of performance.

2010 LTI Plan

The 2022 LTI Plan replaced the 2010 Long-Term Incentive Plan (the "2010 LTI Plan") for all long-term incentive awards issued from and after January 1, 2022. The 2010 LTI Plan remains effective, but only with respect to LTI awards issued and outstanding as of December 31, 2021, and any authorized but unissued shares remaining in the 2010 LTI Plan are available only to satisfy such awards.

Under the 2010 LTI Plan, we granted awards of restricted stock or restricted stock units to employees and non-employee directors. Awards granted to employees were typically subject to performance and service conditions. Awards granted to non-employee directors were time-based awards subject only to service conditions. Awards were measured at the grant date fair value with compensation costs associated with the awards recognized over the requisite service period, usually the vesting period, on a straight-line basis.

Board of Director Awards

Immediately after our 2023 Annual Meeting of Stockholders in March 2023, we granted each of the five non-employee directors a restricted stock award covering 18,038 shares (90,190 shares in total). Those shares are scheduled to vest on the day immediately preceding the 2024 Annual Meeting of Stockholders (but in no event later than March 31, 2024), subject only to service conditions.

In March 2022, we granted each of the five non-employee directors a restricted stock award covering 26,490 shares (132,450 shares in total). Those shares vested on the day immediately preceding the 2023 Annual Meeting of Stockholders in March 2023.

In February 2021, we granted each of the four non-employee directors serving at that time a restricted stock award covering 31,936 shares (127,744 shares in total). Those shares vested on the day immediately preceding our 2022 Annual Meeting of Stockholders in March 2022.

In December 2020, we granted each of the nine non-employee directors serving at that time a restricted stock award covering 15,905 shares (143,145 shares in total). Those shares were scheduled to vest on March 31, 2021, subject only to service conditions. The vesting of 79,525 of such shares was accelerated to February 18, 2021 (the date of the 2021 Annual Meeting of Stockholders) when the term of service for five of the non-employee directors ended. The remaining 63,620 shares vested on March 31, 2021.

Employee Awards

FY23 Awards — In October 2022, we granted restricted stock unit awards covering a total of 912,524 shares to our executive officers and other key employees. These awards were issued as part of our annual LTI program for fiscal 2023. The awards have a three-year performance period consisting of fiscal 2023, fiscal 2024 and fiscal 2025. For each award, 60% of the total number of shares was allocated equally among the three fiscal years in the performance period (20% each), with each tranche having separate performance conditions. In addition, 20% of the total number of shares was allocated to a three-year cumulative performance condition applicable to the entire three-year performance period, and 20% was subject only to continued service. The number of shares available to vest from each performance-based tranche can range from 0 to 150% and is dependent on the achievement of the performance conditions for that tranche. All of the performance-based shares that become available to vest based on the achievement of the performance conditions, along with the time-based tranche, will vest on September 30, 2025, so long as the recipient continues active employment with the Company through that date. Performance targets for the fiscal 2023 tranche and the three-year cumulative tranche were determined and communicated at the time of grant. Grant dates for the fiscal 2024 and fiscal 2025 tranches will be determined when the applicable performance targets are established for those tranches. As of September 30, 2023, we considered the performance targets for the fiscal 2023 tranche to be probable of achievement at the 147.3% level and the cumulative performance target for the three-year cumulative tranche to be probable of achievement at the 100% level. During fiscal 2023, we granted restricted stock unit awards covering an additional 8,036 shares to key employees in connection with promotions or new hires. These additional awards carry the same terms as those granted in October 2022.

FY22 Awards — In October and November 2021, we granted restricted stock unit awards covering a total of 981,327 shares to our executive officers and other key employees. These awards were issued as part of our annual LTI program for fiscal 2022. The awards have a three-year performance period consisting of fiscal 2022, fiscal 2023 and fiscal 2024. For each award, the total number of shares was allocated equally among the three fiscal years in the performance period, with each tranche having separate performance conditions. The number of shares available to vest from each tranche can range from 0 to 150% and is dependent on the achievement of the performance condition for that tranche. All of the shares that become available to vest based on the achievement of the performance conditions will vest on September 30, 2024, so long as the recipient continues active employment with the Company through that date. Performance targets for the fiscal 2022 tranche were determined and communicated at the time of grant. Grant dates for the other two tranches will be determined when the applicable performance targets are established for these tranches. As of September 30, 2022, we considered the performance targets for the fiscal 2022 tranche to be probable of achievement at the 150% level, and as of September 30, 2023, we considered the performance targets for the fiscal 2023 tranche to be probable of achievement at the 147.3% level. During fiscal 2022, we granted restricted stock unit awards covering an additional 161,265 shares to executive officers and other key employees in connection with promotions or new hires. These additional awards carry the same terms as those granted in October and November 2021.

In October 2021, we granted a restricted stock award covering 29,722 to an executive officer as a special performance and retention award. This awards vests ratably over three years (fiscal 2022, fiscal 2023 and fiscal 2024), subject only to continued service.

FY21 Awards — In February 2021, we granted restricted stock units covering a total of 1,177,214 shares to our executive officers and other key employees. The awards have a three-year performance period consisting of fiscal 2021, fiscal 2022 and fiscal 2023. For each award, the total number of shares was allocated equally among the three fiscal years in the performance period, with each tranche having separate performance conditions. The number of shares available to vest from each tranche can range from 0 to 150% and is dependent on the achievement of the performance condition for that tranche. All of the shares that become available to vest based on the achievement of the performance conditions will vest on September 30, 2023, so long as the recipient continues active employment with the Company through that date. Performance targets for the fiscal 2021 tranche were determined and communicated in February 2021, and performance targets for the fiscal 2022 tranche were determined and communicated in October 2021. The grant date for the fiscal 2023 tranche will be determined when the applicable performance targets are established for that tranche. As of September 30, 2021, we considered the performance targets for the fiscal 2021 tranche to be probable of achievement at the 150% level, as of September 30, 2022, we considered the performance targets for the fiscal 2022 tranche to be probable of achievement at the 150% level, and as of September 30, 2023, we considered the performance targets for the fiscal 2023 tranche to be probable of achievement at the 135.4% level. During fiscal 2021, we granted restricted stock unit awards covering an additional 4,722 shares of restricted stock to employees in connection with promotions or new hires. These additional awards carry the same terms as those granted in February 2021.

FY20 Awards — In January 2020, the Committee approved restricted stock unit awards for executive officers and key employees, but did not finalize the performance targets at that time. In January 2021, the Committee approved the applicable performance targets and we granted restricted stock unit awards covering a total of 550,224 shares of restricted stock to employees. We consider the awards to have a three-year performance period consisting of fiscal 2020, fiscal 2021 and fiscal 2022, with a service condition applicable to fiscal 2020 and then separate performance conditions applicable to fiscal 2021 and 2022. For each award, the total number of shares was allocated equally among fiscal 2021 and fiscal 2022, with each tranche having separate performance conditions. The number of shares available to vest from each tranche is dependent on the achievement of the performance condition for that tranche and can range from 0 to 100%. All of the shares that become available to vest based on the achievement of the performance conditions will vest on September 30, 2022, so long as the recipient continues active employment with the Company through that date. Performance targets for the fiscal 2021 tranche were communicated in January 2021, and performance targets for the fiscal 2022 tranche were determined and communicated in October 2021. As of September 30, 2021, we considered the performance targets for the fiscal 2021 tranche to be probable of achievement at the 100% level, and as of September 30, 2022, we considered the performance targets for the fiscal 2022 tranche to be probably of achievement at the 100% level. All of these awards vested in November 2022, after the Committee determined that the performance condition had been met.

FY19 Awards — In December 2018, we granted restricted stock unit awards covering a total of 971,615 shares to executive officers and other key employees. The awards had a three-year performance period consisting of fiscal 2019, fiscal 2020 and fiscal 2021, and were subject to a single three-year performance condition as well as a service condition through the end of the performance period. In November 2020, the Committee determined that the stated performance target for such awards was not probable of achievement and approved a modification of such awards that reduced the number of shares available for vesting and established a new one-year performance condition (in addition to the continuing service condition) applicable to the vesting of the remaining shares. We treated this modification as a cancellation of the existing awards and the grant of new awards subject to a new performance condition, which resulted in (1) the cancellation of awards covering 458,960 shares and the reversal of $2.9 million of previously recognized stock compensation expense and (2) the grant of 358,883 shares of restricted stock. During fiscal 2021, we granted restricted stock unit awards covering an additional 61,138 shares of restricted stock to employees in connection with promotions or new hires. These additional awards carried the same terms as those granted in December 2018. All of these awards vested in November 2021, after the Committee determined that the performance condition had been met.

As of September 30, 2023, the unamortized fair value of share awards to be amortized over their remaining vesting periods was approximately $10.6 million. The weighted-average period over which these costs will be amortized is approximately two years.

The following table presents amounts related to our stock compensation arrangements:

	Fiscal Year Ended September 30,		
(in thousands)	2023	2022	2021
Share-based compensation costs	$ 9,539	$ 5,053	$ 3,946
Income tax (benefit) expense on share-based compensation	(1,125)	(557)	561

The following table presents a summary of stock compensation activity:

	Shares	Weighted Average Grant Date Fair Value
Outstanding as of September 30, 2022	2,113,323	$ 5.88
Granted	1,010,750	7.82
Released [(a)]	(490,145)	4.94
Cancelled	(78,029)	6.70
Outstanding as of September 30, 2023	2,555,899	$ 6.80

(a) 118,011 shares were withheld to satisfy related income tax withholding.

The following table presents a summary of the fair value of shares granted:

	Fiscal Year Ended September 30,		
(in millions except per share amounts)	2023	2022	2021
Weighted average grant date fair value per share granted [(a)]	$ 7.82	$ 7.24	$ 4.92
Total market value of shares released	$ 4.7	$ 3.7	$ 3.4

(a) Awards with performance and time-based vesting provisions are generally valued based upon the underlying share price as of the issuance date.

Other

We have not declared or paid any dividends and currently do not anticipate paying any dividends in the immediate future. As described in Note 9: Debt, payment of a dividend requires an adjustment to the conversion rate of our Convertible Notes. Should we pay dividends in the future, our certificate of incorporation provides that cash dividends on common stock, when declared, must be declared and paid at the same per share amounts on both classes of stock. Any future determination to pay cash dividends will be at the discretion of our Board of Directors.

NOTE 11: INCOME TAXES

The following table presents the components of our income before income taxes, including inter-segment amounts:

	Fiscal Year Ended September 30,		
(in thousands)	2023	2022	2021
Domestic*	$ 26,209	$ 49,937	$ 2,320
Foreign	25,424	17,776	13,742
	$ 51,633	$ 67,713	$ 16,062

* Includes the majority of our corporate administrative costs. See Note 14: Segment Information for information pertaining to segment contribution.

The following table presents the significant components of the income tax provision:

(in thousands)	Fiscal Year Ended September 30, 2023	2022	2021
Current:			
Federal	$ 18,753	$ 9,465	$ (479)
State and foreign	7,219	3,143	4,646
	25,972	12,608	4,167
Deferred:			
Federal	(11,182)	983	3,202
State and foreign	(1,620)	3,962	81
	(12,802)	4,945	3,283
Total income tax expense	$ 13,170	$ 17,553	$ 7,450

The following table presents a reconciliation of income taxes calculated at the statutory rate and the provision for income taxes:

(in thousands)	Fiscal Year Ended September 30, 2023	2022	2021
Income tax expense (benefit) at the federal statutory rate	$ 10,843	$ 14,223	$ 3,374
State taxes, net of federal benefit	1,814	1,728	931
Mexico inflation adjustment	(1,787)	(2,089)	(1,217)
Non-deductible items	2,655	1,705	2,087
Foreign rate differential	2,381	1,306	1,111
Change in valuation allowance	311	660	(137)
Stock compensation	(62)	(161)	293
Uncertain tax positions	(174)	(2,025)	208
Deferred tax true-up	(165)	3,811	896
Dividends received deduction	(754)	(699)	—
Non-deductible loss on debt restructuring	1,710	—	—
U.S. GAAP/statutory book adjustments	(1,143)	—	—
Other	(2,459)	(906)	(96)
Total income tax expense	$ 13,170	$ 17,553	$ 7,450
Effective tax rate	26 %	26 %	46 %

The following table shows significant components of our deferred tax assets and liabilities:

(in thousands)	September 30, 2023	2022
Deferred tax assets:		
Cash Converters	$ 20,364	$ 14,299
Tax over book inventory	8,186	7,942
Accrued liabilities	11,043	8,384
Pawn service charges receivable	2,764	2,507
Stock compensation	1,645	887
Foreign tax credit	1,696	1,696
State and foreign net operating loss carryforwards	14,547	16,220
Book over tax depreciation	7,298	5,574
Other	7,612	3,943
Total deferred tax assets before valuation allowance	75,155	61,452
Valuation allowance	(16,885)	(17,966)
Total deferred tax assets, net	58,270	43,486
Deferred tax liabilities:		
Tax over book amortization	30,906	29,663
Prepaid expenses	2,097	2,051
Total deferred tax liabilities	33,003	31,714
Net deferred tax asset	$ 25,267	$ 11,772

As of September 30, 2023, we had state net operating loss carryforwards of approximately $25.9 million, which begin to expire in 2024 if not utilized. We also had foreign net operating loss carryforwards of $52.7 million, which will begin to expire in 2030 if not utilized. Additionally, we have a $1.7 million foreign tax credit that will expire between 2024 to 2027 if not utilized.

Deferred tax assets and liabilities are recorded for the estimated tax impact of temporary differences between the tax basis and book basis of assets and liabilities. The Company has elected to account for the tax on GILTI as a period cost and therefore has not recorded deferred taxes related to GILTI on its foreign subsidiaries. A valuation allowance is established against a deferred tax asset when it is more likely than not that the deferred tax asset will not be realized. Our valuation allowance has been established to offset certain state and foreign net operating loss carryforwards and foreign tax credit carryforwards that are not more likely than not to be utilized prior to expiration. The valuation allowance decreased by $1.1 million in fiscal 2023, primarily due to the expiration of the statute of limitations on certain state NOL's for which a valuation allowance had been recorded as well as a reduction of fully reserved net operating loss carryforward and other deferred tax assets in Canada. We believe our results from future operations will generate sufficient taxable income in the appropriate jurisdictions such that it is more likely than not that the remaining deferred tax assets will be realized.

Deferred taxes are not provided for undistributed earnings of foreign subsidiaries of approximately $99.8 million which are intended to be reinvested outside of the U.S. Accordingly, no provision for foreign withholding taxes associated with a distribution of those earnings has been made. We estimate that, upon distribution of our share of these earnings, we would be subject to withholding taxes of approximately $5.0 million as of September 30, 2023. We provided deferred income taxes on all undistributed earnings from Cash Converters.

The following table presents a roll-forward of unrecognized tax benefits:

	Fiscal Year Ended September 30,		
(in thousands)	**2023**	**2022**	**2021**
Beginning balance	$ 3,568	$ 4,763	$ 3,085
Increase for tax positions taken during a prior period	396	547	2,135
Decrease for settlement for tax positions taken during a prior period	(259)	—	—
Decrease for tax positions as a result of the lapse of the statute of limitations	(412)	(1,742)	(457)
Ending balance	$ 3,293	$ 3,568	$ 4,763

All of the above unrecognized tax benefits, if recognized, would impact our effective tax rate for the respective period of each ending balance. The statute of limitations will expire within the next twelve months with respect to approximately $0.8 million of foreign uncertain tax positions. The Company recognizes accrued interest and penalties related to unrecognized tax benefits in income tax expense. During 2023, the Company recognized income tax expense of $0.2 million offset by the reversal of previously accrued interest and penalties of $0.4 million due to the lapse of the statute of limitations on the associated tax position and an income tax benefit of $0.8 million during 2022 and an income tax expense of $0.3 million during 2021, related to interest and penalties. The total amount of accrued interest and penalties was $0.7 million, $1.0 million and $1.8 million in 2023, 2022 and 2021, respectively.

We are subject to U.S., Mexico, Canada, Guatemala, Honduras, El Salvador, Peru and the Netherlands income taxes as well as income taxes levied by various state and local jurisdictions. With few exceptions, we are no longer subject to examinations by tax authorities for years before the tax year ended September 30, 2016. We believe that adequate provisions have been made for any adjustments that may result from tax examinations.

NOTE 12: LEASES

The table below presents balances of our lease assets and liabilities and their balance sheet locations for both operating and financing leases:

(in thousands)		September 30, 2023	September 30, 2022
Lease assets:			
Operating lease right-of-use assets	Right-of-use assets, net	$ 234,388	$ 221,405
Financing lease assets	Other assets, net	2,178	181
Total lease assets		$ 236,566	$ 221,586
Lease liabilities:			
Current:			
Operating lease liabilities	Operating lease liabilities, current	$ 57,182	$ 52,334
Financing lease liabilities	Accounts payable, accrued expenses and other current liabilities	530	37
Total current lease liabilities		$ 57,712	$ 52,371
Non-current:			
Operating Lease liabilities	Operating lease liabilities	$ 193,187	$ 180,756
Financing lease liabilities	Other long-term liabilities	1,715	148
Total non-current lease liabilities		$ 194,902	$ 180,904
Total lease liabilities		$ 252,614	$ 233,275

The table below provides major components of our lease costs:

	Fiscal Year Ended September 30,		
(in thousands)	2023	2022	2021
Operating lease cost:			
Operating lease cost *	$ 74,086	$ 67,414	$ 61,980
Variable lease cost	16,315	15,229	13,000
Total operating lease cost	$ 90,401	$ 82,643	$ 74,980
Financing lease cost:			
Amortization of financing lease assets	$ 327	$ 3	$ —
Interest on financing lease liabilities	145	1	—
Total financing lease cost	$ 472	$ 4	$ —
Total lease cost	$ 90,873	$ 82,647	$ 74,980

* Includes a reduction for sublease rental income of $3.7 million, $3.6 million and $3.4 million for fiscal years ending September 2023, 2022 and 2021, respectively.

Lease expense is recognized on a straight-line basis over the lease term with variable lease expense recognized in the period in which the costs are incurred. The components of lease expense are included in “Store expenses” and “General and administrative” expense, based on the underlying lease use. Cash paid for operating leases was $76.7 million and $72.3 million for the fiscal years ended September 30, 2023 and 2022, respectively. Cash paid for principal and interest on finance leases was $0.3 million and $0.1 million, respectively, for the fiscal year ended September 30, 2023. There was no cash paid for finance leases for the fiscal years ended September 30, 2022 and 2021.

The weighted- average term and discount rates for leases are as follows:

	Fiscal Year Ended September 30,	
	2023	2022
Weighted-average remaining lease term (years):		
Operating leases	4.97	5.12
Financing leases	3.67	4.10
Weighted-average discount rate:		
Operating leases	8.51 %	8.32 %
Financing leases	11.14 %	11.14 %

As of September 30, 2023, maturities of lease liabilities under ASC 842 by fiscal year were as follows (in thousands):

	Operating Leases	Financing Leases
Fiscal 2024	$ 75,510	$ 780
Fiscal 2025	66,798	751
Fiscal 2026	55,735	751
Fiscal 2027	41,903	450
Fiscal 2028	27,005	—
Thereafter	40,592	—
Total lease liabilities	$ 307,543	$ 2,732
Less: portion representing Imputed interest	57,174	487
Total net lease liabilities	$ 250,369	$ 2,245
Less: current portion	57,182	530
Total long term net lease liabilities	$ 193,187	$ 1,715

In December 2014, we entered into a non-cancelable 13-year operating lease for our corporate offices, with rent payments beginning February 2016 and ending March 2029. Annual rent, net of square footage subsequently terminated as a result of negotiations with the landlord, escalate from $2.5 million at lease inception to $3.9 million in the terminal year of the lease.

The lease includes two five-year extension options at the end of the initial lease term. The estimated minimum future rental payments under the lease are approximately $24.4 million as of September 30, 2023. As of September 30, 2023, we have subleases in place for a portion of our corporate operating office lease for estimated minimum future sublease payments of approximately $6.3 million.

We assessed the recoverability of the right-of-use asset for our corporate office, primarily due to the termination of a significant sublease. We determined the undiscounted cash flows of the relative corporate lease and sublease did not exceed the net book value of the right-of-use asset. We then determined the fair value of the corporate lease and sublease did not exceed the book value of the right-of-use asset, and an impairment charge of $4.3 million was recorded in fiscal year 2023 to “Impairment of other assets” in the Consolidated Statements of Operations.

The following table presents our corporate office lease measured at fair value as a result of the aforementioned impairment charges aggregated by the level in the fair value hierarchy within which measurements fall on a non-recurring basis at September 30, 2023, and the related impairment charge recorded (in thousands):

	Fair Value as of September 30, 2023				Fiscal Year Ended 2023
	Level 1	Level 2	Level 3	Total	Impairment Charges
Corporate office	$ —	$ —	$ 6,233	$ 6,233	$ 4,343

During the second quarter of fiscal 2015, we entered into cancellable subleases for our Miami office for an estimated minimum future sublease payment of approximately $2.9 million. During the fourth quarter of fiscal 2022, the Miami office lease and sublease were terminated with no fees, and the deposit to the subtenant was returned.

We recorded $66.5 million and $69.4 million in non-cash additions to our operating right-of-use assets and lease liabilities for the fiscal year ended September 30, 2023 and 2022, respectively. We recorded $2.5 million in non-cash additions to our finance right-of-use assets and lease liabilities for the year ended September 30, 2023.

NOTE 13: CONTINGENCIES

Currently, and from time to time, we are involved in various claims, disputes, lawsuits, investigations, and legal and regulatory proceedings. We accrue for contingencies if it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. Because these matters are inherently unpredictable and unfavorable developments or resolutions can occur, assessing contingencies requires judgments and is highly subjective about future events, and the amount of resulting loss may differ from these estimates. We do not believe the resolution of any particular matter will have a material adverse effect on our financial condition, results of operations or liquidity.

NOTE 14: SEGMENT INFORMATION

Our operations are primarily managed on a geographical basis and consist of four reportable segments. The factors for determining our reportable segments include the manner in which our chief operating decision maker (CODM) evaluates performance for purposes of allocating resources and assessing performance.

We currently report our segments as follows:

- U.S. Pawn — All pawn activities in the United States.
- Latin America Pawn — All pawn activities in Mexico and other parts of Latin America.
- Cash Converters — Represents our equity interest in the net loss (income) of Cash Converters. Our equity in Cash Converters's net loss was $28.5 million in fiscal 2023, which includes $32.4 million of our share of their non-cash goodwill impairment charge. As a result of this one-time impairment charge, our share of the absolute value of Cash Converters's reported loss meets the 10 percent threshold to be considered its own reporting segment. Our equity in their net income was $2.9 million and $4.3 million for fiscal 2022 and 2021, respectively. Refer to Note 5: Strategic Investments and Note 6: Fair Value Measurements for additional details on our investment in Cash Converters.
- Other Investments — Represents our investment in RDC and our investment in and notes receivable from Founders.

There are no inter-segment revenues presented below, and the amounts below were determined in accordance with the same accounting principles used in our consolidated financial statements.

The following income (loss) before income taxes tables present revenue for each reportable segment, disaggregated revenue within our reportable segments and Corporate, segment profits and segment contribution. We have continued to include the Cash Converters reporting segment within the "Other Investments" columns below as the investments in RDC and Founders do not have a material impact on our statements of operations due to the investments being accounted for under the measurement alternative within ASC 321.

	Fiscal Year Ended September 30, 2023					
(in thousands)	U.S. Pawn	Latin America Pawn	Other Investments	Total Segments	Corporate Items	Consolidated
Revenues:						
Merchandise sales	$ 432,578	$ 182,868	$ —	$ 615,446	$ —	$ 615,446
Jewelry scrapping sales	43,305	6,223	—	49,528	—	49,528
Pawn service charges	285,919	97,853	—	383,772	—	383,772
Other revenues	119	121	55	295	—	295
Total revenues	761,921	287,065	55	1,049,041	—	1,049,041
Merchandise cost of goods sold	267,874	126,905	—	394,779	—	394,779
Jewelry scrapping cost of goods sold	37,709	6,715	—	44,424	—	44,424
Gross profit	456,338	153,445	55	609,838	—	609,838
Segment and corporate expenses (income):						
Store expenses	299,319	119,255	—	418,574	—	418,574
General and administrative	—	(3)	—	(3)	67,532	67,529
Impairment of other assets	—	—	—	—	4,343	4,343
Depreciation and amortization	10,382	9,191	—	19,573	12,558	32,131
Loss (gain) on sale or disposal of assets and other	115	(289)	—	(174)	382	208
Other income	—	(5,097)	—	(5,097)	—	(5,097)
Interest expense	—	—	—	—	16,456	16,456
Interest income	(2)	(1,139)	(1,500)	(2,641)	(4,829)	(7,470)
Equity in net loss of unconsolidated affiliates	—	—	28,459	28,459	—	28,459
Other (income) expense	—	(131)	31	(100)	3,172	3,072
Segment contribution	$ 146,524	$ 31,658	$ (26,935)	$ 151,247		
Income (loss) before income taxes				$ 151,247	$ (99,614)	$ 51,633

(in thousands)	U.S. Pawn	Latin America Pawn	Other Investments	Total Segments	Corporate Items	Consolidated
	Fiscal Year Ended September 30, 2022					
Revenues:						
Merchandise sales	$ 391,958	$ 140,928	$ —	$ 532,886	$ —	$ 532,886
Jewelry scrapping sales	25,739	6,294	—	32,033	—	32,033
Pawn service charges	240,982	79,883	—	320,865	—	320,865
Other revenues	83	247	111	441	—	441
Total revenues	658,762	227,352	111	886,225	—	886,225
Merchandise cost of goods sold	230,241	99,141	—	329,382	—	329,382
Jewelry scrapping cost of goods sold	22,755	5,941	—	28,696	—	28,696
Gross profit	405,766	122,270	111	528,147	—	528,147
Segment and corporate expenses (income):						
Store expenses	266,114	91,303	—	357,417	—	357,417
General and administrative	—	—	—	—	64,342	64,342
Depreciation and amortization	10,552	7,913	—	18,465	13,675	32,140
Loss (gain) on sale or disposal of assets	51	(37)	—	14	(688)	(674)
Interest expense	—	—	—	—	9,972	9,972
Interest income	(2)	(815)	—	(817)	—	(817)
Equity in net income of unconsolidated affiliates	—	—	(1,779)	(1,779)	—	(1,779)
Other (income) expense	—	(148)	52	(96)	(71)	(167)
Segment contribution	$ 129,051	$ 24,054	$ 1,838	$ 154,943		
Income (loss) before income taxes				$ 154,943	$ (87,230)	$ 67,713

(in thousands)	U.S. Pawn	Latin America Pawn	Other Investments	Total Segments	Corporate Items	Consolidated
	Fiscal Year Ended September 30, 2021					
Revenues:						
Merchandise sales	$ 341,495	$ 101,303	$ —	$ 442,798	$ —	$ 442,798
Jewelry scrapping sales	15,260	10,765	—	26,025	—	26,025
Pawn service charges	196,721	63,475	—	260,196	—	260,196
Other revenues	105	7	420	532	—	532
Total revenues	553,581	175,550	420	729,551	—	729,551
Merchandise cost of goods sold	191,039	66,179	—	257,218	—	257,218
Jewelry scrapping cost of goods sold	13,001	9,847	—	22,848	—	22,848
Gross profit	349,541	99,524	420	449,485	—	449,485
Segment and corporate expenses (income):						
Store expenses	253,344	77,493	—	330,837	—	330,837
General and administrative	—	—	—	—	56,495	56,495
Depreciation and amortization	10,650	7,371	—	18,021	12,651	30,672
Gain (loss) on sale or disposal of assets	27	(6)	—	21	62	83
Other charges	—	229	—	229	—	229
Interest expense	—	—	—	—	22,177	22,177
Interest income	—	(2,016)	—	(2,016)	(461)	(2,477)
Equity in net loss of unconsolidated affiliates	—	—	(3,803)	(3,803)	—	(3,803)
Other (income) expense	—	(840)	(173)	(1,013)	223	(790)
Segment contribution	$ 85,520	$ 17,293	$ 4,396	$ 107,209		
Income (loss) before income taxes				$ 107,209	$ (91,147)	$ 16,062

The following table presents separately identified segment assets:

(in thousands)	U.S. Pawn	Latin America Pawn	Cash Converters	Other Investments	Corporate	Total
Assets as of September 30, 2023						
Pawn loans	$ 190,624	$ 55,142	$ —	$ —	$ —	$ 245,766
Pawn service charges receivable, net	34,318	4,567	—	—	—	38,885
Inventory, net	128,901	37,576	—	—	—	166,477
Total assets	984,539	313,164	10,987	52,720	106,301	1,467,711
Assets as of September 30, 2022						
Pawn loans	$ 163,484	$ 46,525	$ —	$ —	$ —	210,009
Pawn service charges receivable, net	29,441	4,035	—	—	—	33,476
Inventory, net	114,951	36,664	—	—	—	151,615
Total assets	872,959	258,702	37,733	3,601	174,883	1,347,878

The following tables provide geographic information:

	Fiscal Year Ended September 30,		
(in thousands)	2023	2022	2021
Revenues:			
United States	$ 761,921	$ 658,762	$ 553,581
Mexico	223,765	173,122	128,773
Other Latin America	63,300	54,230	46,777
Canada and other	55	111	420
Total revenues	$ 1,049,041	$ 886,225	$ 729,551

	September 30,	
(in thousands)	2023	2022
Property and equipment, net:		
United States	$ 37,695	$ 32,594
Mexico	24,033	$ 19,805
Other Latin America	6,368	$ 4,326
Property and equipment, net	$ 68,096	$ 56,725

NOTE 15: SUPPLEMENTAL CONSOLIDATED FINANCIAL INFORMATION

Supplemental Consolidated Financial Information

The following table provides information on net amounts included in our Consolidated Balance Sheets:

(in thousands)	September 30, 2023	September 30, 2022
Gross pawn service charges receivable	$ 50,881	$ 44,192
Allowance for uncollectible pawn service charges receivable	(11,996)	(10,716)
Pawn service charges receivable, net	$ 38,885	$ 33,476
Gross inventory	$ 169,138	$ 153,673
Inventory reserves	(2,661)	(2,058)
Inventory, net	$ 166,477	$ 151,615
Prepaid expenses and other	$ 4,106	$ 8,336
Accounts receivable, notes receivable and other	30,548	8,435
Income taxes prepaid and receivable	4,969	17,923
Prepaid expenses and other current assets	$ 39,623	$ 34,694
Accounts payable	$ 23,022	$ 24,056
Accrued payroll	11,472	8,365
Incentive accrual	18,544	17,403
Other payroll related expenses	5,262	9,592
Accrued sales and VAT taxes	5,565	7,279
Accrued income taxes payable	2,628	2,663
Other current liabilities	15,112	15,151
Account payable, accrued expenses and other current liabilities	$ 81,605	$ 84,509
Unrecognized tax benefits, non-current	$ 2,226	$ 2,241
Other non-current liabilities	8,276	6,508
Other long-term liabilities	$ 10,502	$ 8,749

Valuation and Qualifying Accounts

The following table provides information on our valuation and qualifying accounts not disclosed elsewhere:

(in thousands)	Balance at Beginning of Period	Charged to Expense	Deductions	Balance at End of Period
Allowance for valuation of inventory:				
Year Ended September 30, 2023	$ 2,058	$ 603	$ —	$ 2,661
Year Ended September 30, 2022	4,311	—	2,253	2,058
Year Ended September 30, 2021	12,314	—	8,003	4,311
Allowance for uncollectible pawn service charges receivable:				
Year Ended September 30, 2023	$ 10,716	$ 1,280	$ —	$ 11,996
Year Ended September 30, 2022	8,023	2,693	—	10,716
Year Ended September 30, 2021	6,679	1,344	—	8,023
Allowance for valuation of deferred tax assets:				
Year Ended September 30, 2023	$ 17,966	$ 311	$ 1,392	$ 16,885
Year Ended September 30, 2022	19,135	660	1,829	17,966
Year Ended September 30, 2021	18,524	611	—	19,135

The following table provides supplemental disclosure of Consolidated Statements of Cash Flows information:

(in thousands)	Fiscal Year Ended September 30, 2023	2022	2021
Supplemental disclosure of cash flow information			
Cash and cash equivalents	$ 220,595	$ 206,028	$ 253,667
Restricted cash	8,373	8,341	9,957
Total cash and cash equivalents and restricted cash	$ 228,968	$ 214,369	$ 263,624
Cash paid during the period for interest	$ 11,143	$ 8,230	$ 8,230
Cash paid during the period for income taxes, net	$ 11,415	$ 15,899	$ 3,696
Non-cash investing and financing activities:			
Pawn loans forfeited and transferred to inventory	$ 330,947	$ 300,487	$ 212,756
Transfer of consideration for other investment	—	1,500	—
Transfer of equity consideration for acquisition	99	—	1,545
Acquisition earn-out contingency	2,000	—	4,608
Accrued acquisition consideration	1,412	—	1,986

NOTE 16: SUBSEQUENT EVENTS

In October 2023, we contributed an additional $15.0 million to Founders associated with our preferred equity interest, bringing our total equity investment in Founders to $45.0 million. Additionally, the interest rate on our $15.0 million demand promissory note from Founders was increased to 15.00% per annum.

In October 2023, we received a cash dividend of $1.7 million from Cash Converters.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) are designed to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures.

In connection with the preparation of this Annual Report on Form 10-K, our management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of September 30, 2023. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of September 30, 2023. We believe the consolidated financial statements included in this Annual Report on Form 10-K fairly present, in all material respects, our financial position, results of operations, stockholders' equity and cash flows as of the dates, and for the periods, presented in conformity with GAAP.

Management's Report on Internal Control Over Financial Reporting

Management, under the supervision of the Chief Executive Officer and the Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting and for the assessment of the effectiveness of our internal control over financial reporting. Internal control over financial reporting (as defined in Rules 13a-15(f) and 15d(f) under the Exchange Act) is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with U.S. GAAP. Internal control over financial reporting includes those policies and procedures that (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets, (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP, (c) provide reasonable assurance that receipts and expenditures are being made only in accordance with appropriate authorization of management and the Board of Directors, and (d) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets that could have a material effect on the financial statements.

In connection with the preparation of this Annual Report on Form 10-K, our management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, conducted an assessment of the effectiveness of our internal control over financial reporting as of September 30, 2023 based on the criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on that assessment, our Chief Executive Officer and Chief Financial Officer concluded that our internal control over financial reporting was effective as of September 30, 2023.

Our internal control over financial reporting as of September 30, 2023 has been audited by our independent registered public accounting firm, as stated in their report appearing below.

Changes in Internal Control Over Financial Reporting

During the fourth quarter of fiscal 2023, there were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) that, in the aggregate, have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Internal Controls

Notwithstanding the foregoing, management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system will be met. Limitations inherent in any control system include the following:

- Judgments in decision-making can be faulty, and control and process breakdowns can occur because of simple errors or mistakes.
- Controls can be circumvented by individuals, acting alone or in collusion with others, or by management override.
- The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.
- Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with associated policies or procedures.
- The design of a control system must reflect the fact that resources are constrained, and the benefits of controls must be considered relative to their costs.

Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected.

Report of Independent Registered Public Accounting Firm

Stockholders and Board of Directors
EZCORP, Inc.
Rollingwood, Texas

Opinion on Internal Control over Financial Reporting

We have audited EZCORP, Inc.'s (the "Company's") internal control over financial reporting as of September 30, 2023, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "COSO criteria"). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of September 30, 2023, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated balance sheets of the Company as of September 30, 2023 and 2022, the related consolidated statements of operations, comprehensive income, stockholders' equity, and cash flows for each of the three years in the period ended September 30, 2023, and the related notes and our report dated November 15, 2023 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Item 9A, Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit of internal control over financial reporting in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ BDO USA, P.C.

Dallas, Texas
November 15, 2023

ITEM 9B. OTHER INFORMATION

Insider Trading Arrangements

No director or executive officer adopted, modified or terminated any contract, instruction, written plan or other trading arrangement relating to the purchase or sale of Company securities during the fourth quarter of fiscal 2023.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Board of Directors

Set forth below are the names of the persons who, as of November 1, 2023, constituted our Board of Directors and their ages and committee assignments as of that date:

Name	Age	Committees
Matthew W. Appel	67	Audit, People and Compensation, Nominating (Chair), Lead Independent Director
Zena Srivatsa Arnold	45	Audit, People and Compensation, Nominating
Phillip E. Cohen (Executive Chairman)	76	—
Lachlan P. Given	46	—
Jason A. Kulas	52	—
Pablo Lagos Espinosa	68	Audit, People and Compensation (Chair), Nominating
Gary L. Tillett	64	Audit (Chair), People and Compensation, Nominating

Director Qualifications — The Board believes that individuals who serve on the Board of Directors should have demonstrated notable or significant achievements in business, education or public service; should possess the requisite intelligence, education and experience to make a significant contribution to the Board and bring a range of skills, diverse perspectives and backgrounds to its deliberations; and should have the highest ethical standards, a strong sense of professionalism and intense dedication to serving the interests of our stockholders. The following are qualifications, experience and skills for Board members which are important to our business and its future:

- *Leadership Experience* — Our directors should demonstrate extraordinary leadership qualities. Strong leaders bring vision, strategic agility, diverse and global perspectives and broad business insight to the company. They demonstrate practical management experience, skills for managing change and deep knowledge of industries, geographies and risk management strategies relevant to our business. They have experience in identifying and developing the current and future leaders of the company.
- *Finance Experience* — We believe that all directors should possess an understanding of finance and related reporting processes.
- *Strategically Relevant Experience* — Our directors should have business experience that is relevant to our strategic goals and objectives, including geographical and product expansion. We value experience in our high priority growth areas, including new or expanding geographies or customer segments and existing and new technologies; understanding of our business environments; and experience with, exposure to or reputation among a broad subset of our customer base.
- *Government Experience* — Our business is subject to a variety of legislative and regulatory risks. Accordingly, we value experience in the legislative, judicial or regulatory branches of government or government relations.

Board Diversity — The following table summarizes the gender and demographic diversity of our Board of Directors:

Board Diversity Matrix (as of November 1, 2023)				
Total number of Directors	7			
	Female		**Male**	
Gender Identity	1	14%	6	86%
Demographic Background:				
Asian	1	14%		
Hispanic or Latinx			1	14%
White			5	72%

Biographical Information — Set forth below is current biographical information about our directors, including the qualifications, experience and skills that make them suitable for service as a director.

- *Matthew W. Appel* — Mr. Appel joined EZCORP as a director in January 2015. He is the Lead Independent Director (and, as such, serves as Chair of the Nominating Committee) and is a member of the Audit Committee and the People and Compensation Committee. Mr. Appel spent 37 years in finance, administration and operations roles with a variety of companies, most recently Zale Corporation, an NYSE listed jewelry retailer, where he served as Chief Financial Officer from May 2009 to May 2011 and Chief Administrative Officer from May 2011 to July 2014 and co-led the successful turnaround of the company. Prior to joining Zale, Mr. Appel was Chief Financial Officer of EXL Service Holdings, Inc., a NASDAQ listed business process solutions company (February 2007 to May 2009); spent four years (February 2003 to February 2007) at Electronic Data Systems Corporation, serving as Vice President, Finance and Administration BPO and Vice President, BPO Management; and held a variety of finance and operations roles from 1984 to 2003 at Tenneco Inc., Affiliated Computer Services, Inc. and PricewaterhouseCoopers. Mr. Appel began his professional career with Arthur Andersen & Company, working there from 1977 to 1984. He received an MBA in Accounting from the Rutgers University Graduate School of Business in 1977 and a Business Administration degree from Rutgers College in 1976. Mr. Appel is a Certified Public Accountant and a Certified Management Accountant.

  Director qualifications: leadership, chief financial officer and executive management experience; broad business and strategically relevant experience; retail management experience; financial experience, including accounting, tax and financial reporting; experience in developing growth strategies; personnel development.

- *Zena Srivatsa Arnold* — Ms. Arnold has been a director since May 2019. She is a member of the Audit Committee, the People and Compensation Committee and the Nominating Committee. Ms. Arnold has over 20 years of experience in marketing, brand management, strategy development and business operations. She serves as Chief Marketing Officer at Sephora, one of the world's largest luxury cosmetic brands that is part of the Moet Hennessy Louis Vuitton conglomerate. Prior to joining Sephora in May 2023, she was Senior Vice President, Carbonated Soft Drinks, at PepsiCo., Inc., where she oversaw the brand and business for the Carbonated Soft Drink portfolio in North America, including some of the company's largest brands such as Pepsi and Mountain Dew. Prior to joining PepsiCo in March 2022, she was the Chief Digital and Marketing Officer of Kimberly-Clark Corporation, a global personal care and consumer products company (April 2020 to March 2022), and spent six years with Google, serving as Global Head of Growth for Chromebook (May 2019 to March 2020); General Manager, US Chromebooks (March 2018 to May 2019); Global Head of Marketing, Chromebooks and IoT (November 2016 to March 2018); Head of Americas Marketing, Google Play (April 2015 to October 2016); and Head of NA Marketing, Google Play (October 2013 to April 2015). Prior to joining Google, Ms. Arnold spent over nine years in various brand management positions with Kellogg Company (August 2010 to October 2013) and Procter & Gamble (April 2004 to August 2010). Ms. Arnold began her professional career at General Electric Corporation, where she served as Product Manager, Server Solutions for GE Capital IT Solutions (April 2002 to April 2004). Ms. Arnold received a Bachelor of Science degree in Computer Science, with a minor in Business Marketing, from The Ohio State University. She was recognized in 2014 as one of Brand Innovators "40 Under 40," and has received numerous other professional awards and recognitions. Ms. Arnold also serves on the board of directors of Lancaster Colony Corporation (NASDAQ: LANC).

  Director qualifications: leadership, executive management experience; broad business and strategically relevant experience; experience in developing growth strategies.

- *Phillip E. Cohen* — Mr. Cohen has been a member of the Board of Directors and the Executive Chairman since September 2019. He has been an owner of, and advisor to, the Company for over 30 years. He acquired the Company in 1989 and took it public in 1991 with an initial public offering of Class A Non-Voting Common Stock. Mr. Cohen has 50 years of investment banking and financial advisory experience with a variety of firms, including Kuhn Loeb & Co. Incorporated (1973-1977), Lehman Brothers Kuhn Loeb Incorporated (1977-1979), The First Boston Corporation (1980), Oppenheimer & Co, Inc. (1980-1984), Morgan Schiff & Co., Inc. (1984-Present) and Madison Park LLC (2004 to Present). Mr. Cohen received a Bachelor of Commerce degree from the University of Melbourne and a Masters of Business Administration from Harvard University. Mr. Cohen is the sole stockholder of MS Pawn Corporation, which is the general partner of MS Pawn Limited Partnership, the owner of 100% of the outstanding shares of our Class B Voting Common Stock.

  Director qualifications: leadership; broad business and strategically relevant experience; retail management experience; financial experience; international experience and global perspective; industry knowledge; experience in developing growth strategies. Further, Mr. Cohen has deep knowledge of the Company and its opportunities and challenges spanning multiple economic cycles.

  Lachlan P. Given — Mr. Given is our Chief Executive Officer and a director, having been appointed to that role, and elected to the Board of Directors, in March 2022, after serving as Co-Interim Chief Executive Officer since January 2022. From September 2020 to January 2022, he was Chief Strategy, M&A and Funding Officer, with responsibility for overseeing the Company's strategic planning; mergers, acquisitions and strategic investments; and capital market and institutional funding activities. From September 2019 to September 2020, he was the Chief M&A and Strategic Funding Officer. He previously served on the Board of Directors from July 2014 to September 2019, holding the position of Non-Executive Chairman (July 2014 to August 2014), Executive Vice Chairman (August 2014 to February 2015) and Executive Chairman (February 2015 to September 2019). Before joining the Company as an executive, Mr. Given provided financial and advisory services to the Company through his own business and financial advisory firm and as a consultant to Madison Park LLC, which is wholly owned by Phillip E. Cohen, who is the beneficial owner of all of our Class B Voting Common Stock. Mr. Given is also a director of The Farm Journal Corporation, a 135-year old pre-eminent U.S. agricultural media company; Senetas Corporation Limited (ASX: SEN), a developer and manufacturer of certified, defense-grade encryption solutions; CANSTAR Pty Ltd, an Australian financial services ratings and research firm; and Cash Converters International Limited (ASX: CCV). Mr. Given began his career working in the investment banking and equity capital markets divisions of Merrill Lynch in Hong Kong and Sydney, Australia, where he specialized in the origination and execution of a variety of M&A, equity, equity-linked and fixed income transactions.

- *Jason A. Kulas* — Mr. Kulas is a member of the Board of Directors and holds the position of Vice Chairman and Chief Financial Officer of Exeter Finance LLC. a leading indirect auto finance company. He is a former EZCORP executive, having served as Chief Executive Officer from July 2020 to January 2022 when he left to join Exeter Finance, and President and Chief Financial Officer from February 2020 to July 2020. He first became associated with EZCORP in April 2019 when he was appointed as an independent member of the Board of Directors. While an independent director, he served on the Audit Committee and the Nominating Committee. Mr. Kulas resigned from the Board of Directors when he joined the Company as an executive in February 2020, and was reappointed to the Board in connection with his appointment as Chief Executive Officer. Prior to joining the Company as an executive, Mr. Kulas spent over 25 years in financial analysis, investment banking and executive-level finance and operations roles with a variety of companies, most recently Santander Consumer USA Inc., a NYSE-listed auto finance company, where he served as Chief Executive Officer and a director from 2015 to 2017, President from 2013 to 2015, Chief Financial Officer from 2007 to 2015 and a director from 2007 to 2012. Prior to joining Santander Consumer USA, Mr. Kulas was a Managing Director in Investment Banking with J.P. Morgan Chase & Co. (1995 to 2007), where he managed JPMorgan's South Region investment banking office. He has also served as an Adjunct Professor of Marketing at Texas Christian University (1997 to 1999); Securities Analyst at William C. Connor Foundation – TCU Educational Investment Fund (1994 to 1995); and an intern and Financial Analyst at Dun & Bradstreet (1993 to 1995). Mr. Kulas received an MBA with a concentration in Finance and Marketing from Texas Christian University in 1995 and a Bachelor of Arts degree from Southern Methodist University in 1993. He currently serves as an advisor to Warburg Pincus International LLC. He has been involved in a variety of civic and philanthropic activities, including the Salesmanship Club of Dallas, Momentous Institute, Exchange Club of East Dallas, Dallas Citizens Council, Baylor Scott & White Dallas Foundation and Art House Dallas.

  Director qualifications: leadership, chief executive officer, chief financial officer and executive management experience; broad business and strategically relevant experience; financial experience; experience in developing growth strategies; personnel development.

- *Pablo Lagos Espinosa* — Mr. Lagos joined EZCORP as a director in October 2010. He is Chair of the People and Compensation Committee and a member of the Audit Committee and Nominating Committee. Mr. Lagos served as President and Chief Executive Officer of Pepsi Bottling Group Mexico from 2006 to 2008 and as its Chief Operating Officer from 2003 to 2006. He previously held various executive management positions with Pepsi Bottling Group, PepsiCo Inc., Unilever Mexico and PepsiCola International, Inc., concentrating exclusively in Latin America. Since his retirement in December 2008, Mr. Lagos has been an investor and consultant in various private business ventures and has served as a keynote speaker on organizational leadership and management. He currently serves as Chairman of the board of Casa del Parque, a privately held enterprise focused on developing senior living residences in Mexico. He is also a member of the Mexican Advisory Board for Niagara Waters, a leading manufacturer of bottled water in the U.S. and Mexico. He received a Bachelor of Science degree in Industrial & Systems Engineering from Instituto Technológico de Monterrey, Master of Science degrees in Industrial Engineering and Operations Research and an MBA from Stanford University.

  Director qualifications: leadership, chief executive officer and executive management experience in significant multi-national environments; deep understanding of strategically important geographies and international markets; risk management experience; financial experience; experience in developing, implementing and managing strategic plans, including international expansion; personnel development; legislative and government relations experience.

- *Gary L. Tillett* — Mr. Tillett has been a director since April 2019 and serves as Chair of the Audit Committee and a member of the People and Compensation Committee and the Nominating Committee. He has more than 40 years of experience in public accounting and business management. He spent 31 years at PricewaterhouseCoopers, where he progressed from entry-level staff to senior partner serving a variety of businesses in the Insurance Practice, the Transaction Services Practice and the U.S. Financial Services Practice. From 2005 to 2010, he was the Transactions Services Leader of the firm's U.S. Financial Services Practice, leading a newly assembled team of professionals providing service to clients pursuing transactions in the financial services sector. At the time of his retirement from PwC in 2014, he was the Transaction Services Leader of the firm's New York Metro Practice, where he led teams advising clients on complex transactions, including structuring, due diligence, valuation and financial reporting. Mr. Tillett left PwC in 2014 to take the role of Executive Vice President and Chief Financial Officer of Walter Investment Management Corp., then a publicly traded independent originator and servicer of residential mortgage loans. Walter Investment Management Corp. initiated Chapter 11 bankruptcy proceedings in November 2017 and successfully completed a financial restructuring plan in February 2018 and changed its name to Ditech Holding Corp. Mr. Tillett retired from his position in February 2018 after assisting with the development and execution of the financial restructuring plan. From January 2020 through June 2022, Mr. Tillett assisted a private mortgage servicing company in a financial consulting role. Mr. Tillett received an MBA from the Manchester Business School at the University of Manchester and a Bachelor of Science degree with an emphasis in Accounting from the University of Texas at Dallas. He is a Certified Public Accountant.

  Director qualifications: leadership, chief financial officer and executive management experience; broad business and strategically relevant experience; financial experience, including accounting, tax and financial reporting; personnel development.

Executive Officers

Set forth below are the name, age and position of each of the persons serving as our executive officers as of November 1, 2023:

Name	Age	Title
Phillip E. Cohen	76	Executive Chairman
Lachlan P. Given	46	Chief Executive Officer
Ellen Bryant	51	Chief Legal Officer and Secretary
Timothy K. Jugmans	47	Chief Financial Officer
John Blair Powell, Jr.	55	Chief Operating Officer
Keith Robertson	59	Chief Information Officer
Sunil Sajnani	43	Chief Audit and Loss Prevention Executive
Nicole Swies	45	Chief Revenue Officer
Lisa VanRoekel	54	Chief Human Resources Officer

Set forth below is current biographical information about our executive officers, except for Mr. Cohen and Mr. Given, whose biographical information is included under "Board of Directors" above.

Ellen Bryant — Ms. Bryant serves as Chief Legal Officer and Secretary, having been promoted to that position in January 2023 after having served as Vice President and Deputy General Counsel. Ms. Bryant joined the Company in January 2004 as Associate General Counsel and has held legal roles of increasing responsibility through August 2015, when she was promoted to Deputy General Counsel. During her tenure with the Company, Ms. Bryant has been primarily responsible for legal support of the Company's pawn segments, with experience in the U.S. and Mexico, mergers and acquisitions, financial services, compliance, and general corporate matters. Prior to joining the Company, Ms. Bryant was a Staff Attorney with the Texas Automobile Dealers Association. She received a Bachelor of Arts degree from the University of Texas at Austin and a J.D. degree from the University of Houston Law Center and has been a member of the Texas State Bar since November 1998.

Timothy K. Jugmans — Mr. Jugmans serves as Chief Financial Officer, having been appointed to that role in May 2021. He served as Interim Chief Financial Officer from September 2020 to May 2021. Prior to that, he served as Vice President, Treasury and M&A since December 2016 and as a consultant to EZCORP performing similar duties since March 2015. From January 2015 to December 2016, Mr. Jugmans was a principal of Selene Partners Inc., a financial consulting firm providing strategic advice and other business services to a variety of clients, including the Company and Morgan Schiff & Co., Inc. He served as the Chief Financial Officer of Morgan Schiff from April 2013 to December 2014, and was Chief Financial Officer of ShippingEasy, Inc. from July 2011 to April 2013. From April 2005 to June 2012, Mr. Jugmans was a Corporate Advisor at Lexicon Partners Pty Limited, an independent corporate advisory and consulting firm based in Sydney, Australia. He served in various analyst and senior analyst positions at boutique investment banks for seven years prior to that. Mr. Jugmans received a Bachelor of Business degree with a major in Finance and a minor in Mathematics from the University of Technology in Sydney. He serves as non-executive Chairman of the Board of Cash Converters International Limited (ASX:CCV), having been appointed to that position in April 2022. From April 2015 to April 2021, he served as a non-executive board member and Chairman of Ratecity Pty Ltd., which operates one of Australia's leading financial comparison sites.

John Blair Powell, Jr. — Mr. Powell serves as Chief Operating Officer and has responsibility for store-level operations for all of the Company's locations worldwide. He joined EZCORP in 1989 as a pawnbroker in Houston, Texas, and during his 30+-year tenure at EZCORP, has held all field level positions, from store level to multi-unit management positions, including Regional Director of Operations. He moved into Operations at the Corporate Support Center in 2000 and was our top Operations Administration executive for the 13 years, most recently serving as Chief Customer Service Officer for Global Pawn. Mr. Powell was named President, US Pawn in September 2020 and was promoted to President, Global Pawn in October 2021. He served as Co-Interim Chief Executive Officer from January 2022 to March 2022, when he was appointed Chief Operating Officer.

Keith Robertson — Mr. Robertson is our Chief Information Officer. He joined the Company in October 2018 as Senior Vice President, Global IT and New Ventures, and was promoted to his current position in November 2019. Prior to joining the Company, he spent seven years at AIG, working on a global transformation of the IT systems, facilities and workforce. From 1989 until 2011, Mr. Robertson worked at EDS/HP, last serving as the Chief Operating Officer for the Financial Services division, where he led IT programs supporting Bank of America, American Express, State Farm and others. Mr. Robertson grew up in Scotland and attended Heriot-Watt University in Edinburgh, where he graduated with an Honors degree in Electrical and Electronic Engineering.

Sunil Sajnani — Mr. Sajnani joined the Company in April 2020 and serves as Chief Audit and Loss Prevention Executive. Prior to joining the Company, he spent six years at Santander Consumer USA in multiple leadership roles, initially as Chief Audit Executive and most recently as Executive Vice President, Head of Digital, Direct to Consumer and Service for Others. Prior to Santander Consumer, Mr. Sajnani held a variety of management positions at Conn's, Inc., most recently serving as the Head of Internal Audit, Enterprise Risk Management and Regulatory Compliance. He began his career with PricewaterhouseCoopers in Transaction Advisory Services, mainly serving large banks and specialty finance institutions. Mr. Sajnani received a bachelor's degree in Financial Economics from the University of Michigan at Ann Arbor and a master's degree in accounting from Eastern Michigan University. He is a Certified Public Accountant and a Certified Regulatory Compliance Manager.

Nicole Swies — Ms. Swies is our Chief Revenue Officer, responsible for global operations administration and earning assets. Ms. Swies joined EZCORP in November 2002 as a Financial Analyst and has worked in various finance and analytics positions primarily supporting operations in the U.S. and Latin America pawn segments and the legacy Financial Services businesses. She served as Chief Revenue and Operations Officer, with additional responsibility for digital initiatives and marketing, from September 2020 to March 2022, when her title was changed to Chief Revenue Officer. Ms. Swies is a member of the Community Advisory Council for the Ronald McDonald House Charities of Central Texas and serves on the finance committee of ConnectHer, a global non-profit organization dedicated to improving the lives of women and girls through projects, stories and film. She earned her Bachelor of Business Administration in finance from the University of Texas at Austin.

Lisa VanRoekel — Ms. VanRoekel is the Chief Human Resources Officer, having joined the Company in January 2021. In March 2022, she was assigned the additional responsibility of overseeing the Company's Real Estate and Facilities team. Prior to joining the Company, Ms. VanRoekel spent 19 years in expanding roles with Grupo Santander, one of the world's largest international banks serving over 100 million customers with 187,000 employees. As an expert leading cultural change and innovative large-scale organizational transformation, Ms. VanRoekel led the Human Resources functions at Santander Digital (USA, Spain and UK), Santander Consumer USA and Santander Bank, N.A. Her most recent role with Grupo Santander was Group Vice President: Human Resources at Santander Digital, where she was responsible for successfully building digital and innovation talent across the U.S., Europe and Latin America. Prior to joining Grupo Santander, she was Director of Human Resources at Allied Riser Communications. Ms. VanRoekel holds B.S. and M.S. degrees in Journalism from Texas A & M Commerce (formerly East Texas State University).

Section 16(a) Beneficial Ownership Reporting Compliance

Based on written representations and a review of the relevant Forms 3, 4 and 5, during fiscal 2023 all persons subject to Section 16 of the Securities Exchange Act of 1934 with respect to EZCORP timely filed all reports required by Section 16(a) of the Securities Exchange Act, except for the Form 4 reporting the August 22, 2023 sale of 2,250 shares of Class A Common Stock by Nicole Swies (an executive officer), which was filed on October 18, 2023. The delinquent filing was inadvertent and resulted from a delay in the receipt of information regarding the transaction.

Code of Conduct

We maintain a Code of Conduct that is applicable to all of our Team Members, including our chief executive officer, chief financial officer and chief accounting officer. That Code of Conduct, which satisfies the requirements of a “code of ethics” under applicable SEC rules, contains written standards that are designed to deter wrongdoing and to promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest; full, fair, accurate, timely and understandable public disclosures and communications, including financial reporting; compliance with applicable laws, rules and regulations; prompt internal reporting of violations of the code, and accountability for adherence to the code. A copy of the Code of Conduct is posted in the Investor Relations section of on our website at www.ezcorp.com

We will post any waivers of the Code of Conduct, or amendments thereto, that are applicable to our chief executive officer, our chief financial officer or chief accounting officer in the Investor Relations section of our website at www.ezcorp.com. To date, there have been no such waivers.

Corporate Governance

Controlled Company Exemptions — The Nasdaq Listing Rules contain several corporate governance requirements for Nasdaq-listed companies. These requirements generally relate to the composition of the board and its committees. For example, the rules require the following:

- A majority of the directors must be independent (Rule 5605(b)(1));
- The audit committee must have at least three members, each of whom must be independent (Rule 5605(c)(2));
- Executive officer compensation must be determined, or recommended to the board of directors for determination, by either (1) a majority of the independent directors or (2) a compensation committee comprised solely of independent directors (Rule 5605(d)); and
- Director nominations must be selected, or recommended for the board’s selection, by either (1) a majority of the independent directors or (2) a nominations committee comprised solely of independent directors (Rule 5605(e)).

Rule 5615(c)(2), however, provides that a “Controlled Company” is exempt from the requirement to have a majority of independent directors and from the requirements to have independent director oversight over executive compensation and director nominations. The Listing Rules define a “Controlled Company” as a company of which more than 50% of the voting power for the election of directors is held by an individual, a group or another company. EZCORP is a “Controlled Company” within this meaning by virtue of the fact that 100% of the outstanding Class B Voting Common Stock (the only class of voting securities outstanding) is held of record solely by MS Pawn Limited Partnership and beneficially by Phillip E. Cohen.

The Company has relied on the Controlled Company exemptions in the past, but is not currently relying on such exemptions. The controlling shareholder or the Board may implement changes in the future that would again require the Company to rely on the Controlled Company exemptions under the Nasdaq Listing Rules.

Committees of the Board of Directors — The Board of Directors maintains the following committees to assist it in its oversight responsibilities. The current membership of each committee is indicated in the list of directors set forth under “Board of Directors” above.

- *Audit Committee* **—** The Audit Committee assists the Board in fulfilling its responsibility to provide oversight with respect to our financial statements and reports and other disclosures provided to stockholders, the system of internal controls, the audit process and legal and ethical compliance. Its duties include reviewing the scope and adequacy of our internal and financial controls and procedures; reviewing the scope and results of the audit plans of our independent and internal auditors; reviewing the objectivity, effectiveness and resources of the internal audit function; and appraising our financial reporting activities and the accounting standards and principles followed. The Audit Committee also selects, engages, compensates and oversees our independent auditor and pre-approves all services to be performed by the independent auditing firm.

The Audit Committee has further responsibility for overseeing our risk management and compliance processes. In carrying out that responsibility, the Audit Committee ensures that adequate policies and procedures have been designed and implemented to (a) manage and monitor significant risks the Company faces, including financial, operational, security, IT and cybersecurity, legal, compliance and regulatory risks; and (b) assure compliance with all applicable laws and regulations, including data privacy requirements.

The Audit Committee is comprised entirely of directors who satisfy the standards of independence described under “Part III, Item 13 — Certain Relationships and Related Transactions, and Director Independence — Director Independence,” as well as additional or supplemental independence standards applicable to audit committee members established under applicable law and Nasdaq listing requirements. The Board has determined that each Audit Committee member meets the Nasdaq “financial literacy” requirement and that Mr. Tillett, Chair of the committee, and Mr. Appel are “financial experts” within the meaning of the current rules of the SEC.

- *People and Compensation Committee* — The People and Compensation Committee has the primary responsibility of reviewing, analyzing and (as appropriate) approving, on behalf of the Board, executive compensation and organizational development matters, and otherwise assisting the Board in its overall responsibility to enable the Company to attract, retain, develop and motivate qualified executives and employees who will contribute to our long-term success. Specific responsibilities and duties include assisting management and the Board in identifying, developing and evaluating potential candidates for senior executive positions; overseeing the development of succession plans for senior executive positions; reviewing and approving (or recommending, as appropriate) amounts and types of compensation to be paid to our executive officers; reviewing and recommending to the full Board the amount and type of compensation to be paid to our non-employee directors; reviewing and recommending to the full Board all equity compensation to be paid to our Team Members (including the executive officers); and advising management with respect to the quality of the workforce to carry out our strategic goals. The People and Compensation Committee is comprised entirely of directors who satisfy the standards of independence described under “Part III, Item 13 — Certain Relationships and Related Transactions, and Director Independence — Director Independence.”

- *Nominating Committee* — The Nominating Committee assists the Board with respect to the selection and nomination of candidates for election or appointment to the Board, including making recommendations to the Board regarding the size and composition of the Board and its committees; recommending to the Board the qualifications needed or required of Board members; identifying and evaluating qualified individuals to become Board members; making recommendations to the full Board regarding the nomination of appropriate candidates; and assessing and monitoring each continuing and prospective director’s independence and qualification to serve on the Board and its committees. The Nominating Committee is comprised entirely of directors who satisfy the standards of independence described under “Part III, Item 13 — Certain Relationships and Related Transactions, and Director Independence — Director Independence.”

Each of three standing committees is governed by a written charter, a copy of which can be found in the Investor Relations section of our website at www.ezcorp.com.

Meetings and Attendance — The following table sets forth the number of meetings held during fiscal 2023 by the Board of Directors and each committee thereof, as well as the number of times during the year that action was taken by unanimous written consent. Our bylaws currently require the unanimous attendance of all directors in order for a quorum to be present at a meeting of the Board of Directors. In addition to the number of official Board meetings noted below, the Board of Directors also held five other meetings that were not considered official meetings of the Board due to the absence of a quorum.

All directors attended at least 75% of the meetings of the Board and of the committees on which they served.

	Fiscal 2023	
	Meetings Held	**Action by Unanimous Written Consent**
Board of Directors	7	5
Audit Committee	4	—
People and Compensation Committee	5	—
Nominating Committee	1	2

In addition, during fiscal 2022, the Board of Directors formed and commissioned a “Share Buyback Committee,” consisting of Mr. Appel, Mr. Given, Mr. Kulas, and Mr. Tillett, for the purpose of reviewing and approving the Company’s share repurchase plans. That committee met a total of four times, and took action once by unanimous written consent, during fiscal 2023.

In connection with the offering and issuance of convertible notes in December 2022, the Board of Directors formed a "Pricing Committee," consisting of Mr. Appel, Mr. Given, Mr. Kulas, and Mr. Tillett, to review and approve on behalf of the Board of Directors the specific terms of the offering. That committee met two times, and took action twice by unanimous written consent, during fiscal 2023.

ITEM 11. EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This Compensation Discussion and Analysis describes our compensation practices and the executive compensation policies, decisions and actions of the People and Compensation Committee of our Board of Directors (the "Committee"). It focuses specifically on compensation earned during fiscal 2023 by the following individuals, referred to as our Named Executive Officers.

Name	Position
Lachlan P. Given	Chief Executive Officer
Timothy K. Jugmans	Chief Financial Officer
Philip E. Cohen	Executive Chairman
John Blair Powell, Jr.	Chief Operating Officer
Lisa VanRoekel	Chief Human Resources Officer

Executive Compensation Philosophy and Program Design

Philosophy and Goals — We have designed our executive compensation program to accomplish the following primary goals:

Attract and retain high performers	• Compensation is competitive to attract and retain high performers • When performance objectives are achieved, resulting pay is competitive with market • When performance is outstanding and exceeds performance objectives, resulting pay is positioned above, and potentially near the top of, the market
Pay for performance	• The majority of compensation is performance-based (short-and long-term) • These performance-based incentives are tied to the achievement of financial and strategic objectives, recognizing company-wide and individual performance
Shareholder alignment	• The value of equity awards is dependent on our stock performance and the achievement of objective financial goals • Equity incentives will have the greatest weight in the mix of variable compensation for executives
Long-term commitment	• Equity incentive awards vest over multiple years to align executives with the investment horizon of long-term shareholders • After vesting, executives are subject to stock ownership requirements

These principles are reflected in the following best-practice features of our executive compensation program:

What We Do	What We Don't Do
☑ Emphasize performance-based variable pay	☒ Generally, no single trigger change-in-control payments
☑ Link significant portion of equity incentive grants to performance goals	☒ No significant perquisites
☑ Require stock retention by executives and directors	☒ No hedging or pledging of Company stock
☑ Perform annual risk assessments	
☑ Retain an independent compensation consultant	
☑ Maintain an incentive clawback policy	

Compensation Components — "Total direct" compensation is composed of four principal components, each one contributing to the accomplishment of our compensation program goals:

Compensation Component	Description	Attract and Retain	Pay for Performance	Shareholder Alignment	Long-term Commitment
Base salary	A market-competitive salary to provide a fixed annual cash income	ü			
Short-term incentives	Annual cash incentive opportunity tied to an assessment of annual corporate and business unit financial performance, as well as individual contributions	ü	ü	ü	
Long-term incentives	Equity incentive grants with vesting tied to achievement of earnings-based goals and continued employment	ü	ü	ü	ü
Executive retirement (US only)	Annual retirement plan contributions that vest over three years	ü			ü

The Committee reviews the executive pay mix on an annual basis. The Committee does not target a fixed percentage allocation among the compensation components, but rather aims to provide the majority of executive officer compensation opportunities in the form of at-risk incentive compensation.

Benchmarking and Peer Group Data

To attract and retain the best executives for key management positions, we provide compensation opportunities that are competitive based on peer group and survey data. We do not target any specific pay percentile for our executive officers. It is important to note, however, that the majority of pay opportunities for our top executives are incentive-based and that actual realizable compensation is heavily dependent upon actual business results. See "Executive Compensation Philosophy and Program Design" above. Failure to achieve targeted results could result in realized compensation being below the competitive benchmarks. Conversely, our incentive compensation programs provide opportunities for compensation to exceed the competitive benchmarks if specified objectives are achieved at targeted levels or higher. The Committee believes that actual realizable compensation for our top executives is well aligned with our performance.

The Committee asks its independent compensation consultant to conduct an annual competitive compensation review to benchmark compensation for executive officers. Mercer (US) Inc. ("Mercer"), the Committee's independent compensation consultant, delivered its Fiscal 2023 Executive Compensation Competitive Market Assessment (the "FY23 Mercer Executive Compensation Report") to the Committee in August 2022 in connection with the Committee's review and evaluation of the executive compensation program and pay levels for fiscal 2023. For that report, Mercer collected competitive pay data for a peer group of 13 publicly traded companies that were reviewed and approved by the Committee in May 2022.

There is only one publicly traded company in the marketplace with which we directly compete, FirstCash Holdings, Inc. As a result, the Committee uses a set of similarly-sized companies from relevant industries that serve similar customer bases, operate in the retail or consumer finance industries and typically have similar operating dynamics as the Company. The Committee believes this approach appropriately reflects the diverse labor market for executive talent in which we compete and presents a reasonable reference for evaluating the competitiveness of our executive compensation levels and practices.

The fiscal 2023 peer group consisted of the following companies:

Peer Company	Stock Symbol	Primary Business
The Aaron's Company, Inc.	AAN	Home Furnishing Retail
Atlanticus Holdings Corporation	ATLC	Consumer Finance
The Cato Corporation	CATO	Apparel Retail
Conn's, Inc.	CONN	Computer and Electronics Retail
CURO Group Holdings Corp.	CURO	Consumer Finance
Elevate Credit, Inc.	ELVT	Consumer Finance
Enova International, Inc.	ENVA	Consumer Finance
FirstCash Holdings, Inc.	FCFS	Consumer Finance — Pawn Operator
LendingClub Corporation	LC	Consumer Finance
MoneyGram International, Inc.	MGI	Data Processing and Outsourced Services — Fintech
Oportun Financial Corporation	OPRT	Consumer Finance
Regional Management Corp.	RM	Consumer Finance
World Acceptance Corporation	WRLD	Consumer Finance

This group was the same as the peer group used in fiscal 2022, except that three companies were dropped (Cardtronics Inc. and GreenSky, Inc. due to their having been acquired, and Rent-A-Center, Inc. due to its revenue size being outside the range of reasonable comparability) and four companies were added (Atlanticus Holdings Corporation and Elevate Credit, Inc. to maintain focus on the Consumer Finance industry, and The Aaron's Company, Inc. and The Cato Corporation to expand exposure to retail companies with comparable business models). When the peer group was approved by the Committee, Mercer noted that the Company was at the 43rd percentile of the peer group in terms of revenue size and at the 19th percentile in terms of market capitalization.

To benchmark our executive compensation, Mercer used peer group data from the most recently available proxy filings (CEO and CFO positions and other executive positions where available) and its own executive compensation survey data (for all executive officer positions). Additional data from other published surveys was used as secondary reference points. (Note — The FY23 Mercer Executive Compensation Report did not include any benchmarking information for the Executive Chairman position, as our Executive Chairman, Mr. Cohen, is subject to a special multi-year compensation arrangement that was approved by the full Board in September 2019 and renewed on the same terms for fiscal 2023. See "Compensation Discussion and Analysis — Summary of Fiscal 2019 Compensation Actions — Executive Chairman" in our Annual Report on Form 10-K for the year ended September 30, 2019.)

The FY23 Mercer Executive Compensation Report contained the following general observations, which the Committee took into consideration in evaluating and approving executive compensation for fiscal 2023:

- Total cash compensation (at target levels) for our executive officers as a group approximates the 62nd percentile, with individual executive officers each approximating or exceeding the 50th percentile.
- Long-term incentive compensation (at target levels) is less competitive at the 30th percentile, with half of our executive officers below the 50th percentile.
- As a whole, total direct compensation (cash compensation plus long-term incentive) for our executive officers is at the 45th percentile, with all but two of the executive officers approximating or exceeding the 50th percentile.
- Relative to the prior year, both long-term incentive compensation and total direct compensation compared to the market have improved slightly, reflecting the Committee's emphasis on long-term compensation.

Components of Compensation and Fiscal 2023 Executive Compensation Actions

Our executive compensation program consists of four main elements: base salaries, short-term cash incentive opportunities, long-term incentive opportunities (generally paid in the form of equity awards) and other benefits, including healthcare and retirement. Each of these components is discussed in more detail below, along with the compensation actions that were taken during fiscal 2023.

Base Salary

Our primary objective with respect to base salary levels is to provide sufficient fixed cash income to attract and retain experienced leaders in a competitive market. The base salaries of our executive officers are reviewed and adjusted (if appropriate) annually to reflect, among other things, individual performance, review of market data, experience in role, macro-economic conditions and internal equity.

The following table shows, for each Named Executive Officer, the base salaries that were in effect for fiscal 2023 and 2022:

Named Executive Officer	Fiscal 2023 Base Salary	Fiscal 2022 Base Salary	Increase
Lachlan P. Given (1)	$ 750,000	$ 750,000	0%
Timothy K. Jugmans (2)	$ 450,000	$ 450,000	0%
Philip E. Cohen	$ 1,500,000	$ 1,500,000	0%
John Blair Powell, Jr. (3)	$ 550,000	$ 550,000	0%
Lisa VanRoekel (4)	$ 410,000	$ 410,000	0%

(1) Mr. Given was appointed Co-Interim Chief Executive Officer effective January 12, 2022 and Chief Executive Officer effective March 3, 2022. The amount shown for fiscal 2022 represents his annualized base salary for the CEO position, which was made effective January 12, 2022.

(2) In September 2021, the Committee approved a base salary for Mr. Jugmans of $420,000 for fiscal 2022 and indicated that it expected to approve a further increase to $450,000 for fiscal 2023 to better align Mr. Jugmans' compensation with the competitive market benchmarks. In February 2022, in recognition of Mr. Jugmans' performance, particularly in the context of the CEO change that occurred in January 2022, the Committee approved a base salary increase to $450,000 (with retroactive effect from January 12, 2022), essentially accelerating the increase planned for fiscal 2023.

(3) In October 2021, the Committee approved a fiscal 2022 base salary for Mr. Powell, who was serving as President, Global Pawn at that time, of $450,000. In January 2022, Mr. Powell was appointed Co-Interim Chief Executive Officer (effective January 12, 2022), and he served in that position with Mr. Given until March 3, 2022, when he was appointed Chief Operating Officer. The amount shown for fiscal 2022 represents the annualized base salary for the COO position, which was made effective January 12, 2022.

(4) In September 2021, the Committee approved a base salary for Ms. VanRoekel of $350,000 for fiscal 2022. In February 2022, in recognition of Ms. VanRoekel's increased responsibilities, the Committee approved a base salary increase to $410,000 (with retroactive effect from January 12, 2022).

In October 2023, the Committee determined that the fiscal 2024 base salaries for the Named Executive Officers would be as follows: Mr,. Given, $750,000 (no increase); Mr. Jugmans, $475,000 (5.6% increase); Mr. Powell, $600,000 (9.1% increase); Mr. Cohen, $1,500,000 (no increase); and Ms. VanRoekel, $410,000 (no increase).

Annual Short-Term Incentive

Our executive officers, as well as other key Team Members, are eligible to participate in our annual short-term incentive ("STI") plan. The plan is designed to provide financial reward contingent on achievement of annual corporate and business unit financial results, as well as personal objectives tied to our strategic goals.

The following is a summary of the terms of the fiscal 2023 STI plan, which the Committee approved in September 2022 after deliberations regarding the appropriate performance measures:

- The fiscal 2023 STI plan provides cash bonus opportunities based on achievement of specified performance goals. The bonus opportunity for each participant was determined based on a designated target amount, a business performance modifier based on the achievement of specified EBITDA-based performance goals for the Company as a whole (consolidated) and each business unit, and an assessment of individual performance.
- Participants were assigned to one of two "STI Incentive Pools" — Consolidated Executive Officer and Consolidated — and the total target amount for each pool equaled the aggregate designated target amount for the participants in that pool. The Consolidated Pool also includes three sub-pools based on individual business unit performance.
- The plan was subject to a "Company Performance Gate," such that no pool would be funded if the Company did not achieve the minimum level of Adjusted EBITDA required for a corporate-level payout.
- If the Company Performance Gate was achieved, then each pool was funded in a range from 0% to 150% of the total target amount assigned to that pool, based on the level of achievement of the applicable performance goal for that pool.
- The performance goal for both the Consolidated Executive Officer pool and the Consolidated pool was based on the consolidated Adjusted EBITDA shown in the Board-approved budget for fiscal 2023 (excluding any impact of our investment in Cash Converters). The threshold level for each pool (i.e, the performance needed to achieve 50% funding) was set at 85% of the designated performance goal for that pool, and the maximum level (i.e., the performance needed to achieve 150% funding) was set at 115% of the designated performance goal. The Company Performance Gate was set at 85% of the consolidated performance goal.
- The Committee retained discretionary authority to make adjustments to the reported EBITDA as it, in its sole discretion, determined to be necessary, appropriate or desirable to take into consideration special events or other circumstances reasonably beyond management's control (referred to as "Adjusted EBITDA").

- Each participant's bonus amount was funded out of their assigned pool based on an evaluation of their individual performance against objectives specified at the beginning of the year. For all participants other than the executive officers, the final bonus amounts were determined by management. For the executive officers (other than the CEO), the final bonus amounts were recommended by the CEO and approved by the Committee. The final bonus amount for the CEO was determined by the Committee.

The following table sets forth the fiscal 2023 STI target amount for each of the Named Executive Officers:

Named Executive Officer (1)	Fiscal 2023 STI Target Amount	Target Amount as % of Base Salary
Lachlan P. Given	$ 1,125,000	150%
Timothy K. Jugmans	$ 450,000	100%
John Blair Powell, Jr.	$ 550,000	100%
Lisa VanRoekel	$ 246,000	60%

(1) Mr. Cohen, in his role as Executive Chairman, is not a participant in the STI plan, but is subject to a separate incentive opportunity specified in the terms of his employment. Pursuant to those terms, he had the opportunity to earn an incentive award of up to $1,500,000 (100% of his base salary). See "Executive Chairman Incentive Award" below.

The amount of each Named Executive Officer's STI bonus opportunity at the Threshold, Target and Maximum levels is set forth in the "Grants of Plan-Based Awards" table under "Incentive Plan Based Awards" below.

All of the Named Executive Officers were assigned to the Consolidated Executive Officer pool. During fiscal 2023, the Company achieved 111% of the specified consolidated performance goal.

In addition to the noted financial performance, management was successful in completing specific initiatives that were designed to drive progress across the key strategic focus areas for fiscal 2023, which included:

- Strengthening our core pawn business;
- Driving cost efficiency;
- Improving our Team Member experience;
- Improving and expanding our customer engagement through innovation and growth;
- Modernizing our IT and data management systems;
- Enhancing and maintaining our culture of risk management and compliance, and
- Developing the foundations of a comprehensive and integrated sustainability program.

These strategic focus areas provided the foundation for delivering strong financial performance through increased earnings and efficient balance sheet management.

Following a consideration of all of these factors, the Committee approved a funding level of 123% for the Consolidated Executive Officer pool, which included all of the Named Executive Officers. The specific bonus amount approved for each Named Executive Officers is indicated in the "Non-Equity Incentive Plan Compensation" column in the Summary Compensation Table below. Those amounts were calculated as follows:

Named Executive Officer (1)	Target Amount	STI Payout	Percent of Target Awarded
Lachlan P. Given	$ 1,125,000	$ 1,383,750	123%
Timothy K. Jugmans	$ 450,000	$ 553,500	123%
John Blair Powell, Jr.	$ 550,000	$ 676,500	123%
Lisa VanRoekel	$ 246,000	$ 302,580	123%

(1) Mr. Cohen's bonus payout was calculated as described below under "Executive Chairman Incentive Award."

In October 2023, the Committee approved the STI plan for fiscal 2024. The fiscal 2024 STI plan contains the same basic design elements as the fiscal 2023 plan. For fiscal 2024, the Target Amounts for each of the Named Executive Officers will be as follows: Mr. Given, $1,125,000; Mr. Jugmans, $475,000; Mr. Powell, $600,000; and Ms. VanRoekel, $246,000.

Long-Term Incentives

General — Long-term incentive (“LTI”) compensation, in the form of equity awards, is a key component in our executive compensation program, helping to encourage long-term commitment, shareholder alignment and long-term performance orientation. The value of equity awards over time bears a direct relationship to the price of our stock and the gain or loss experienced by our stockholders.

All of our executive officers are eligible to receive LTI awards. We structure our LTI compensation program to place greater emphasis on long-term performance that enhances stockholder value. Many of our peers have a significant time-based vesting component to their long-term awards, while 80% of our LTI awards are subject to performance-based vesting. To further emphasize the long-term nature of these awards, 100% of the LTI awards vest at the end of a three-year performance period, rather than a prorated vesting each year during the performance period. The Committee believes this structure incentivizes and rewards longer-term vision and strategies, and provides a balance to our short-term programs, which are focused on annual performance.

We are currently issuing LTI awards under the 2022 Long-Term Incentive Plan (the “2022 LTI Plan”). Under the terms of the 2022 LTI Plan, all awards must be approved by the full Board of Directors, following recommendation by the Committee.

Grant frequency — Although LTI awards may be made at any time as determined by the Committee and approved by the Board, the Committee generally considers new LTI grants for executive officers and other key employees on an annual basis. Given that these annual LTI awards are intended to incentivize performance over the full designated performance period, the Committee considers it appropriate to use the stock price at the beginning of the performance period in determining the number of shares or units to be granted. In the Committee’s view, this methodology, consistently applied, neutralizes the stock price as a factor impacting the timing of awards.

Fiscal 2023 Actions — For fiscal 2023, the Committee took the following actions regarding LTI awards:

- *Grant of fiscal 2023 LTI awards* — In September 2022, the Committee approved the design and structure of the fiscal 2023 LTI awards and authorized the issuance of awards to the executive officers and other key employees. Those awards were granted in October 2022 following approval by the Board. The number of units awarded to each participant was determined by dividing the participant’s designated LTI target amount by $7.71, the closing trading price of our Class A Non-Voting Common Stock on September 30, 2022. The following table shows the fiscal 2023 LTI awards for the Named Executive Officers (other than Mr. Cohen, who is subject to a separate incentive program and is not eligible for LTI awards):

Named Executive Officer	**Fiscal 2023 LTI Target Amount**	**Number of Units**
Lachlan P. Given	$ 2,000,000	259,403
Timothy K. Jugmans	$ 500,000	64,850
John Blair Powell, Jr.	$ 825,000	107,003
Lisa VanRoekel	$ 328,000	42,542

  The awards took the form of restricted stock units with the following terms:

  - Performance will be measured over a three-year performance period (fiscal 2023, fiscal 2024 and fiscal 2025).
  - Vesting for 80% of the units awarded is subject to performance measured against specified net income targets — 20% of the units are allocated to each of the three years in the performance period (with each year measured separately based on an annual Adjusted Net Income performance goal), and 20% of the units are subject to a cumulative performance goal based on Adjusted Net Income growth over the three-year performance period.

    The Committee continues to consider net income to be the long-term shareholder value metric against which management should be measured, as it reflects the scaling of profitability in a fiscally robust way. Net income takes into account the full bottom-line performance and growth of the Company, including a prudent capital structure; it is the metric that primarily drives our stock price, closely aligning management’s interests with those of our shareholders; it is one of the three primary financial goals in the Company’s “Strategic Goals and Measures” framework; and it is less susceptible to manipulation, as EPS often is with debt-financed share buybacks that potentially put financial position at risk.
  - The remaining 20% of the units are subject to time-based vesting, contingent only on continuous active employment through the end of the performance period.
  - The number of performance-based units (whether annual or cumulative) that will be available to vest at the end of the performance period will range from 50% (assuming minimum threshold performance is achieved) and 150%, depending on the level of performance target achievement. There is no “bonus” unit opportunity for the time-based units, and they will vest at 100% only if the continuous active employment condition is met; otherwise, they will be forfeited.

The Committee believes that this LTI award structure (which was new for fiscal 2023) introduces two important features into the Company's LTI awards. Since fiscal 2020, LTI performance has been measured on an annual basis, relying largely on the three-year cliff vest feature to add the necessary long-term focus. The Committee considered this structure to be appropriate during the height of the COVID pandemic when long-term forecasting was difficult if not impossible. With the post-COVID recovery now largely complete going into fiscal 2023, the Committee considered it appropriate to add in a multi-year performance measure, while at the same time retaining some portion of the separate annual performance feature. The Committee believes this structure aligns with the Company's business strategy by maintaining executive focus on each year's results but also driving long-term, multi-year performance. Additionally, the Committee determined, with the advice of its independent consultant, that the inclusion of a relatively small time-based element better aligns the Company's equity awards with market comparables.

- *Vesting of fiscal 2021 awards* — As described in our Annual Report on Form 10-K for the year ended September 30, 2021 (the "2021 Annual Report"), the fiscal 2021 LTI awards were approved in February 2021. The basic design of the fiscal 2021 awards is similar to the fiscal 2023 awards discussed above, except that 100% of the units awarded are subject to performance-based vesting (divided equally among the three years in the performance period, fiscal 2021, fiscal 2022 and fiscal 2023). As reported in our Annual Report on Form 10-K for the year ended September 30, 2022 (the "2022 Annual Report"), the Committee previously determined that 150% of the units allocated to each of fiscal 2021 and fiscal 2022 were available for vesting for those participants whose employment continued through fiscal 2023.

  During fiscal 2023, the Company's Adjusted Net Income performance ($69.8 million) exceeded the specified performance goal at the target level, and in November 2023, the Committee determined that 135% of the units allocated to fiscal 2023 (along with the units allocated to fiscal 2021 and fiscal 2022 as described above) were vested for those participants whose employment continued through the end of fiscal 2023. The resulting vesting for the Named Executive Officers was as follows: Mr. Given, 172,962 units; Mr. Jugmans, 85,327 units; Mr. Powell, 86,482 units; and Ms. VanRoekel, 80,716 units.

- *Second-year performance of fiscal 2022 awards* — As described in our 2022 Annual Report, the fiscal 2022 LTI awards were approved in October 2021. The basic design of the fiscal 2022 awards is substantially similar to the fiscal 2021 awards discussed above, except that the three-year performance period consists of fiscal 2022, fiscal 2023 and fiscal 2024. As reported in the 2022 Annual Report, the Committee determined in November 2022 that 150% of the units allocated to fiscal 2022 were available for vesting for those participants whose employment continues through fiscal 2024.

  During fiscal 2023, the Company's Adjusted Net Income performance ($69.8 million) exceeded the specified performance goal at the target level, and in November 2023, the Committee determined that 147% of the units allocated to fiscal 2023 were now available for vesting for those participants whose employment continued through the end of fiscal 2024. For the Named Executive Officers, this includes 80,654 units for Mr. Given (including 25,787 "bonus" units); 28,580 units for Mr. Jugmans (including 9,138 "bonus" units); 46,552 units for Mr. Powell (including 14,884 "bonus" units); and 20,354 units for Ms. VanRoekel (including 6,508 "bonus" units).

- *First-year performance of fiscal 2023 awards* — During fiscal 2023, the Company's Adjusted Net Income performance ($69.8 million) exceeded the specified performance goal at the target level, and in November 2023, the Committee determined that 147% of the units allocated to fiscal 2023 are now available for vesting for those participants whose employment continued through the end of fiscal 2025. For the Named Executive Officers, this includes 76,265 units for Mr. Given (including 24,384 "bonus" units); 19,066 units for Mr. Jugmans (including 6,096 "bonus" units); 31,459 units for Mr. Powell (including 10,058 "bonus" units); and 12,508 units for Ms. VanRoekel (including 3,999 "bonus" units).

- *Grant of fiscal 2024 Awards* — In October 2023, the Committee approved the plan design for the fiscal 2024 LTI awards. The approved design is substantially identical to the fiscal 2023 awards described above, except that the three-year performance period covers fiscal 2024, fiscal 2025 and fiscal 2026. The fiscal 2024 LTI awards were granted in November 2023 following approval by the Board. The number of units awarded to each participant was determined by dividing the participant's designated LTI target amount by $8.25, the closing trading price of our Class A Non-Voting Common Stock on September 29, 2023. The following table shows the fiscal 2024 LTI awards for the Named Executive Officers (other than Mr. Cohen, who is subject to a separate incentive program and is not eligible for LTI awards):

Named Executive Officer (1)	**Fiscal 2024 LTI Target Amount**	**Number of Units**
Lachlan P. Given	$ 2,600,000	315,151
Timothy K. Jugmans	$ 700,000	84,848
John Blair Powell, Jr.	$ 1,200,000	145,454
Lisa VanRoekel	$ 350,000	42,424

(1) In October 2023, the Committee approved increases in the LTI target amounts for Mr. Given (from $2,000,000 to $2,600,000), Mr. Jugmans (from $500,000 to $700,000), Mr. Powell (from $825,000 to $1,200,000) and Ms. VanRoekel (from $328,000 to $350,000). These changes better align the executives' long-term incentive compensation and total direct compensation with peer group executives in comparable positions (at the 25th percentile and 43rd percentile, respectively, for Mr. Given; below the 25th percentile and at the 41st percentile, respectively, for Mr. Jugmans; at the 50th percentile and 58th percentile, respectively, for Mr. Powell; and at the 34th percentile and 68th percentile, respectively, for Ms. VanRoekel), and is consistent with the Company's pay-for-performance philosophy and emphasis on long-term compensation.

Executive Chairman Incentive Award

As Executive Chairman, Mr. Cohen has an incentive compensation opportunity of $1,500,000 per year (100% of base salary), awarded in the form of cash-settled phantom stock units ("Units") tied to the trading price of the Company's Class A Common Stock, as follows:

- *Award* — At the beginning of a fiscal year (the "Performance Year"), the number of Units awarded is determined by dividing $1,500,000 by the stock price at the close of the immediately preceding fiscal year.
- *Vesting* — The awarded Units vest at the end of the Performance Year so long as the "Company Performance Gate" under the Company's STI plan for the Performance Year has been achieved. The Company Performance Gate is the level of performance (generally measured in terms of Adjusted EBITDA) needed to achieve any payout under the STI plan. Even if the Company Performance Gate is achieved, the Committee in its discretion may reduce the number of Units that vest based upon the Committee's evaluation of Mr. Cohen's achievement of individual performance objectives. Conversely, if the Company Performance Gate is not achieved, the Committee in its discretion may choose to vest some or all of the Units based an evaluation of Mr. Cohen's achievement of individual performance objectives.
- *Payout* — The vested Units will be paid out in two installments. The first installment will be paid as soon as practicable after the end of the Performance Year and will be an amount of cash equal to 50% of the vested Units multiplied by the stock price at the end of the Performance Year. The second installment will be paid out at the end of the next fiscal year and will be an amount of cash equal to 50% of the vested Units multiplied by the stock price at that time.

At the beginning of fiscal 2023, Mr. Cohen received 194,552 Units (the "FY23 Units"), which was calculated by dividing the bonus opportunity ($1,500,000) by $7.71, the closing trading price of our Class A Non-Voting Common Stock on September 30, 2022. In September 2023, the Committee reviewed and evaluated Mr. Cohen's individual performance during fiscal 2023, noting Mr. Cohen's valuable contributions in key strategic areas, including the following:

- Providing leadership and mentorship to the CEO, COO and CFO;
- Providing counsel and advice on development and execution of strategic plan;
- Providing direction, high-level involvement and support on key growth initiatives, including acquisitions, strategic investments and partnerships and denovo developments;
- Providing counsel and operational guidance to improve store-level performance and Team Member engagement; and
- Providing thought leadership and guidance on financing and capital allocation strategies.

As noted above, the Committee has determined that the Company Performance Gate under the fiscal 2023 STI plan has been achieved. See "Annual Short-Term Incentive" above. Consequently, and taking into consideration the Committee's evaluation of Mr. Cohen's individual performance, the Committee approved the vesting of 100% of the FY23 Units. Under the terms of Mr. Cohen's incentive opportunity, 50% of those Units (or 97,276 Units) will be paid out on a per-Unit value of $8.25 (the closing trading price of our Class A Common Stock on September 29, 2023), translating to a cash payout of $802,527. The remaining 50% of the FY22 Units (92,976 Units) will be paid at the end of fiscal 2024 based on the closing trading price of our Class A Non-Voting Common Stock at that time.

In October 2023, the Committee approved an increase in Mr. Cohen's incentive compensation opportunity to $1,750,000, and for fiscal 2024, Mr. Cohen received 212,121 Units (the "FY24 Units"), which was calculated by dividing the bonus opportunity ($1,750,000) by $8.25, the closing trading price of our Class A Non-Voting Common Stock on September 29, 2023. The FY24 Units will be subject to the vesting and payout terms described above.

Supplemental Executive Retirement Plan

We provide selected executives with a non-qualified Supplemental Executive Retirement Plan ("SERP") to offer a competitive benefit and to assist in offsetting potential impacts of contribution limitations applicable to our 401(k) retirement savings plan. For fiscal 2023, the Committee approved SERP contributions for each of the executive officers equal to 10% of base salary. This resulted in the following SERP contributions for each of the Named Executive Officers (other than Mr. Cohen who is not eligible for SERP contributions):

Named Executive Officer	Fiscal 2023 SERP Contribution
Lachlan P. Given	$ 75,000
Timothy K. Jugmans	$ 45,000
John Blair Powell, Jr.	$ 55,000
Lisa VanRoekel	$ 41,000

In October 2023, the Committee approved fiscal 2024 SERP contributions equal to 10% of base salary for each of the executive officers (other than Mr. Cohen). For the Named Executive Officers, those contributions were $75,000 for Mr. Given, $47,500 for Mr. Jugmans, $60,000 for Mr. Powell and $41,000 for Ms. VanRoekel.

Other Benefits and Perquisites

The executive officers participate in other benefit plans on the same terms as other Team Members. These plans include medical, dental, life insurance and our 401(k) retirement savings plan. In addition, we provide supplemental healthcare benefits to our executive officers. The amount of that benefit for the Named Executive Officers is included in the “All Other Compensation” column of the Summary Compensation Table below.

Executive Compensation Governance and Process

Composition of the People and Compensation Committee

The People and Compensation Committee is comprised of four members — Mr. Lagos (Chair), Mr. Appel, Ms. Arnold and Mr. Tillett — each of whom is an independent director. See “Part III, Item 10 — Directors, Executive Officers and Corporate Governance — Board of Directors.”

Role of the Committee

The Board of Directors has authorized the Committee to establish the compensation programs for all executive officers and to provide oversight for compliance with our compensation philosophy. The Committee delegates the day-to-day administration of the compensation plans to management and retains responsibility for ensuring that the plan administration is consistent with our policies.

Annually, the Committee sets the compensation for our executive officers, including objectives and awards under incentive plans (subject to approval of LTI awards by the Board of Directors). The Committee also reviews all other proposed LTI awards and makes recommendations to the Board of Directors on proposed LTI awards and the appropriate compensation for the non-employee directors.

The Committee also oversees the Company’s human capital management (HCM) strategy, policies and activities, including succession planning and corresponding individual development in order to maintain the talent necessary to fulfill our operational and strategic objectives; diversity and inclusion initiatives; Team Member engagement; and assessing the overall effectiveness of our HCM programs. For more information on the Committee's role, see “Part III, Item 10 — Directors, Executive Officers and Corporate Governance — Corporate Governance — Committees of the Board — People and Compensation Committee,” as well as the Committee's charter, which can be found in the Investor Relations section of our website at www.ezcorp.com.

Role of Management

The Committee receives data regarding compensation trends, succession plans, issues and recommendations from management. Members of management, including the Chief Executive Officer, Chief Human Resources Officer and Chief Legal Officer, attend Committee meetings at the invitation of the Committee. In addition, our Chief Executive Officer provides input on individual performance and recommendations regarding compensation adjustments to the Committee for executive officer positions other than his own.

Role of the Independent Compensation Consultant

Under its charter, the Committee has sole authority to retain, terminate, obtain advice from, oversee and compensate its outside advisors, including its compensation consultant. We have provided appropriate funding to the Committee to do so.

Since March 2020, the Committee has retained Mercer as its independent compensation consultant. The Committee’s independent compensation consultant reports directly to the Committee, and the Committee may replace its independent compensation consultant or hire additional consultants at any time. The Committee’s independent compensation consultant communicates with, and attends meetings of, the Committee as requested.

The Committee annually evaluates the independence of its independent compensation consultant in providing executive compensation consulting services, and to date has found no conflict of interest with respect to Mercer.

During fiscal 2023, Mercer, among other things, advised the Committee on the principal aspects of our executive compensation program, updated the Committee on evolving best practices and provided market information and analysis regarding the competitiveness of our program design and award values.

Compensation Risk

The Committee continually monitors our general compensation practices, specifically the design, administration and assessment of our incentive plans, to identify any components, measurement factors or potential outcomes that might create an incentive for excessive risk-taking detrimental to the Company. The Committee has determined that our compensation plans and policies do not encourage excessive risk-taking.

Our executive compensation program provides a balance of short-term and long-term incentives that reward achievement of profitable, consistent and sustainable results. These include:

- Annual incentive compensation tied to achievement of profitable Company or business unit performance (as measured by consolidated and/or business unit EBITDA);

- Meaningful long-term equity incentive opportunities that are substantially performance-based and provide an incentive to deliver long-term growth in stockholder value as a result of sustained earnings growth.

We maintain the following policies to mitigate compensation risk:

- *Compensation Recovery Policy* — The Board of Directors has adopted a Compensation Recovery Policy that complies with the requirements of the Nasdaq Listing Rules. Under the policy, the Company generally is required to take reasonably prompt action to recover “Erroneously Awarded Compensation” from the persons subject to the policy (including the executive officers) if the Company is required to prepare an accounting restatement due to the Company’s material noncompliance with financial reporting requirements. “Erroneously Awarded Compensation” is the amount of incentive compensation received by a covered person in excess of the amount that would have been received had it been determined based on the restated amounts. A copy of the Compensation Recovery Policy, which became effective on August 1, 2023, is filed as Exhibit 97 to this Report.

- *Anti-Hedging Policy* — We maintain a policy prohibiting the trading of “derivative securities” related to, or engaging in “short sales” of, our stock by members of the Board of Directors, executive officers or any other persons associated or affiliated with the Company (through employment, contractual relationship or otherwise) who are designated from time to time by the Board of Directors. For purposes of the policy, a “derivative security” is any option, warrant, convertible security, stock appreciation right or similar right with an exercise or conversion privilege at a price related to our stock, or similar securities with a value derived from the value of our stock; and a “short sale” is any sale of stock that the seller does not own or any sale that is consummated by the delivery of stock borrowed by, or for the account of, the seller. The Board believes that this policy, by preventing the shifting of the risks of ownership of Company stock, helps to align the interests of management with the interests of the other Company stockholders.

- *Executive Share Retention Policy* — The Board of Directors has adopted stock ownership requirements applicable to the members of the Board of Directors and the executive officers. Pursuant to those requirements, each non-executive member of the Board of Directors and each executive officer is required to hold a number of shares of Class A Non-Voting Common Stock having a market value equal to the applicable “Required Multiple” of the annual retainer fee (in the case of the non-executive directors) or base salary (in the case of the executive officers). The Required Multiple is 4X for the non-executive directors and the CEO, 2X for the Executive Chairman and 1X for the other executive officers. Each person subject to the stock ownership requirements is required to hold at least 50% (in the case of the non-executive directors) or 30% (in the case of the executive officers) of each vesting of restricted stock or restricted stock units until the required stock ownership amount is satisfied. Thereafter, such person can sell shares (subject to our trading window policy) as long as the required stock ownership amount is maintained. Because each share of Class B Voting Common Stock is convertible into a share of Class A Non-Voting Common Stock, the shares of Class B Voting Common Stock held by Mr. Cohen are treated as the equivalent number of shares of Class A Non-Voting Common Stock for purposes of applying the stock ownership requirements.

  All directors and executive officers are currently in compliance with the stock ownership requirements.

Other Executive Compensation Matters

Change in Control Severance Plan — The executive officers (other than Mr. Cohen) are participants in the EZCORP, Inc. Change in Control Severance Plan (the "CIC Severance Plan"), which was approved and adopted by the Board of Directors in November 2022. A participant in the CIC Severance Plan is entitled to receive certain severance benefits if both of the following events occur (a "double trigger"): The Company experiences a change in control *and* the executive's employment is terminated within two years thereafter. The severance benefits include a cash payment equal to (1) a multiple of the participant's annual base salary and target STI bonus plus (2) the participant's prorated target bonus for the year in which the termination occurs. In addition, the Company will provide continued healthcare benefits for a number of years equal to the applicable multiple. The multiple referred to varies by executive officer, with the CEO, COO and CFO having multiples of 2.0 and the remaining executive officer participants having multiples of 1.5.

The Board of Directors has also approved amendments to the 2022 Long-Term Incentive Plan and all outstanding LTI awards to provide for the acceleration of vesting (at target levels, in the case of performance-based awards) upon the occurrence of a qualifying termination following a change in control. This acceleration of vesting benefit applies to the CIC Severance Plan participants, as well as all other holders of outstanding LTI awards.

Generally, for purposes of the CIC Severance Plan, a change in control will be deemed to have occurred if a person or group acquires beneficial ownership of 50% or more of the combined voting power of the outstanding Company securities, either directly or through consummation of a business combination; provided, however, that any acquisition or beneficial ownership of voting securities by, or a transfer of voting securities to, Mr. Cohen, any of his heirs or any entity that is owned or controlled by Mr. Cohen or any of his heirs, shall not constitute a change in control.

The foregoing is just a summary description of the principal terms of the CIC Severance Plan and is qualified in its entirety by reference to the full terms and provisions set forth in the plan document, which is filed as an exhibit to this Report.

Other severance benefits — We provide the following other severance benefits to our executive officers (other than Mr. Cohen):

- Unless severance benefits under the CIC Severance Plan are triggered, each of our executive officers will receive one year's base salary (as a lump sum or in the form of salary continuation) if their employment is terminated by the Company without cause.
- Generally, restricted stock and restricted stock unit awards, including those granted to the executive officers, provide for accelerated vesting of some or all of the unvested shares or units in the event of the holder's death or disability.

More information on severance arrangements can be found under "Other Benefit Plans — Certain Termination Benefits" below. The Committee believes that these benefits provide important protection to the executive officers, are consistent with practice of the peer companies and are appropriate for attraction and retention of executive talent.

Restrictive Covenant Agreements — Each of our executive officers (other than Mr. Cohen), along with other key Team Members, has entered into a Restrictive Covenant Agreement under which the executive is subject to confidentiality and non-disclosure obligations with respect to various categories of proprietary, competitively sensitive and confidential information. In addition, each such executive has agreed that, for a period of one year following the termination of employment with the Company, they will not compete with the Company (within a defined area) and will not solicit the Company's Team Members or suppliers.

Employment Contract for Mr. Given — On November 14, 2023, we entered into an Employment Contract with Mr. Given, our Chief Executive Officer, who resides in London, England. The Employment Contract was entered into to comply with U.K. employment laws and is not intended to alter the fundamental elements of Mr. Given's employment relationship, including the compensatory arrangement as reflected in this Compensation Discussion and Analysis. The terms of the Employment Contract mirror as close as possible the terms of Mr. Given's pre-existing U.S. employment, although certain modifications were necessary to adapt to a U.K. employment environment, particularly with regards to healthcare and other benefits. All compensation received by Mr. Given under the Employment Contract is reflected in the Summary Compensation Table below, including the "All Other Compensation" column, which includes healthcare and other benefits.

Compensation Committee Report

The Compensation Committee has reviewed the foregoing Compensation Discussion and Analysis and has discussed it with management. Based on that review and those discussions, the Committee has recommended to the Board of Directors that the Compensation Discussion and Analysis be included in our Annual Report on Form 10-K for the fiscal year ended September 30, 2023.

Pablo Lagos Espinosa, Chair
Matthew W. Appel
Zena Srivatsa Arnold
Gary L. Tillett

Compensation Committee Interlocks and Insider Participation

None of the persons who served as members of the Compensation Committee during fiscal 2023 are or have ever been an officer of or employed by the Company, nor do they have any relationship that requires disclosure under Item 404 of Regulation S-K, the SEC's rules requiring disclosure of certain relationships and related party transactions.

Summary Compensation Table

The table below summarizes the total compensation for fiscal 2023, 2022 and 2021 for the Named Executive Officers. The amounts shown reflect the compensation received by each of the Named Executive Officers for the positions in which they were serving during the fiscal years so noted, as follows:

- Mr. Given served as Chief Strategy, M&A and Strategic Funding Officer during fiscal 2021 and the first quarter of fiscal 2022. He was named Co-Interim Chief Executive Officer effective January 12, 2022 and appointed Chief Executive Officer on March 3, 2022.
- Mr. Jugmans was named Interim Chief Financial Officer in September 2020 and appointed Chief Financial Officer in May 2021.
- Mr. Powell served as President, US Pawn during fiscal 2021. He promoted to the position of President, Global Pawn in October 2021 and held that position until he was named Co-Interim Chief Executive Officer effective January 12, 2022. He was appointed Chief Operating Officer on March 3, 2022.
- Ms. VanRoekel has served as Chief Human Resources Officer since joining the Company in January 2021.

Name and Principal Position	Fiscal Year	Base Salary	Bonus	Stock Awards (1)	Non-Equity Incentive Plan Compensation (2)	All Other Compensation (3)	Total
Lachlan P. Given (4)	2023	$ 750,000	—	$ 2,261,136	$ 1,383,750	$ 86,394	$ 4,481,280
Chief Executive Officer	2022	$ 728,654	—	$ 1,045,197	$ 1,465,274	$ 84,452	$ 3,323,577
	2021	$ 600,000	—	$ 372,003	$ 770,000	$ 83,028	$ 1,825,031
Timothy K. Jugmans (4)	2023	$ 450,000	—	$ 749,143	$ 553,500	$ 71,679	$ 1,824,322
Chief Financial Officer	2022	$ 438,615	—	$ 412,239	$ 626,745	$ 71,146	$ 1,548,745
	2021	$ 370,000	—	$ 238,717	$ 302,500	$ 66,418	$ 977,635
Philip E. Cohen	2023	$ 1,500,000	—	—	$ 1,619,896	$ 21,597	$ 3,141,493
Executive Chairman	2022	$ 1,500,000	—	—	$ 1,913,468	$ 23,310	$ 3,436,778
	2021	$ 1,500,000	—	—	$ 1,656,044	$ 23,532	$ 3,179,576
John Blair Powell, Jr.	2023	$ 550,000	—	$ 1,076,827	$ 676,500	$ 84,410	$ 2,387,737
Chief Operating Officer	2022	$ 515,577	—	$ 777,148	$ 744,576	$ 85,510	$ 2,122,811
	2021	$ 375,000	—	$ 180,267	$ 375,000	$ 66,316	$ 996,583
Lisa VanRoekel	2023	$ 410,000	—	$ 568,644	$ 302,580	$ 54,386	$ 1,335,610
Chief Human Resources	2022	$ 391,077	—	$ 290,106	$ 353,762	$ 56,215	$ 1,091,160
Officer	2021	$ 249,038	$ 100,000	$ 92,038	$ 262,500	$ 43,669	$ 747,245

(1) Amounts represent the aggregate grant date fair value of restricted stock or restricted stock unit awards, computed in accordance with FASB ASC 718-10-25. See Note 10: Common Stock and Stock Compensation of Notes to Consolidated Financial Statements included in "Part II, Item 8 — Financial Statements and Supplemental Data." The actual value realized by the Named Executive Officer with respect to stock awards will depend on whether the award vests and, if it vests, the market value of our stock on the date the stock is sold.

For a description of these awards, see the "Grant of Plan-Based Awards" table under "Incentive Plan Based Awards" below. See also "Compensation Discussion and Analysis — Components of Compensation and Fiscal 2023 Executive Compensation Actions — Long-Term Incentives" above.

(2) For Named Executive Officers other than Mr. Cohen, amounts represent the incentive bonuses paid pursuant to the Short-Term Incentive Compensation Plan. See "Compensation Discussion and Analysis — Components of Compensation and Fiscal 2023 Executive Compensation Actions — Annual Incentive Bonuses" above. For Mr. Cohen, amounts represent the incentive bonuses paid pursuant to the special incentive compensation arrangement described under "Compensation Discussion and Analysis — Components of Compensation and Fiscal 2023 Executive Compensation Actions — Executive Chairman Incentive Award."

(3) Amounts include the cost of providing various perquisites and personal benefits, as well as the value of our contributions to the company-sponsored 401(k) plan and Supplemental Executive Retirement Plan. For detail of the amounts shown for each Named Executive Officer, see the table under "Other Benefits and Perquisites — All Other Compensation" below.

(4) Mr. Given and Mr. Jugmans serve on the board of directors of Cash Converters International Limited, with Mr. Jugmans serving as non-executive chairman. The director fees paid to each of them during fiscal 2023 by Cash Converters International Limited were as follows: Mr. Given, AUD $95,000; and Mr. Jugmans, AUD $170,000. These amounts are not included in the Summary Compensation Table, as they were paid by Cash Converters International Limited, which is not controlled by EZCORP.

CEO Pay Ratio

The following information sets forth our calculation of the ratio between the annual total compensation of Lachlan P. Given, our Chief Executive Officer, and the annual total compensation of our median Team Member (“CEO Pay Ratio”).

- Mr. Given’s total annual compensation for fiscal 2023 was $4,481,280. That number is derived from the numbers set forth in the Summary Compensation Table above.
- Our median Team Member’s total annual compensation for fiscal 2023 was $18,208, consisting of gross annual wages, bonuses, overtime pay and other benefits.
- Based on those numbers, our CEO Pay ratio for fiscal 2023 is 246:1.

Our CEO Pay Ratio is based on the following methodology:

- When we identified our median Team Member, we selected gross wages paid during fiscal year 2023 as the most appropriate measure of compensation and applied that measure consistently across our global population. Gross wages generally include salary and wages (regular, hourly and overtime), commissions and bonuses. We annualized the compensation of all permanent full-time and part-time Team Members as of September 30, 2023.
- We calculated the median Team Member’s total annual compensation in accordance with the rules used to calculate the CEO’s compensation included in the Summary Compensation Table above.
- Using this methodology, we determined that our median Team Member was a full-time certified store manager located in Mexico where Team Member wages and cost of living are significantly lower than the U.S.

In calculating CEO pay ratios, companies are permitted to adopt a variety of methodologies, apply certain exclusions and make reasonable estimates and assumptions reflecting their unique employee populations. Therefore, our CEO Pay Ratio, as described above, may not be comparable to CEO pay ratios reported by other companies due to differences in industries and geographical dispersion of employees, as well as the different estimates, assumptions and methodologies applied by other companies in calculating their CEO pay ratios.

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Incentive Plan Based Awards

The following table sets forth certain information about plan-based awards that we made to the Named Executive Officers during fiscal 2023. For information about the plans under which these awards were granted, see "Compensation Discussion and Analysis — Components of Compensation and Fiscal 2023 Compensation Actions — Annual Incentive Bonus" and "Compensation Discussion and Analysis — Components of Compensation and Fiscal 2023 Executive Compensation Actions — Long-Term Incentives" above.

Grants of Plan-Based Awards

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards (1)			Estimated Future Payouts Under Equity Incentive Plan Awards (2)				
Name	**Grant Date**	**Threshold**	**Target**	**Maximum**	**Threshold**	**Target**	**Maximum**	**Grant Date Fair Value**	
Lachlan P. Given	10/01/2022	$ 562,500	$ 1,125,000	$1,687,500	—	—	—	—	
	10/11/2022				155,642	259,403	363,164	$ 1,199,992	(3)
	11/16/2022						19,881	$ 151,692	(4)
	11/16/2022						27,434	$ 179,878	(5)
	Prior Years							$ 729,574	(6)
Timothy K. Jugmans	10/01/2022	$ 225,000	$ 450,000	$ 675,000	—	—	—	—	
	10/11/2022				38,910	64,850	90,790	$ 299,996	(3)
	11/16/2022						9,808	$ 74,835	(4)
	11/16/2022						9,721	$ 73,190	(5)
	Prior Years							$ 301,122	(6)
Philip E. Cohen	10/1/2022	$ 1,500,000	$ 1,500,000	$ 1,500,000	—	—	—	—	
John Blair Powell, Jr.	10/01/2022	$ 275,000	$ 550,000	$ 825,000	—	—	—	—	
	10/11/2022				64,202	107,003	149,804	$ 494,990	(3)
	11/16/2022						9,941	$ 75,850	(4)
	11/16/2022						15,835	$ 108,552	(5)
	Prior Years							$ 397,435	(6)
Lisa VanRoekel	10/01/2022	$ 123,000	$ 246,000	$ 369,000	—	—	—	—	
	10/11/2022				25,525	42,542	59,559	$ 196,790	(3)
	11/16/2022						9,278	$ 70,791	(4)
	11/16/2022						6,924	$ 51,259	(5)
	Prior Years							$ 249,804	(6)

(1) These amounts represent the potential payouts under the fiscal 2023 Short-Term Incentive Compensation Plan. See "Compensation Discussion and Analysis — Components of Compensation and Fiscal 2023 Executive Compensation Actions — Annual Incentive Bonuses" above. The "Target" amount is the amount that would be paid if the specified performance goals are achieved at the target level (although the People and Compensation Committee may reduce any award if it chooses to do so). The "Threshold" reflects the amount that would be paid if the minimum performance goals are achieved, while the "Maximum" amount represents the maximum amount that would be paid if the maximum performance goals are achieved or exceeded. See the "Non-Equity Incentive Plan Compensation" column in the Summary Compensation Table above for the amount of the actual payout for each of the Named Executive Officers.

(2) The amounts shown represent long-term incentive (LTI) awards (stated in number of units) under our Long-Term Incentive Plans. See "Compensation Discussion and Analysis — Components of Compensation and Fiscal 2023 Executive Compensation Actions — Long-Term Incentives.

(3) Represents the estimated grant date fair value of equity awards, assuming payout at "Target" level. This is the estimated amount of aggregate compensation cost we expect to recognize over the performance period, determined as of the grant date. Because of the structure of the fiscal 2023 awards (as described under "Compensation Discussion and Analysis — Components of Compensation and Fiscal 2023 Executive Compensation Actions — Long-Term Incentives — Fiscal 2023 Actions — Grant of Fiscal 2023 Awards" above), each annual tranche of the awards is treated as a separate award for accounting purposes. Consequently, the amount shown represents the grant date fair value of the first annual tranche (20% of the award) plus the grant date fair value of the cumulative three-year performance tranche (20% of the award) plus the grant date fair value of the time-based tranche (20% of the award). The grant date fair value of the second and third annual tranches will be reflected in future years when the performance conditions for those tranches are established and they are deemed to be granted for accounting purposes.

(4) Represents the grant date fair value of the "bonus" units awarded with respect to the second tranche of the fiscal 2021 LTI awards based on Adjusted Net Income performance during fiscal 2022, as discussed in our 2022 Annual Report under "Compensation Discussion and Analysis — Components of Compensation and Fiscal 2022 Executive Compensation Actions — Long-Term Incentives — Fiscal 2022 Actions — Second Year Performance of Fiscal 2021 LTI Awards."

(5) Represents the grant date fair value of the "bonus" units awarded with respect to the first tranche of the fiscal 2022 LTI awards based on Adjusted Net Income performance during fiscal 2022, as discussed in our 2022 Annual Report under "Compensation Discussion and Analysis — Components of Compensation and Fiscal 2022 Executive Compensation Actions — Long-Term Incentives — Fiscal 2022 Actions — First Year Performance of Fiscal 2022 LTI Awards."

(6) Represents the aggregate grant date fair value of the third tranche of the fiscal 2021 LTI awards and the second tranche of the fiscal 2022 LTI awards. Because of the structure of those awards, these tranches were treated as separate awards for accounting purposes granted at the beginning of fiscal 2023, even though the full number of units associated with the awards was included in the “Grants of Plan-Based Awards” table in the 2021 Annual Report and the 2022 Annual Report, respectively.

The following table sets forth certain information about outstanding stock awards held by the Named Executive Officers as of the end of fiscal 2023. None of the Named Executive Officers holds any stock options.

Outstanding Equity Awards at Fiscal Year-End

		Stock Awards	
Name	**Award Date**	**Number of Shares or Units of Stock That Have Not Vested (1)**	**Market Value of Shares or Units of Stock That Have Not Vested (2)**
Lachlan P. Given	11/16/2022	19,881 (3)	$ 164,018
	11/16/2022	27,434	$ 226,331
	10/11/2022	259,403	$ 2,140,075
	3/7/2022	85,340	$ 704,055
	11/17/2021	19,881 (3)	$ 164,018
	10/13/2021	79,260	$ 653,895
	2/22/2021	119,284 (3)	$ 984,093
			$ 5,036,485
Timothy K. Jugmans	11/16/2022	9,808 (3)	$ 80,916
	11/16/2022	9,721	$ 80,198
	10/11/2022	64,850	$ 535,013
	3/7/2022	2,844	$ 23,463
	11/17/2021	9,808 (3)	$ 80,916
	10/13/2021	55,482	$ 457,727
	2/22/2021	58,846 (3)	$ 485,480
			$ 1,743,713
Philip E. Cohen		—	$ —
John Blair Powell, Jr.	11/16/2022	9,941 (3)	$ 82,013
	11/16/2022	15,834	$ 130,631
	10/11/2022	107,003	$ 882,775
	3/7/2022	35,558	$ 293,354
	11/17/2021	9,941 (3)	$ 82,013
	10/13/2021	9,907	$ 81,733
	10/13/20/21	59,445	$ 490,421
	2/22/2021	59,642 (3)	$ 492,047
			$ 2,534,987
Lisa VanRoekel	11/16/2022	9,278 (3)	$ 76,544
	11/16/2022	6,923	$ 57,115
	10/11/2022	42,542	$ 350,972
	3/7/2022	4,551	$ 37,546
	11/17/2021	9,278 (3)	$ 76,544
	10/13/2021	36,988	$ 305,151
	2/22/2021	55,666 (3)	$ 459,245
			$ 1,363,117

(1) Stated at target levels,

(2) Market value is based on the closing price of our Class A Common Stock on September 29, 2023, the last market trading day of fiscal 2023 ($8.25).

(3) These units vested in November 2023 following approval by the People and Compensation Committee. See “Compensation Discussion and Analysis — Components of Compensation and Fiscal 2023 Executive Compensation Actions — Long-Term Incentives” above.

Stock Vested

The following table sets forth, with respect to each of the Named Executive Officers, certain information about restricted stock that vested during fiscal 2023:

	Stock Awards	
Named Executive Officer	**Number of Shares Acquired on Vesting (1)**	**Value Realized on Vesting (2)**
Lachlan P. Given	74,303	$ 731,885
Timothy K. Jugmans	17,706	$ 174,404
Philip E. Cohen	—	—
John Blair Powell, Jr.	44,581	$ 417,922
Lisa VanRoekel	—	—

(1) Includes shares withheld to satisfy tax withholding obligations.

(2) Computed using the fair market value of the stock on the date of vesting.

Other Benefits and Perquisites

401(k) Retirement Plan — All U.S. Team Members are given an opportunity to participate in our 401(k) retirement savings plan (following a new-hire waiting period). Subject to statutory limits of the IRS, this plan allows participants to have pre-tax amounts withheld from their pay and provides for a discretionary employer matching contribution (historically, 25% up to 6% of salary). Matching contributions are made in the form of cash. Participants may invest their contributions in various fund options, but are prohibited from investing their contributions in our common stock. A participant vests in the matching contributions over the first three years of service, provided the hours worked requirement is met. A participant's' matching contributions vest 100% in the event of death, disability or termination of the plan due to a change in control.

Supplemental Executive Retirement Plan — We provide U.S. executive officers with a non-qualified Supplemental Executive Retirement Plan (“SERP”) to offer a competitive benefit and to assist in offsetting potential impacts of contribution limitations applicable to our 401(k) retirement savings plan. The SERP has similar investment options as are available under the 401(k) retirement savings plan. Company contributions to the SERP are formula-based, reviewed and approved by the People and Compensation Committee each year. For fiscal 2023, our annual contributions to the SERP were calculated as 10% of base salary. For fiscal 2024, the Company contributions to the SERP will continue at the same rates for executive officers. Under the terms of the SERP, participants are also allowed to voluntarily defer all or a portion of their salary and bonus payments into the SERP. There were eight participants during fiscal 2023.

All Company contributed SERP funds have a vesting schedule as an additional retention tool. Generally, the funds vest over three years from the contribution date, with one-third vesting each year. All of a participant's Company contributed SERP funds vest 100% in the event of the participant's death or disability or the termination of the plan due to a change in control. In addition, all Company contributed SERP funds are 100% vested when a participant attains age 50 and five years of active service. All Company contributed SERP funds are forfeited, regardless of vesting status, if the participant's employment is terminated for cause.

A participant may not withdraw any portion of his or her SERP account while still employed by the Company unless, in the sole opinion of management, the participant has an unforeseeable emergency, which is defined as a severe financial hardship resulting from an illness or accident of the participant, the participant's spouse or a dependent; the loss of the participant's property due to casualty; or other similar extraordinary and unforeseeable circumstance arising as a result of events beyond the participant's control.

The following table describes the SERP contributions, earnings and balance at the end of fiscal 2023 for each of the Named Executive Officers:

Nonqualified Deferred Compensation

Named Executive Officer	Company Contributions in Fiscal 2023 (1)	Aggregate Earnings in Fiscal 2023 (2)	Aggregate Withdrawals/Distributions in Fiscal 2023	Aggregate Forfeitures in Fiscal 2023	Aggregate Balance at September 30, 2023 (3)
Lachlan P. Given	$ 75,000	$ 82,628	$ —	$ —	$ 779,005
Timothy K. Jugmans	$ 45,000	$ 21,790	$ —	$ —	$ 151,639
Philip E. Cohen	$ —	$ —	$ —	$ —	$ —
John Blair Powell, Jr.	$ 55,000	$ 7,990	$ —	$ —	$ 183,492
Lisa VanRoekel	$ 41,000	$ 8,534	$ —	$ —	$ 122,117

(1) These amounts were included in the Summary Compensation Table above in the column labeled "All Other Compensation."

(2) These amounts were not included in the Summary Compensation Table as the earnings were not in excess of market rates.

(3) Of the Aggregate Balance at September 30, 2023, the following amounts were previously reported as compensation in the Summary Compensation Tables for prior years: $490,767 for Mr. Given; $81,153 for Mr. Jugmans; $119,473 for Mr. Powell, and $74,307 for Ms. VanRoekel.

All Other Compensation — The following table describes each component of the amounts shown in the "All Other Compensation" column in the Summary Compensation Table above.

Named Executive Officer	Year	Health Care Supplemental Insurance (1)	Value of Supplemental Life Insurance Premiums (2)	Company Contributions to Defined Contribution Plans (3)	Other Benefits	Total
Lachlan P. Given	2023	$ 6,576	$ 4,818	$ 75,000	$ —	$ 86,394
	2022	$ 12,873	$ 812	$ 70,767	$ —	$ 84,452
	2021	$ 21,636	$ 1,392	$ 60,000	$ —	$ 83,028
Timothy K.Jugmans	2023	$ 22,068	$ 1,236	$ 48,375	$ —	$ 71,679
	2022	$ 22,068	$ 1,392	$ 47,686	$ —	$ 71,146
	2021	$ 21,636	$ 1,392	$ 43,390	$ —	$ 66,418
Philip E. Cohen	2023	$ 14,736	$ 1,236	$ 5,625	$ —	$ 21,597
	2022	$ 14,736	$ 1,392	$ 7,182	$ —	$ 23,310
	2021	$ 14,448	$ 1,392	$ 7,692	$ —	$ 23,532
John Blair Powell, Jr.	2023	$ 22,068	$ 1,236	$ 61,106	$ —	$ 84,410
	2022	$ 22,068	$ 1,392	$ 62,050	$ —	$ 85,510
	2021	$ 21,636	$ 1,392	$ 43,288	$ —	$ 66,316
Lisa VanRoekel	2023	$ 7,656	$ 1,236	$ 45,494	$ —	$ 54,386
	2022	$ 7,656	$ 1,392	$ 47,167	$ —	$ 56,215
	2021	$ 5,000	$ 1,044	$ 37,625	$ —	$ 43,669

(1) We provide a fully insured supplemental executive medical plan to certain executives, including all of the Named Executive Officers, to cover most healthcare costs in excess of amounts covered by our health insurance plans. The amounts shown (other than the fiscal 2023 amount for Mr. Given) represent the total premiums paid for the supplemental executive medical plan for each of the Named Executive Officers during each of the years presented. The fiscal 2023 amount for Mr. Given represents the amount we reimburse Mr. Given for a supplemental health policy in the U.K. that, along with his U.K. National Health Service coverage, provides Mr. Given with healthcare benefits that are comparable to the benefits provided to the other executive officers.

(2) Represents group life insurance premiums paid on behalf of the Named Executive Officers. The benefit provides life and accidental death and dismemberment coverage for the Named Executive Officers at three times annual salary up to a maximum of $1 million. The fiscal 2023 amount for Mr. Given represents the amount we paid for a rider to to the group term policy to provide Mr. Given with comparable benefits in the U.K.

(3) Includes Company contributions to the 401(k) plan and the Supplemental Executive Retirement Plan.

Certain Termination and Change-in-Control Benefits — The following is a summary of various agreements that provide for benefits to the continuing Named Executive Officers upon termination of employment or a change-in-control:

- *Restricted Stock Award Agreements* — The standard restricted stock award agreement pursuant to which we grant restricted stock or restricted stock units to our Team Members generally provides that vesting is accelerated in the event of the holder's death or disability.

- *SERP Contributions* — For all executives who participate in the SERP (including the Named Executive Officers), any unvested Company contributions to the SERP will vest in the case of death or disability of the participant or a change in control.

- *General Severance Benefits* — We currently provide each of our executive officers (other than Mr. Cohen) with one-year salary continuation if his or her employment is terminated by the Company without cause. This severance benefit is reflected in the terms of Mr. Given's U.K. Employment Contract. See "Compensation Discussion and Analysis — Other Executive Compensation Matters — Employment Contract for Mr. Given."

- *Change in Control Severance Benefits* — The executive officers (other than Mr. Cohen) are subject to the Change in Control Severance Plan, which provides them with certain severance benefits in the form cash payments and continued healthcare benefits in the event that their employment is terminated in connection with or within two years following a change in control of the Company. See "Compensation discussion and Analysis — Other Executive Compensation Matters — Change in Control Severance Plan." In addition, all outstanding LTI awards provide for the acceleration of vesting (at target levels, in the case of performance-based awards) upon the occurrence of a qualifying termination following a change in control.

The following table sets forth the amounts of severance or termination benefits that would have been payable to each of the Named Executive Officers upon the occurrence of various events, assuming each of the events occurred on September 30, 2023:

	Salary	Incentive Bonus	Accelerated Vesting of Restricted Stock (1)	Accelerated Vesting of SERP Balance
Resignation for Good Reason:				
Lachlan P. Given	$ —	$ —	$ —	$ —
Timothy K. Jugmans	$ —	$ —	$ —	$ —
Philip E. Cohen	$ —	$ —	$ —	$ —
John Blair Powell, Jr.	$ —	$ —	$ —	$ —
Lisa VanRoekel	$ —	$ —	$ —	$ —
Termination Without Cause:				
Lachlan P. Given	$ 750,000	$ —	$ —	$ —
Timothy K. Jugmans	$ 450,000	$ —	$ —	$ —
Philip E. Cohen	$ —	$ —	$ —	$ —
John Blair Powell, Jr.	$ 550,000	$ —	$ —	$ —
Lisa VanRoekel	$ 410,000	$ —	$ —	$ —
Death or Disability:				
Lachlan P. Given	$ —	$ —	$ 5,036,485	$ 149,774
Timothy K. Jugmans	$ —	$ —	$ 1,743,713	$ 99,839
Philip E. Cohen	$ —	$ —	$ —	$ —
John Blair Powell, Jr. (2)	$ —	$ —	$ 2,534,987	$ —
Lisa VanRoekel	$ —	$ —	$ 1,363,117	$ 83,460
Change in Control (3):				
Lachlan P. Given	$ 1,500,000	$ 2,250,000	$ 5,036,485	$ 149,774
Timothy K. Jugmans	$ 900,000	$ 900,000	$ 1,743,713	$ 99,839
Philip E. Cohen	$ —	$ —	$ —	$ —
John Blair Powell, Jr. (2)	$ 1,100,000	$ 1,100,000	$ 2,534,987	$ —
Lisa VanRoekel	$ 615,000	$ 369,000	$ 1,363,117	$ 83,460

(1) Represents the number of shares subject to accelerated vesting (as described above), multiplied by the closing sales price of the Class A Common Stock on September 30, 2023 ($8.25).

(2) Mr. Powell was fully vested in his SERP account at September 30, 2023.

(3) Subject to the terms of the Change in Control Severance Plan. See "Compensation Discussion and Analysis — Other Executive Compensation Matters — Change in Control Severance Plan."

Director Compensation

Each non-employee director receives a basic annual retainer fee, with the Lead Independent Director, the chair of the Audit Committee and the chair of the People and Compensation Committee each receiving an additional amount. During fiscal 2023 the basic annual retainer fee was $80,000, and additional amounts paid to the Lead Independent Director, the chair of the Audit Committee and the chair of the People and Compensation Committee were $40,000, $27,500 and $15,000, respectively. Annual retainer fees are paid in cash on a quarterly basis.

The non-employee directors are also eligible for stock option and restricted stock awards. The number of options or shares of restricted stock awarded, as well as the other terms and conditions of the awards (such as vesting and exercisability schedules and termination provisions), are determined by the Board of Directors upon the recommendation of the People and Compensation Committee. Historically, the directors have each received an annual restricted stock award with a grant date value equal to 2X the annual retainer fee. The annual award cycle is based on our Annual Meeting of Stockholders, which is generally held in February or March of each year, with the awards being granted on the date of the Annual Meeting of Stockholders and vesting on the day immediately preceding the date of the Annual Meeting of Stockholders held in the following year (but no later than March 31).

The following table sets forth the compensation paid to our non-employee directors for fiscal 2023. Mr. Cohen and Mr. Given are executive officers of the Company and do not receive any additional compensation for serving on the Board of Directors.

Director	Fees Earned or Paid in Cash	Restricted Stock Awards (1)	Total
Matthew W. Appel	$ 120,000	$ 160,000	$ 280,000
Zena Srivatsa Arnold	$ 80,000	$ 160,000	$ 240,000
Jason A. Kulas	$ 80,000	$ 160,000	$ 240,000
Pablo Lagos Espinosa	$ 95,000	$ 160,000	$ 255,000
Gary L. Tillett	$ 107,500	$ 160,000	$ 267,500

(1) Amounts represent the aggregate grant date fair value of restricted stock awards, computed in accordance with FASB ASC 718-10-25. See Note 10: Common Stock and Stock Compensation of Notes to Consolidated Financial Statements included in "Part II, Item 8 — Financial Statements and Supplemental Data". The actual value realized by the director with respect to stock awards will depend on the market value of our stock on the date the stock is sold.

Each of the non-employee directors received a grant of 18,038 shares of restricted stock on March 3, 2023. That amount was determined by dividing $160,000 (2X the annual director fee) by $8.87, the trading price of the Class A Common Stock at the time of grant. These shares are scheduled to vest immediately before the 2024 Annual Meeting of Stockholders (but no later than March 31, 2024).

As of September 30, 2023, each of the continuing non-employee directors held 18,038 shares of unvested restricted stock.

The non-employee director compensation program for fiscal 2024 will generally be the same as the fiscal 2023 program described above.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Equity Compensation Plans

We have two equity compensation plans that have been approved by stockholders — the 2010 Long-Term Incentive Plan (applicable to outstanding long-term incentive awards issued on or before December 31, 2021) and the 2022 Long-Term Incentive Plan (applicable to all new issuance of since January 1. 2022). New awards can be in the form of stock options, stock appreciation rights, stock bonuses, restricted stock, restricted stock units, performance units or performance shares although generally we issue only restricted stock and restricted stock unit awards. We do not have any equity compensation plans that were not approved by stockholders. The following table summarizes information about our equity compensation plans as of September 30, 2023:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options (a)	Weighted Average Exercise Price of Outstanding Options (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by security holders	—	—	475,196 (1)
Equity compensation plans not approved by security holders	—	—	—
Total	—	—	475,196 (1)

(1) Amount represents the number of shares available for issuance in the 2022 Long-Term Incentive Plan as of September 30, 2023. An additional 1.4 million shares were added to the plan on November 3, 2023 to cover the fiscal 2024 LTI awards to be issued in November 2023 which will leave 481,133 share for future issuances. The 2010 Long-Term Incentive Plan remains effective only to cover currently outstanding awards issued on or prior to December 31, 2021, as that plan was replaced by the 2022 Long-Term Incentive Plan.

Stock Ownership

Phillip E. Cohen controls EZCORP through his ownership of all of the issued and outstanding stock of MS Pawn Corporation, the sole general partner of MS Pawn Limited Partnership, which owns 100% of our Class B Voting Common Stock. The following table presents information regarding the beneficial ownership of our Common Stock as of November 1, 2023 (except as noted below) for (i) each person known to us to be the beneficial owner of more than 5% of the total number of shares outstanding, (ii) each of our directors, (iii) each of the Named Executive Officers, and (iv) all directors and executive officers as a group. Unless otherwise indicated, each person named below holds sole voting and investment power over the shares shown, subject to community property laws where applicable.

	Class A Non-voting Common Stock				Class B Voting Common Stock		
Beneficial Owner	**Number**		**Percent**		**Number**	**Percent**	**Voting Percent**
MS Pawn Limited Partnership (a) MS Pawn Corporation Phillip Ean Cohen 2500 Bee Cave Road Bldg One, Suite 200 Rollingwood, Texas 78746	2,974,047	(b)	5.44 %	(b)	2,970,171	100 %	100 %
Blackrock Inc. 50 Hudson Yards New York, New York 10001	9,969,427	(c)	18.22 %		—	—	—
Dimensional Fund Advisors LP 6300 Bee Cave Road, Building One Austin, Texas 78746	4,295,279	(c)	7.85 %		—	—	—
Vanguard Group Inc. P.O. Box 2600, V26 Valley Forge, Pennsylvania 19482-2600	3,265,706	(c)	5.97 %		—	—	—
Matthew W. Appel	185,402		*		—	—	—
Zena Srivatsa Arnold	107,683		*		—	—	—
Lachlan P. Given	642,454	(d)	*		—	—	—
Jason A. Kulas	140,507	(e)	*				
Pablo Lagos Espinosa	215,102		*				
Gary L. Tillett	107,683		*				
Timothy K. Jugmans	117,317	(f)	*		—	—	—
John Blair Powell, Jr.	167,539	(g)	*				
Lisa VanRoekel	74,222	(h)	*		—	—	—
Directors and executive officers as a group (14 persons)	5,179,716	(i)	9.47 %		2,970,171	100 %	100 %

(a) MS Pawn Corporation is the general partner of MS Pawn Limited Partnership and has the sole right to vote its shares of Class B Common Stock and to direct their disposition. Mr. Cohen is the sole stockholder of MS Pawn Corporation.

(b) The number of shares and percentage reflect Class A Common Stock, inclusive of Class B Common Stock, shares of which are convertible to Class A Common Stock on a one-to-one basis.

(c) As of September 30, 2023 based on Form 13F.

(d) Includes 159,046 unvested restricted stock units expected to vest within 60 days of November 1, 2023.

(e) 114,017 of these shares are held by a revocable trust of which Mr, Kulas is a co-trustee.

(f) Includes 78,462 unvested restricted stock units expected to vest within 60 days of November 1, 2023.

(g) Includes 79,524 unvested restricted stock units expected to vest within 60 days of November 1, 2023.

(h) Includes 74,222 unvested restricted stock units expected to vest within 60 days of November 1, 2023.

(i) Group includes those persons who were serving as directors and executive officers on November 1, 2023. Number shown includes 661,547 unvested restricted stock units expected to vest within 60 days of November 1, 2023.

* Shares beneficially owned do not exceed one percent of Class A Common Stock.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Related Party Transactions

Review and Approval of Transactions with Related Persons

The Board of Directors has adopted a written comprehensive policy for the review and evaluation of all related party transactions. Under that policy, the Audit Committee is charged with the responsibility of (a) reviewing and evaluating all transactions, or proposed transactions, between the Company and a related person and (b) approving, ratifying, rescinding or taking other action with respect to each such transaction. With respect to any specific transaction, the Audit Committee may, in its discretion, transfer its responsibilities to either the full Board of Directors or to any special committee of the Board of Directors designated and created for the purpose of reviewing, evaluating, approving or ratifying such transaction.

Employment arrangement with Nicholas Cohen

Nicholas Cohen, the son of Phillip E. Cohen, the beneficial owner of all of our Class B Voting Common Stock and our Executive Chairman, has been an employee of the Company since May 2018, currently serving in the position of Vice President, Business Development. The Company considers the employment relationship with Nicholas Cohen to be a related party transaction that is subject to the Company's Policy for Review and Evaluation of Related Party Transactions. Accordingly, the Audit Committee reviews and approves all promotion opportunities and compensation changes for Nicholas Cohen.

Director Independence

The Board of Directors believes that the interests of the stockholders are best served by having a substantial number of objective, independent representatives on the Board. For this purpose, a director is considered to be independent if the Board determines that the director does not have any direct or indirect material relationship with the Company that may impair, or appear to impair, the director's ability to make independent judgments.

The Board has evaluated all relationships between the Company and each of the persons who served as a director during any portion of fiscal 2023 and has made the following determinations with respect to each director's independence:

Director	Status (a)
Matthew W. Appel	Independent
Zena Srivatsa Arnold	Independent
Phillip E. Cohen	Not independent (b)
Lachlan P. Given	Not independent (b)
Jason A. Kulas	Not independent (b)
Pablo Lagos Espinosa	Independent
Gary L. Tillett	Independent

(a) The Board's determination that a director is independent was made on the basis of the standards for independence set forth in the Nasdaq Listing Rules. Under those standards, a person generally will not be considered independent if he or she has a relationship that, in the opinion of the Board of Directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The Nasdaq rules also describe specific relationships that will prevent a person from being considered independent.

(b) Mr. Cohen and Mr. Given were executive officers of the Company during all of fiscal 2023, and Mr. Kulas was an executive officer of the Company from February 2020 until January 2022. Therefore, they are not independent in accordance with the standards set forth in the Nasdaq Listing Rules.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table presents all fees we incurred in connection with professional services provided by BDO USA, P.C. for fiscal 2023 and 2022:

	Year Ended September 30,	
	2023	2022
Audit of financial statements and audit pursuant to section 404 of the Sarbanes-Oxley Act and quarterly reviews	$ 1,767,000	$ 1,604,000
Audit related fees	—	—
Tax fees	—	—
All other fees	—	—
	$ 1,767,000	$ 1,604,000

The Audit Committee has adopted a policy requiring its pre-approval of all fees to be paid to our independent audit firm, regardless of the type of service.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as a part of this 10-K:

(1) Financial Statements

The following consolidated financial statements of EZCORP, Inc. are included in “Part II — Item 8 — Financial Statements and Supplementary Data”:

- Report of Independent Registered Public Accounting Firm (2023 and 2022) — BDO USA, P.C.
- Consolidated Balance Sheets as of September 30, 2023 and 2022
- Consolidated Statements of Operations for each of the three years in the period ended September 30, 2023
- Consolidated Statements of Comprehensive Income for each of the three years in the period ended September 30, 2023
- Consolidated Statements of Cash Flows for each of the three years in the period ended September 30, 2023
- Consolidated Statements of Stockholders’ Equity for each of the three years in the period ended September 30, 2023
- Notes to Consolidated Financial Statements.

(2) Financial Statement Schedules

Financial statement schedules are omitted because they are not required or are not applicable, or the required information is provided in the consolidated financial statements or notes described in Item 15(a)(1) above.

ITEM 16. FORM 10-K SUMMARY

None.

Exhibits

Exhibit	Description of Exhibit	Incorporated by Reference Form	File No.	Exhibit	Filing Date	Filed Herewith
3.1	Amended and Restated Certificate of Incorporation	8-K	0-19424	3.1	October 3, 2013	
3.2	Certificate of Amendment, dated March 25, 2014, to the Company's Amended and Restated Certificate of Incorporation	8-K	0-19424	99.1	March 25, 2014	
3.3	Amended and Restated By-Laws, effective July 20, 2014	8-K	0-19424	3.2	July 22, 2014	
4.1	Specimen of Class A Non-voting Common Stock Certificate	S-1	33-41317	4.1	August 23, 1991	
4.2	Description of EZCORP, Inc. Class A Non-voting Common Stock	8-K	0-19424	4.1	October 3, 2013	
4.3	Indenture, dated July 5, 2017, between EZCORP, Inc., and Wells Fargo Bank, National Association, as trustee	8-K	0-19424	4.1	July 6, 2017	
4.4	Indenture, dated May 14, 2018, between EZCORP, Inc., and Wells Fargo Bank, National Association, as trustee	8-K	0-19424	4.1	May 15, 2018	
4.5	Successor Trustee Agreement, dated September 12, 2019, Between EZCORP, Inc., and Wells Fargo Bank, National Association, as prior trustee, and Branch Banking and Trust Company, as successor trustee	8-K	0-19424	4.1	October 7, 2019	
4.6	Indenture, dated December 12, 2022, between EZCORP, Inc. and Truist Bank, as trustee	8-K	0-19424	4.1	December 13, 2022	
10.1*	EZCORP, Inc. Supplemental Executive Retirement Plan effective December 1, 2005	8-K	0-19424	10.94	December 1, 2005	
10.2*	Amended and Restated EZCORP, Inc. 2010 Long-Term Incentive Plan, Effective November 28, 2018	8-K	0-19424	10.1	November 29, 2018	
10.3*	Form of Protection of Sensitive Information, Noncompetition and Nonsolicitation Agreement between the Company and certain employees, including the executive officers	10-K	0-19424	10.15	November 24, 2010	
10.4*	Form of Restricted Stock Award for non-employee directors	10-K	0-19424	10.17	November 24, 2010	
10.5*	Amended and Restated EZCORP, Inc. 2022 Long-term Incentive Plan, Effective November 15, 2022	10-K	0-19424	10.5	November 16, 2022	
10.6*	EZCORP, Inc. Change in Control Severance Plan, Effective November 15, 2022	10-K	0-19424	10.6	November 16, 2022	
10.7*	Amendment to Amended and Restated EZCORP, Inc. 2010 Long-Term Incentive Plan, Effective November 15, 2022	10-K	0-19424	10.7	November 16, 2022	
10.8*	Employment Contract, dated November 14, 2023, between EZCORP UK Limited and Lachlan P. Given					x
21.1	List of Subsidiaries of EZCORP, Inc.					x
23.1	Consent of BDO USA, P.C., Independent Registered Public Accounting Firm					x
31.1	Certification of Principal Executive Officer, pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934					x
31.2	Certification of Principal Financial Officer, pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934					x
32.1†	Certification of the Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350					x
101.INS	Inline XBRL Instance Document (the instance document does not appear in the interactive data files because the XBRL tags are embedded within the Inline XBRL document)					
101.SCH	Inline XBRL Taxonomy Extension Schema Document					
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					
101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document					
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					
104	Cover Page Interactive Data File in Inline XBRL format (contained in Exhibit 101)					

* Identifies Exhibit that consists of or includes a management contract or compensatory plan or arrangement.

† The certifications furnished in Exhibit 32.1 hereto are deemed to accompany this Annual Report on Form 10-K and will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, except to the extent that the registrant specifically incorporates it by reference.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized:

	EZCORP, Inc.
Date: November 15, 2023	By: /s/ Lachlan P. Given
	Lachlan P. Given
	Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

Signature	Title	Date
/s/ Lachlan P. Given Lachlan P. Given	Chief Executive Officer and Director (principal executive officer)	November 15, 2023
/s/ Timothy K. Jugmans Timothy K. Jugmans	Chief Financial Officer (principal financial officer)	November 15, 2023
/s/ Phillip E. Cohen Phillip E. Cohen	Executive Chairman of the Board	November 15, 2023
/s/ Matthew W. Appel Matthew W. Appel	Director	November 15, 2023
/s/ Zena Srivatsa Arnold Zena Srivatsa Arnold	Director	November 15, 2023
/s/ Jason A. Kulas Jason A. Kulas	Director	November 15, 2023
/s/ Pablo Lagos Espinosa Pablo Lagos Espinosa	Director	November 15, 2023
/s/ Gary L. Tillett Gary L. Tillett	Director	November 15, 2023
/s/ Robbie Hicks Robert J. Hicks	Chief Accounting Officer (principal accounting officer)	November 15, 2023

Dated 14 November 2023

EZCORP UK LIMITED

and

Lachlan P. Given

EMPLOYMENT CONTRACT

TABLE OF CONTENTS

THIS AGREEMENT is made on 14 November 2023

BETWEEN:

(1) EZCORP UK Limited, whose registered office is at 2 New Bailey, 6 Stanley Street, Salford, Greater Manchester, M3 5GS, United Kingdom ("**Employer 1**"); and

(2) **Lachlan P. Given** of [redacted], London [redacted] ("**Employee**"),

(together, the "**Parties**").

RECITALS

The Employer has agreed to employee the Employee on and subject to the terms of this Agreement.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 In this Agreement:

"**Appointment**": the employment of the Employee by the Employer on the terms of this Agreement.

"**Associated Employer**": has the meaning given to it in the Employment Rights Act 1996.

"**Board**": the board of directors of EZCORP, Inc.

"**Capacity**": as agent, consultant, director, employee, owner, partner, shareholder or in any other capacity.

"**Commencement Date**": 6 April 2022.

"**Garden Leave**": any period during which the Employer has exercised its rights under Clause 19 (*Garden Leave*).

"**Group**": the Employer, its Subsidiaries or Holding Companies (including EZCORP, Inc.) from time to time and any Subsidiary of any Holding Company from time to time.

"**Incapacity**": any sickness, injury or other medical disorder or condition which prevents the Employee from carrying out the Employee's duties.

"**Restricted Business**":

(a) the business of the Employer or any other member of the Group relating to pawn lending operations, including the provision and administration of pawn loans and the operation of pawn stores; and

(b) such other parts of the business of the Employer or any other member of the Group with which the Employee was involved to a material extent in the six (6) months before Termination.

"**Restricted Person**": anyone employed or engaged by, or any person who is a director, officer, partner or member of, the Employer or any member of the Group:

(a) earning a basic annual salary of USD 100,000 (or equivalent in foreign currency) or above; or

(b) who could materially damage the interests of the Employer or any member of the Group if they were involved in any Capacity in any business concern which competes with any Restricted Business.

"**Restrictive Covenant Agreement**": that certain Protection of Sensitive Information, Noncompetition and Nonsolicitation Agreement, dated 6 February 2017, between Employee and EZCORP, Inc.

"**SSP**": statutory sick pay.

"**Staff Handbook**": any staff handbook that the Employer may have in effect from time to time, as amended from time to time.

"**Subsidiary and Holding Company**": in relation to a company means "subsidiary" and "holding company" as defined in section 1159 of the Companies Act 2006 and a company shall be treated, for the purposes only of the membership requirement contained in subsections 1159(1)(b) and (c), as a member of another company even if its shares in that other company are registered in the name of (a) another person (or its nominee), whether by way of security or in connection with the taking of security, or (b) a nominee.

"**Termination**": the termination of the Employee's employment with the Employer howsoever caused.

1.2 The headings in this Agreement are inserted for convenience only and shall not affect its construction.

1.3 A reference to a particular law is a reference to it as it is in force for the time being taking account of any amendment, extension, or re-enactment and includes any subordinate legislation for the time being in force made under it.

1.4 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.

1.5 Unless the context otherwise requires, words in the singular include the plural and in the plural include the singular.

1.6 Any schedules to this Agreement form part of (and are incorporated into) this Agreement.

1.7 All payments and benefits provided to the Employee under this Agreement shall, to the extent applicable, be subject to deductions for income tax and National Insurance contributions or any other deductions or withholdings required by the laws of any jurisdiction.

1.8 Any payments (including salary and STI payments) earned by the Employee under this Agreement or any other plan or policy that are expressed in United States Dollars (USD) may be paid by the Employer in British Pounds Sterling pursuant to the prevailing United States Dollar to British Pounds Sterling exchange rate as selected by the Employer on or around the date of each payment.

1.9 The Parties acknowledge that they have participated jointly in the negotiation and drafting of this Agreement. In the event that a question of interpretation arises (including as to the intention of the Parties), no presumption or burden of proof shall arise in favour of or against any Party based on the authorship of any provisions.

1.10 In construing this Agreement the so-called "ejusdem generis" rule does not apply and accordingly the interpretation of general words is not restricted by (a) being preceded by words indicating a particular class of acts, matters or things, or (b) being followed by particular examples.

1.11 A reference to any agreement (including this Agreement) or to any specified provision of any agreement (including this Agreement) is to such agreement or provision as in force for the time being, as amended, modified, supplemented, varied, assigned or novated, from time to time.

2. TERM OF APPOINTMENT

2.1 The Appointment shall commence on the Commencement Date and shall continue, subject to the remaining terms of this Agreement, until terminated by either Party giving the other not less than three (3) months' prior notice in writing.

2.2 The Employee's prior employment with EZCORP, Inc. (or any wholly-owned subsidiary of EZCORP, Inc.), which commenced on 14 August 2014, counts towards the Employee's period of continuous employment.

2.3 The Employee consents to the transfer of the Employee's employment under this Agreement to an Associated Employer at any time during the Appointment.

2.4 No probationary period applies to the Employee's employment.

2.5 The parties acknowledge that the Employee is employed jointly by the Employer and EZCORP Services, Inc., a corporation organized under the laws of the State of Delaware, United States of America (USA) with its principal place of business at 2500 Bee Cave Road, Building One, Suite 200, Rollingwood, Texas USA 78746 and an Associated Employer

("**EZCORP Services**"). The Employee is considered to be employed by EZCORP Services with respect to the Employee's duties and responsibilities in the USA, and is considered to be employed by the Employer with respect to the Employee's duties and responsibilities outside the USA. The Employer and EZCORP Services shall periodically "true up" the compensation payable to Employee under this Agreement (through reimbursements or otherwise) such that EZCORP Services is bearing the compensation related to the Employee's USA duties and responsibilities and the Employer is bearing the compensation related to the Employee's non-USA duties and responsibilities. Further, EZCORP Services may provide compensation opportunities to the Employee in addition to the compensation provided for in this Agreement.

3. EMPLOYEE WARRANTIES

3.1 The Employee represents and warrants to the Employer that, by entering into this Agreement or performing any of the Employee's obligations under it, the Employee will not be in breach of any court order or any express or implied terms of any contract or other obligation binding on the Employee.

3.2 The Employee represents and warrants to the Employer that the Employee is entitled to work in the United Kingdom without any additional approvals and will notify the Employer immediately if the Employee ceases to be so entitled during the Appointment.

4. DUTIES

4.1 The Employee shall serve the Employer as Chief Executive Officer or such other role as the Employer considers appropriate. The Employee shall report to the Board.

4.2 During the Appointment, the Employee shall:

(a) unless prevented by Incapacity, devote the whole of the Employee's time, attention and abilities to the business of the Employer and, to the extent required by the Employer, the businesses of any member of the Group;

(b) diligently exercise such powers and perform such duties as may from time to time be assigned to the Employee by the Employer together with such person or persons as the Employer may appoint to act jointly with him;

(c) comply with all reasonable and lawful directions given to the Employee by the Employer;

(d) promptly make such reports to the Board in connection with the affairs of any member of the Group on such matters and at such times as are reasonably required;

(e) report the Employee's own wrongdoing and any wrongdoing or proposed wrongdoing of any other employee or director of any member of the Group to the Employee's supervisor immediately on becoming aware of it;

(f) use the Employee's best endeavours to promote, protect, develop and extend the business of the members of the Group; and

(g) consent to the Employer monitoring and recording any use that the Employee makes of the Employer's electronic communications systems for the purpose of ensuring that the Employer's rules are being complied with and for legitimate business purposes.

4.3 The Employee shall comply with any anti-corruption and bribery policy and related procedures of the Employer at all times.

4.4 The Employer takes a zero-tolerance approach to tax evasion. The Employee must not engage in any form of facilitating tax evasion, whether under UK law or under the law of any foreign country. The Employee must immediately report to EZCORP's Chief Legal Officer any request or demand from a third party to facilitate the evasion of tax or any concerns that such a request or demand may have been made. The Employee must at all times comply with any of the Employer's policies in effect from time to time relating to anti-facilitation of tax evasion, anti-corruption or bribery.

4.5 The Employee shall comply with any rules, policies and procedures set out in any Staff Handbook. The Staff Handbook (if any) does not form part of this Agreement and the Employer may amend it at any time. To the extent that there is any conflict between the terms of this Agreement and any Staff Handbook, this Agreement shall prevail.

4.6 All documents, manuals, hardware and software provided for the Employee's use by the Employer, and any data or documents (including copies) produced, maintained or stored on the Employer's computer systems or other electronic equipment (including mobile phones), remain the property of the Employer.

4.7 If during the Appointment the Employee ceases to be a director of any member of the Group (otherwise than by reason of the Employee's death, resignation or disqualification pursuant to the articles of association of the relevant Group member, as amended from time to time, or by statute or court order) the Appointment shall continue with the Employee as an employee only and the terms of this Agreement (other than those relating to the holding of the office of director) shall continue in full force and effect. The Employee shall have no claims in respect of such cessation of office

5. PLACE OF WORK

5.1 The Employee's normal place of work is the Employee's home at [redacted]London [redacted] or such other place within the London area which the Employer may reasonably require for the proper performance and exercise of the Employee's duties.

5.2 The Employee agrees to travel to any member of the Group's business (both within the United Kingdom or abroad, including the United States) as may be required for the proper performance of the Employee's duties under the Appointment.

6. HOURS OF WORK

The Employee's normal working hours shall be 9:00am to 6:00pm on Mondays to Fridays inclusive. These normal hours of work are not variable unless a variation is approved in writing by the Employer. The Employee shall also work such additional hours as are necessary for the proper performance of the Employee's duties. The Employee acknowledges that the Employee shall not receive further remuneration in respect of such additional hours.

7. SALARY

7.1 The Employee shall be entitled to an initial salary equivalent to USD 750,000 per annum (inclusive of any fees due to the Employee by any member of the Group as an officer of any member of the Group, if applicable).

7.2 The Employee's salary shall accrue from day to day at a rate of 1/260 of the Employee's annual salary and be payable monthly in arrears on or about the last day of each month directly into the Employee's bank or building society.

7.3 The Employee's salary shall be reviewed by the Employer annually, anticipated to be on or about 1 October. The Employer is under no obligation to award an increase following a salary review. There will be no review of the salary after notice has been given by either Party to terminate the Appointment.

7.4 The Employer may deduct from the salary, or any other sums owed to the Employee, any money owed to any member of the Group by the Employee.

8. SHORT TERM INCENTIVE COMPENSATION PLAN

8.1 During the Appointment, the Employee shall be eligible to participate in, and may be eligible to receive payments from the Employer pursuant to and subject to the terms and conditions of, the EZCORP Short Term Incentive Compensation Plan ("**STI**") for each year during the Appointment, as any such plan may be modified, altered or suspended by EZCORP, Inc. in its discretion from time to time.

8.2 Any STI payment shall not be pensionable.

9. LONG TERM INCENTIVE COMPENSATION

9.1 During the Appointment, the Employee shall be eligible to participate in, and may be eligible to receive awards from the Employer pursuant to and subject to the terms and conditions of, the EZCORP 2022 Long-Term Incentive Plan ("**LTI**"), as such plan may be modified, altered or suspended by EZCORP, Inc. in its discretion from time to time. The amount and timing of any LTI awards shall be determined by the Employer in its discretion.

9.2 Any LTI award shall not be pensionable.

10. TRAINING

10.1 The Employee may be required to undertake certain training during the course of their employment. The costs of any such required training will be paid by the Employer, subject to prior written approval by the Employer. The Employee is also entitled to take part in various training courses which the Employer may provide from time to time in-house.

11. BENEFITS

11.1 The Employee may participate in the Employer's benefit schemes that are made available from time to time to similarly-situated employees based in the same country as the Employee.

11.2 The Employee's participation in any benefit scheme shall be subject in each case to the terms of any applicable insurance policy (as amended from time to time), the rules of the relevant scheme (as amended from time to time), and the Employee (and, where appropriate, the Employee's spouse or civil partner and children) being eligible to participate in or benefit from such schemes pursuant to their rules at a cost and on terms which are acceptable to the Employer.

11.3 The Employer may amend, replace or withdraw any benefit schemes at any time.

12. EXPENSES

12.1 The Employer shall reimburse (or procure the reimbursement of) all reasonable expenses wholly, properly and necessarily incurred by the Employee in the course of the Appointment, subject to production of VAT receipts or other appropriate evidence of payment.

12.2 The Employee shall abide by the Employer's policies on expenses as in effect from time to time.

13. HOLIDAYS AND OTHER PAID LEAVE

13.1 The Employer's holiday year runs between 1 January and 31 December. If the Appointment commences or terminates part way through a holiday year, the Employee's entitlement during that holiday year shall be calculated on a pro-rata basis rounded up to the nearest half day.

13.2 The Employee shall be entitled to twenty-eight (28) days' paid holiday in each holiday year, inclusive of the usual public holidays in England and Wales.

13.3 Holiday shall be taken at such time or times as shall be approved in advance by the Employee's supervisor. The Employee shall not carry forward any accrued but untaken holiday entitlement to a subsequent holiday year unless the Employee has been prevented from taking it in the relevant holiday year by one of the following: a period of sickness absence or statutory maternity leave, paternity, adoption, parental or shared parental leave. In cases of sickness absence, carry-over is limited to four (4) weeks' holiday per year less any leave taken during the holiday year that has just ended. Any such carried over holiday which is not taken within eighteen (18) months of the end of the relevant holiday year will be lost.

13.4 The Employee shall have no entitlement to any payment in lieu of accrued but untaken holiday, except on termination of the Appointment. Subject to Clause 13.5, the amount of such payment in lieu shall be 1/260th of the Employee's salary for each untaken day of the entitlement..

13.5 If the Employer has terminated or would be entitled to terminate the Appointment under Clause 18 (*Termination without notice*) or if the Employee has terminated the Appointment in breach of this Agreement, any payment due under Clause 13.4 shall be limited to the

Employee's statutory entitlement under the Working Time Regulations 1998 (SI 1998/1833) and any paid holidays (including paid public holidays) taken shall be deemed first to have been taken in satisfaction of that statutory entitlement.

13.6 If on termination of the Appointment the Employee has taken more holiday than the Employee's accrued holiday entitlement, the Employer shall be entitled to deduct the excess holiday pay from any payments due to the Employee calculated at 1/260th of the Employee's salary for each excess day.

13.7 If either Party has served notice to terminate the Appointment, the Employer may require the Employee to take any accrued but unused holiday entitlement during the notice period. Any accrued but unused holiday entitlement shall be deemed to be taken during any period of Garden Leave.

13.8 The Employee may be eligible to take the following types of paid leave, subject to any statutory eligibility requirements or conditions and the Employer's rules applicable to each type of leave in force from time to time: statutory paternity leave, statutory adoption leave, shared parental leave, and parental bereavement leave.

14. INCAPACITY

14.1 If the Employee is absent from work due to Incapacity, the Employee shall notify the Employee's supervisor of the reason for the absence as soon as possible but no later than 10 a.m. on the first day of absence.

14.2 The Employee shall certify the Employee's absence in accordance with the Employer sickness policy in effect from time to time.

14.3 The Employee's qualifying days for SSP purposes are Monday to Friday. Subject to the Employee's compliance with this Agreement and subject to Clause 14.4, the Employee shall be entitled to receive contractual sick pay. Contractual sick pay is inclusive of any SSP that may be due for the same period and is paid for up to eighteen (18) weeks' at full pay in any twelve 12 month period.

14.4 If the Employee has been on long term sick leave continuously for more than a year, the Employee will not qualify for sick pay again until the Employee has returned to work for a total of 26 weeks.

14.5 The Employee agrees to consent to medical examinations (at the Employer's expense) by a doctor nominated by the Employer should the Employer so require.

14.6 If the Incapacity is or appears to be occasioned by actionable negligence, nuisance or breach of any statutory duty on the part of a third party in respect of which damages are or may be recoverable, the Employee shall immediately notify the Employer of that fact and of any claim, settlement or judgment made or awarded in connection with it and all relevant particulars that the Employer may reasonably require. The Employee shall if required by the Employer, co-operate in any related legal proceedings and refund to the Employer that part of any damages or compensation recovered by the Employee relating to the loss of earnings for the period of the Incapacity as the Employer may reasonably determine less any costs borne by the Employee in connection with the recovery of such damages or compensation, provided that the amount to be refunded shall not exceed the total amount paid to the Employee by the Employer in respect of the period of Incapacity.

14.7 The rights of the Employer to terminate the Appointment under the terms of this Agreement apply even when such termination would or might cause the Employee to forfeit any entitlement to sick pay, permanent health insurance or other benefits.

15. RESTRICTIVE COVENANTS

15.1 The Employee acknowledges his obligations under the Restrictive Covenant Agreement and agrees that those obligations will continue through the course of his employment with the Employer and, to the extent provided for under the terms of the Restrictive Covenant Agreement, following the termination of such employment. The Employee further agrees that the Employer may enforce the obligations under the Restrictive Covenant Agreement as if it were a specific party to such agreement and that EZCORP, Inc. or any of its subsidiaries (including the Employer) may, in its discretion, enforce any of the terms of the Restrictive Covenant Agreement and obtain relief or remedies for any breach of the Restrictive Covenant Agreement in the courts of England and Wales.

15.2 In addition to and without limiting any of the terms of the Restrictive Covenant Agreement, in order to further protect the confidential and propriety information, business connections and other legitimate business interests of the Group, the Employee covenants with the Employer (for itself and as trustee and agent for each member of the Group) that the Employee shall not:

(a) for twelve (12) months after Termination in the course of any business concern which is in competition with any Restricted Business, offer to employ or engage or otherwise endeavour to entice away from the Employer or any member of the Group any Restricted Person; or

(b) for twelve (12) months after Termination in the course of any business concern which is in competition with any Restricted Business, employ or engage or otherwise facilitate the employment or engagement of any Restricted Person, whether or not such person would be in breach of contract as a result of such employment or engagement.

15.3 The restrictions imposed on the Employee by Clause 15.2 apply to the Employee acting:

(a) directly or indirectly; and

(b) on the Employee's own behalf or on behalf of, or in conjunction with, any firm, company or person.

15.4 The periods for which the restrictions in Section 3 of the Restrictive Covenant Agreement and Clause 15.2 of this Agreement apply shall be reduced by any period that the Employee spends on Garden Leave immediately before Termination.

15.5 Each of the restrictions in Clause 15.2 is intended to be separate and severable. If any of the restrictions shall be held to be void but would be valid if part of their wording were deleted, such restriction shall apply with such deletion as may be necessary to make it valid or effective.

16. PAYMENT IN LIEU OF NOTICE

16.1 Notwithstanding Clause 2 (*Term of appointment*), the Employer may, in its sole and absolute discretion, terminate the Appointment at any time and with immediate effect by notifying the Employee that the Employer is exercising its right under this Clause 16 and that it will make within 28 days a payment in lieu of notice (Payment in Lieu), or the first instalment of any Payment in Lieu, to the Employee. This Payment in Lieu will be equal to the basic salary (as at the date of termination) which the Employee would have been entitled to receive under this Agreement during the three (3) month notice period referred to in Clause 2 (*Term of appointment*) (or, if notice has already been given, during the remainder of the notice period). For the avoidance of doubt, the Payment in Lieu shall not include any element in relation to:

(a) any bonus or commission payments that might otherwise have been due during the period for which the Payment in Lieu is made;

(b) any payment in respect of benefits which the Employee would have been entitled to receive during the period for which the Payment in Lieu is made; and

(c) any payment in respect of any holiday entitlement that would have accrued during the period for which the Payment in Lieu is made.

16.2 The Employer may pay any sums due under Clause 16.1 in equal monthly instalments until the date on which the notice period referred to in Clause 2 (*Term of appointment*) would have expired if notice had been given.

16.3 The Employee shall have no right to receive a Payment in Lieu unless the Employer has exercised its discretion in Clause 16.1. Nothing in this Clause 16 shall prevent the Employer from terminating the Appointment in breach.

16.4 Notwithstanding Clause 16.1, the Employee shall not be entitled to any Payment in Lieu if the Employer would otherwise have been entitled to terminate the Appointment without notice in accordance with Clause 18 (*Termination without notice*). In that case the Employer shall also be entitled to recover from the Employee any Payment in Lieu (or instalments thereof) already made.

17. SEVERANCE

17.1 If the Employee's employment is terminated by the Employer, the Employee will be eligible to receive a payment in an amount equal to nine (9) months worth of the Employee's base salary (less the amount, if any, payable under Clause 13.4) (the "**Severance Payment**"), as long as: (a) the termination by the Employer is for any reason other than under Clause 18; (b) the Employee first executes and satisfies the terms of a settlement agreement in a form satisfactory to the Employer, which settlement agreement shall release each member of the Group and their respective affiliates, and the foregoing entities' respective shareholders, members, partners, officers, managers, directors, predecessors, successors, fiduciaries, employees, representatives, agents and benefit plans (and fiduciaries of such plans) from any and all claims, including any and all causes of action arising out of the Employee's employment with EZCORP, Inc., the Employer or any other member of the Group or the termination of such employment; and (c) the Employee continues to abide by the terms of the Restrictive Covenant Agreement.

17.2 The Severance Payment will be paid in a single lump sum or in substantially equal instalments over a nine (9) month period following the Termination, at the election of the Employer in its sole discretion. No Severance Payment will be paid in the event the Employee resigns or retires for any reason, the Employee is terminated under Clause 18, or the Employee's employment terminates by reason of the Employee' death.

17.3 The Employer and the Employee acknowledge and agree that the Employee shall continue to participate in the EZCORP Change in Control Severance Plan and shall be entitled to all severance benefits specified therein in the event of a change in control of EZCORP, Inc. If applicable, severance benefits paid or payable under the Change in Control Severance Plan shall be in lieu of the payments described in this Clause 17.

18. TERMINATION WITHOUT NOTICE

18.1 The Employer may also terminate the Appointment with immediate effect without notice and with no liability to make any further payment to the Employee (other than in respect of amounts accrued due at the date of termination) if the Employee:

(a) is guilty of any gross misconduct affecting the business of any member of the Group;

(b) commits any serious or repeated breach or non-observance of any of the provisions of this Agreement or refuses or neglects to comply with any reasonable and lawful directions of the Employer or the Board;

(c) is, in the reasonable opinion of the Board (acting without the Employee, if applicable), negligent and incompetent in the performance of the Employee's duties;

(d) is declared bankrupt or makes any arrangement with or for the benefit of the Employee's creditors or has a county court administration order made against the Employee under the County Court Act 1984;

(e) is convicted of any criminal offence (other than an offence under any road traffic legislation in the United Kingdom or elsewhere for which a fine or non-custodial penalty is imposed);

(f) is, in the opinion of a medical practitioner physically or mentally incapable of performing their duties and may remain so for more than three (3) months and the medical practitioner has given a medical opinion to the Employer to that effect;

(g) ceases to be eligible to work in the United Kingdom;

(h) is guilty of any fraud or dishonesty or acts in any manner which in the opinion of the Employer brings or is likely to bring the Employee or any member of the Group into disrepute or is materially adverse to the interests of any member of the Group;

(i) is in breach of the Employer's anti-corruption and bribery policy or any related procedures;

(j) is in breach of their obligations under Clause 4.4 or the Employer's anti-facilitation of tax evasion policy;

(k) is guilty of a serious breach of any rules issued by the Employer from time to time regarding its electronic communications systems; or

(l) is unable by reason of Incapacity to perform the Employee's duties under this Agreement for an aggregate period of eighteen (18) weeks in any 52-week period.

18.2 The rights of the Employer under Clause 18.1 are without prejudice to any other rights that it might have at law to terminate the Appointment or to accept any breach of this Agreement by the Employee as having brought the agreement to an end. Any delay by the Employer in exercising its rights to terminate shall not constitute a waiver thereof.

19. GARDEN LEAVE

19.1 Following service of notice to terminate the Appointment by either party, or if the Employee purports to terminate the Appointment in breach of contract, the Employer may by written notice place the Employee on Garden Leave for the whole or part of the remainder of the Appointment.

19.2 During any period of Garden Leave:

(a) the Employer shall be under no obligation to provide any work to the Employee and may revoke any powers the Employee holds on behalf of the Employer or any member of the Group;

(b) the Employer may require the Employee to carry out alternative duties or to only perform such specific duties as are expressly assigned to the Employee, at such location (including the Employee's home) as the Employer may decide;

(c) the Employee shall continue to receive the Employee's basic salary and all contractual benefits in the usual way and subject to the terms of any benefit arrangement;

(d) the Employee shall remain an employee of the Employer and bound by the terms of this Agreement (including any implied duties of good faith and fidelity);

(e) the Employee shall ensure that the Board knows where the Employee will be and how the Employee can be contacted during each working day (except during any periods taken as holiday in the usual way);

(f) the Employer may exclude the Employee from any premises of the Employer or any member of the Group; and

(g) the Employer may require the Employee not to contact or deal with (or attempt to contact or deal with) any officer, employee, consultant, client, customer, supplier, agent, distributor, shareholder, adviser or other business contact of the Employer or any member of the Group.

20. OBLIGATIONS ON TERMINATION

20.1 On termination of the Appointment (however arising) or, if earlier, at the start of a period of Garden Leave, the Employee shall:

(a) resign immediately without compensation from any directorship or other office that the Employee holds in or on behalf of any member of the Group;

(b) immediately deliver to the Employer all documents, books, materials, records, correspondence, papers and information (on whatever media and wherever located) relating to the business or affairs of any member of the Group or their respective business contacts, any keys, credit card and any other property of any member of the Group, which is in the Employee's possession or under the Employee's control;

(c) irretrievably delete any information relating to the business of any member of the Group stored on any magnetic or optical disk or memory and all matter derived from such sources which is in the Employee's possession or under the Employee's control outside the Employer's premises; and

(d) provide a signed statement that the Employee has complied fully with the Employee's obligations under this Clause 20.1 (together with such reasonable evidence of compliance as the Employer may request).

20.2 On termination of the Appointment however arising, the Employee shall not be entitled to any compensation for the loss of any rights or benefits under any share option, bonus, long-term incentive plan or other profit sharing scheme operated by any member of the Group in which the Employee may participate.

21. DISCIPLINARY AND GRIEVANCE PROCEDURES

21.1 The Employee shall subject to any disciplinary and grievance procedures that may be adopted by the Employer from time to time, copies of which. Such procedures (if any) do not form part of the Employee's contract of employment.

21.2 If the Employee wants to raise a grievance, the Employee may apply in writing to the Executive Chairman of the Board.

21.3 If the Employee wishes to appeal against a disciplinary decision, the Employee may apply in writing to the Executive Chairman of the Board.

21.4 The Employer may suspend the Employee from any or all of the Employee's duties for no longer than is necessary to investigate any disciplinary matter involving the Employee or so long as is otherwise reasonable while any disciplinary procedure against the Employee is outstanding.

21.5 During any period of suspension:

(a) the Employee shall continue to receive the Employee's basic salary and all contractual benefits in the usual way and subject to the terms of any benefit arrangement;

(b) the Employee shall remain an employee of the Employer and bound by the terms of this Agreement;

(c) the Employee shall ensure that the Board knows where the Employee will be and how the Employee can be contacted during each working day (except during any periods taken as holiday in the usual way);

(d) the Employer may exclude the Employee from the Employee's place of work or any other premises of the Employer or any member of the Group; and

(e) the Employer may require the Employee not to contact or deal with (or attempt to contact or deal with) any officer, employee, consultant, client, customer, supplier, agent, distributor, shareholder, adviser or other business contact of the Employer or any member of the Group.

22. PENSIONS

The Employer will comply with the employer pension duties in accordance with Part 1 of the Pensions Act 2008.

23. DATA PROTECTION

23.1 The Employee shall comply with any data protection policies of the Employer when handling personal data in the course of employment including personal data relating to any employee, worker, contractor, customer, client, supplier or agent of the Employer.

23.2 Failure to comply with the data protection policy may be dealt with under our disciplinary procedure and, in serious cases, may be treated as gross misconduct leading to summary dismissal.

24. COLLECTIVE AGREEMENTS

There is no collective agreement which directly affects the Appointment.

25. RECONSTRUCTION AND AMALGAMATION

If the Appointment is terminated at any time by reason of any reconstruction or amalgamation of the Employer or any member of the Group, whether by winding up or otherwise, and the Employee is offered employment with any concern or undertaking involved in or resulting from the reconstruction or amalgamation on terms which (considered in their entirety) are no less favourable to any material extent than the terms of this Agreement, the Employee shall have no claim against the Employer or any such undertaking arising out of or connected with the termination.

26. NOTICES

26.1 A notice given to a party under this Agreement shall be in writing in the English language and signed by or on behalf of the party giving it. It shall be delivered by hand or sent to the party at the address given in this Agreement or as otherwise notified in writing to the other party. A copy of any notice given to the Employer must be sent simultaneously to EZCORP's Chief Legal Officer at 2500 Bee Cave Road, Building One, Suite 200, Austin, Texas USA 78746.

26.2 Any such notice shall be deemed to have been received:

(a) if delivered by hand, at the time the notice is left at the address or given to the addressee;

(b) in the case of pre-paid first class UK post or other next working day delivery service, at 9.00 am on the second business day after posting or at the time recorded by the delivery service; or

(c) in the case of pre-paid airmail, 9.00 am on the fifth Business Day after posting or at the time recorded by the delivery service.

26.3 A notice shall have effect from the earlier of its actual or deemed receipt by the addressee. For the purpose of calculating deemed receipt:

(a) all references to time are to local time in the place of deemed receipt; and

(b) if deemed receipt would occur on a Saturday or Sunday or a public holiday when banks are not open for business, deemed receipt is at 9.00 am on the next business day.

26.4 A notice required to be given under this Agreement by the Employee to the Employer shall be validly given if sent by e-mail to the following email address: tom_welch@excorp.com.

26.5 This clause does not apply to the service of any proceedings or other documents in any legal action.

27. ENTIRE AGREEMENT

27.1 This Agreement constitutes the entire agreement between the Parties and their respective affiliates (including, with respect to the Employer and the other members of the Group), representatives and agents, and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.

27.2 Each party acknowledges that in entering into this Agreement it does not rely on, and shall have no remedies in respect of, any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this Agreement.

27.3 Each party agrees that it shall have no claim for innocent or negligent misrepresentation or negligent misstatement based on any statement in this Agreement.

27.4 Nothing in this clause shall limit or exclude any liability for fraud.

28. VARIATION

No variation or agreed termination of this Agreement shall be effective unless it is in writing and signed by the Parties (or their authorised representatives).

29. COUNTERPARTS

29.1 This Agreement may be executed in any number of counterparts, each of which when executed shall constitute a duplicate original, but all the counterparts shall together constitute the one agreement.

29.2 No counterpart shall be effective until each Party has executed at least one counterpart.

30. THIRD PARTY RIGHTS

No one other than a party to this Agreement shall have any right to enforce any of its terms. Notwithstanding the foregoing, each member of the Group may, as a third party beneficiary, enforce any benefits conferred by this Agreement on it, provided that the Parties to this Agreement may amend, vary, waive, terminate or rescind this Agreement at any time and in any way pursuant to Clause 28 (*Variation*) without the consent of any such third party.

31. GOVERNING LAW

This Agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

32. JURISDICTION

Each Party irrevocably agrees that the courts of England and Wales shall have non-exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this Agreement or its subject matter or formation (including non-contractual disputes or claims).

IN WITNESS whereof this Agreement has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

Executed as a deed by EZCORP UK LIMITED acting by Ellen Bryant in the presence of:	/s/ Ellen Bryant Signature

Witness signature:

/s/ Carrie Putnam

Witness name: Carrie Putnam
Witness address:
2500 Bee Cave Rd., Bldg 1, Ste 200
Rollingwood, TX 78746 USA
Witness occupation: Paralegal

Signed as a deed by **Lachlan P. Given** in the presence of:	/s/ Lachlan P. Given Signature

Witness signature:

/s/ Carrie Putnam

Witness name: Carrie Putnam
Witness address:
2500 Bee Cave Rd., Bldg 1, Ste 200
Rollingwood, TX 78746 USA
Witness occupation: Paralegal

Exhibit 21.1

SUBSIDIARIES OF EZCORP, INC.

Entity	Jurisdiction of Organization
Brainerd Honduras, S.A. de C.V.	Honduras
Brainerd, S.A.	Guatemala
Brainerd, S.A. de C.V.	El Salvador
Camira Administration Corp	British Virgin Islands
Cap City Holdings, LLC	Delaware
Change Capital International Holdings, B.V.	Netherlands
Change Capital Mexico Holdings, S.A. de C.V.	Mexico
CCV Americas, LLC	Delaware
CCV Latin America Coöperatief, U.A	Netherlands
CCV Pennsylvania, Inc.	Delaware
EGreen Financial, Inc.	Delaware
EZ Online Sales, Inc.	Delaware
EZ Talent S. de R.L. de C.V	Mexico
EZ Transfers S.A. de C.V.	Mexico
EZCORP (2015) Asia-Pacific PTE, LTD	Singapore
EZCORP FS Holdings, Inc.	Delaware
EZCORP Global, B.V.	Netherlands
EZCORP Global Holdings, C.V.	Netherlands
EZCORP International, Inc.	Delaware
EZCORP International Holdings, LLC	Delaware
EZCORP Latin America Coöperatief, U.A.	Netherlands
EZCORP Services, Inc.	Delaware
EZCORP UK Limited	United Kingdom
EZCORP USA, Inc.	Delaware
EZMONEY Canada Holdings, Inc.	British Columbia
EZMONEY Canada, Inc.	Delaware
EZMONEY Tario, Inc.	British Columbia
EZPAWN Alabama, Inc.	Delaware
EZPAWN Arizona, Inc.	Delaware
EZPAWN Arkansas, Inc.	Delaware
EZPAWN Colorado, Inc.	Delaware
EZPAWN Florida, Inc.	Delaware
EZPAWN Georgia, Inc.	Delaware
EZPAWN Holdings, Inc.	Delaware
EZPAWN Illinois, Inc.	Delaware
EZPAWN Indiana, Inc.	Delaware
EZPAWN Iowa, Inc.	Delaware
EZPAWN Management Mexico, S. de R.L. de C.V.	Mexico
EZPAWN Mexico Holdings, LLC.	Delaware
EZPAWN Mexico Ltd., LLC.	Delaware
EZPAWN Minnesota, Inc.	Delaware
EZPAWN MS, Inc.	Delaware
EZPAWN Nevada, Inc.	Delaware
EZPAWN Oklahoma, Inc.	Delaware

SUBSIDIARIES OF EZCORP, INC.

Entity	Jurisdiction of Organization
EZPAWN Oregon, Inc.	Delaware
EZPAWN Services Mexico, S. de R.L. de C.V.	Mexico
EZPAWN Tennessee, Inc.	Delaware
EZPAWN Utah, Inc.	Delaware
Janama Honduras, S.A. de C.V.	Honduras
Janama, S.A.	Guatemala
Janama, S.A. de C.V.	El Salvador
Khoper Advisors, Ltd.	British Virgin Islands
Madras Investments Corp.	British Virgin Islands
Maxiprestamos. S.A. de C.V.	El Salvador
Miravet Planning Corp	Panama
Mister Money Holdings, Inc.	Colorado
MP Luxury, LLC	Delaware
Operadora de Servicios, S.A. de C.V.	El Salvador
Parkway Insurance, Inc.	Texas
PLO Del Bajio S. de R.L. de C.V.	Mexico
Prenda Aval, S.A. de C.V.	El Salvador
Renueva Comercial, S.A.P.I. de C.V.	Mexico
Salvaprenda, S.A. de C.V.	El Salvador
Texas EZPAWN, L.P.	Texas
Texas EZPAWN Management, Inc.	Delaware
Unicode Market, Inc.	Panama
USA Pawn & Jewelry Co. XI, LLC	Nevada
USA Pawn & Jewelry Co. 19, LLC	Nevada

Exhibit 23.1

<u>Consent of Independent Registered Public Accounting Firm</u>

EZCORP, Inc.
Rollingwood, Texas

We hereby consent to the incorporation by reference in the Registration Statements on Form S-4 (No. 333-202627), Form S-8 (No. 333-267814), Form S-8 (333-266551), Form S-8 (333-263308), Form S-8 (No. 333-228618), Form S-8 (No. 333-221996), Form S-8 (No. 333-215294), Form S-8 (No. 333-210647), Form S-8 (No. 333-209088), Form S-8 (No. 333-202628), Form S-8 (No. 333-191677), Form S-8 (No. 333-275304) of EZCORP, Inc. of our reports dated November 15, 2023, relating to the consolidated financial statements, and the effectiveness of EZCORP, Inc.'s internal control over financial reporting, which appear in this Form 10-K.

(Signed manually)
BDO USA, P.C.
Dallas, Texas

November 15, 2023

Exhibit 31.1

Certification of Lachlan P. Given, Chief Executive Officer,
pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934,
as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Lachlan P. Given, certify that:

1. I have reviewed this Annual Report on Form 10-K of EZCORP, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 15, 2023

/s/ Lachlan P. Given
Lachlan P. Given
Chief Executive Officer

Exhibit 31.2

Certification of Timothy K. Jugmans, Chief Financial Officer,
pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934,
as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Timothy K. Jugmans, certify that:

1. I have reviewed this Annual Report on Form 10-K of EZCORP, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 15, 2023

/s/ Timothy K. Jugmans
Timothy K. Jugmans
Chief Financial Officer

Exhibit 32.1

Certification of Lachlan P. Given, Chief Executive Officer, and Timothy K. Jugmans, Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

The undersigned officers of EZCORP, Inc. hereby certify that (a) EZCORP's Annual Report on Form 10-K for the year ended September 30, 2023, as filed with the Securities and Exchange Commission, fully complies with the requirements of section 13(a) of the Securities Exchange Act of 1934, as amended, and (b) the information contained in the report fairly presents, in all material respects, the financial condition and results of operations of EZCORP.

Date: November 15, 2023	/s/ Lachlan P. Given
	Lachlan P. Given
	Chief Executive Officer
Date: November 15, 2023	/s/ Timothy K. Jugmans
	Timothy K. Jugmans
	Chief Financial Officer