

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

**FORM 10-Q**

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

For the quarterly period ended June 30, 2017

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**

(State or other jurisdiction of incorporation or organization)

**2500 Bee Cave Road, Bldg One, Suite 200, Rollingwood, Texas**

(Address of principal executive offices)

**74-2540145**

(I.R.S. Employer Identification No.)

**78746**

(Zip Code)

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

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See definition 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

(Do not check if a smaller reporting company)

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

APPLICABLE ONLY TO CORPORATE ISSUERS:

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.

As of July 26, 2017, 51,326,582 shares of the registrant's Class A Non-voting Common Stock ("Class A 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.

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PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

EZCORP, Inc.  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(in thousands, except share and per share amounts)

	June 30, 2017	June 30, 2016	September 30, 2016
(Unaudited)			
<b>Assets:</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 113,729	\$ 29,380	\$ 65,737
Pawn loans	168,262	160,269	167,329
Pawn service charges receivable, net	30,585	29,643	31,062
Inventory, net	135,053	130,368	140,224
Notes receivable, net	22,024	—	41,946
Current assets held for sale	—	157,554	—
Prepaid expenses and other current assets	31,993	26,577	35,845
<b>Total current assets</b>	<b>501,646</b>	<b>533,791</b>	<b>482,143</b>
Investment in unconsolidated affiliate	41,725	56,843	37,128
Property and equipment, net	53,022	61,201	58,455
Goodwill	254,469	254,273	253,976
Intangible assets, net	32,551	30,569	30,681
Non-current notes receivable, net	41,253	—	41,119
Deferred tax asset, net	36,506	34,170	35,303
Other assets, net	9,145	18,950	44,439
<b>Total assets</b>	<b>\$ 970,317</b>	<b>\$ 989,797</b>	<b>\$ 983,244</b>
<b>Liabilities, temporary equity and equity:</b>			
<b>Current liabilities:</b>			
Accounts payable, accrued expenses and other current liabilities	\$ 64,830	\$ 63,242	\$ 84,285
Current liabilities held for sale	—	130,261	—
Customer layaway deposits	11,091	11,201	10,693
<b>Total current liabilities</b>	<b>75,921</b>	<b>204,704</b>	<b>94,978</b>
Long-term debt, net	260,414	211,421	283,611
Other long-term liabilities	9,680	9,548	10,450
<b>Total liabilities</b>	<b>346,015</b>	<b>425,673</b>	<b>389,039</b>
<b>Commitments and contingencies (Note 7)</b>			
<b>Temporary equity:</b>			
Redeemable noncontrolling interest	—	(2,378)	—
<b>Total temporary equity</b>	<b>—</b>	<b>(2,378)</b>	<b>—</b>
<b>Stockholders' equity:</b>			
Class A Non-voting Common Stock, par value \$ 0.01 per share; shares authorized: 100 million; issued and outstanding: 51,326,582 as of June 30, 2017; 51,019,332 as of June 30, 2016; and 51,129,144 as of September 30, 2016	513	510	511
Class B Voting Common Stock, convertible, par value \$ 0.01 per share; shares authorized: 3 million; issued and outstanding: 2,970,171	30	30	30
Additional paid-in capital	322,559	316,565	318,723
Retained earnings	340,256	316,577	319,808
Accumulated other comprehensive loss	(37,921)	(66,974)	(44,089)
<b>EZCORP, Inc. stockholders' equity</b>	<b>625,437</b>	<b>566,708</b>	<b>594,983</b>
Noncontrolling interest	(1,135)	(206)	(778)
<b>Total equity</b>	<b>624,302</b>	<b>566,502</b>	<b>594,205</b>
<b>Total liabilities, temporary equity and equity</b>	<b>\$ 970,317</b>	<b>\$ 989,797</b>	<b>\$ 983,244</b>

See accompanying notes to unaudited interim condensed consolidated financial statements.

**EZCORP, Inc.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2017	2016	2017	2016
(Unaudited)				
<i>(in thousands, except per share amounts)</i>				
Revenues:				
Merchandise sales	\$ 97,921	\$ 94,014	\$ 319,672	\$ 311,941
Jewelry scrapping sales	17,641	11,230	37,658	33,631
Pawn service charges	65,878	62,473	201,983	193,197
Other revenues	2,193	2,433	6,572	7,151
Total revenues	183,633	170,150	565,885	545,920
Merchandise cost of goods sold	62,615	60,140	204,840	194,731
Jewelry scrapping cost of goods sold	15,010	9,110	32,195	28,271
Other cost of revenues	453	506	1,433	1,549
Net revenues	105,555	100,394	327,417	321,369
Operating expenses:				
Operations	74,246	73,172	226,352	221,446
Administrative	14,095	14,481	41,305	50,085
Depreciation and amortization	5,843	6,274	18,246	20,422
Loss (gain) on sale or disposal of assets	17	(41)	11	641
Restructuring	—	—	—	1,910
Total operating expenses	94,201	93,886	285,914	294,504
Operating income	11,354	6,508	41,503	26,865
Interest expense	5,654	3,936	16,847	12,014
Interest income	(2,053)	(50)	(6,909)	(66)
Equity in net income of unconsolidated affiliate	(1,047)	(1,694)	(3,768)	(5,626)
Other (income) expense	(99)	500	(294)	815
Income from continuing operations before income taxes	8,899	3,816	35,627	19,728
Income tax expense	3,432	1,038	13,663	11,224
Income from continuing operations, net of tax	5,467	2,778	21,964	8,504
Loss from discontinued operations, net of tax	(265)	(9,133)	(1,868)	(99,068)
Net income (loss)	5,202	(6,355)	20,096	(90,564)
Net loss attributable to noncontrolling interest	(58)	(666)	(352)	(6,589)
Net income (loss) attributable to EZCORP, Inc.	\$ 5,260	\$ (5,689)	\$ 20,448	\$ (83,975)
Basic earnings per share attributable to EZCORP, Inc. — continuing operations	\$ 0.10	\$ 0.05	\$ 0.41	\$ 0.16
Diluted earnings per share attributable to EZCORP, Inc. — continuing operations	\$ 0.10	\$ 0.05	\$ 0.41	\$ 0.16
Weighted-average basic shares outstanding	54,295	53,980	54,247	54,574
Weighted-average diluted shares outstanding	54,367	54,192	54,310	54,690

See accompanying notes to unaudited interim condensed consolidated financial statements.

**EZCORP, Inc.**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2017	2016	2017	2016
	(Unaudited) (in thousands)			
Net income (loss)	\$ 5,202	\$ (6,355)	\$ 20,096	\$ (90,564)
Other comprehensive income (loss):				
Foreign currency translation gain (loss), net of income tax (expense) benefit for our investment in unconsolidated affiliate of (\$820) and (\$290) for the three and nine months ended June 30, 2017 respectively, and (\$845) and \$969 for the three and nine months ended June 30, 2016, respectively	4,608	(685)	6,163	(12,181)
Amounts reclassified from accumulated other comprehensive loss	—	—	—	22
Other comprehensive income (loss), net of tax	4,608	(685)	6,163	(12,159)
Comprehensive income (loss)	9,810	(7,040)	26,259	(102,723)
Comprehensive loss attributable to noncontrolling interest	(73)	(577)	(357)	(6,870)
Comprehensive income (loss) attributable to EZCORP, Inc.	\$ 9,883	\$ (6,463)	\$ 26,616	\$ (95,853)

See accompanying notes to unaudited interim condensed consolidated financial statements.

**EZCORP, Inc.**  
**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	EZCORP, Inc. Stockholders' Equity
	Shares	Par Value				
(Unaudited, except balances as of September 30, 2015)						
<i>(in thousands)</i>						
Balances as of September 30, 2015	53,696	\$ 537	\$ 310,038	\$ 400,552	\$ (55,096)	\$ 656,031
Stock compensation	—	—	7,012	—	—	7,012
Release of restricted stock	294	3	—	—	—	3
Excess tax deficiency from stock compensation	—	—	(336)	—	—	(336)
Taxes paid related to net share settlement of equity awards	—	—	(149)	—	—	(149)
Amounts reclassified from accumulated other comprehensive loss	—	—	—	—	21	21
Foreign currency translation adjustment	—	—	—	—	(11,899)	(11,899)
Net loss attributable to EZCORP, Inc.	—	—	—	(83,975)	—	(83,975)
Balances as of June 30, 2016	53,990	\$ 540	\$ 316,565	\$ 316,577	\$ (66,974)	\$ 566,708
	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	EZCORP, Inc. Stockholders' Equity
	Shares	Par Value				
(Unaudited, except balances as of September 30, 2016)						
<i>(in thousands)</i>						
Balances as of September 30, 2016	54,099	\$ 541	\$ 318,723	\$ 319,808	\$ (44,089)	\$ 594,983
Stock compensation	—	—	5,126	—	—	5,126
Release of restricted stock	198	2	—	—	—	2
Taxes paid related to net share settlement of equity awards	—	—	(767)	—	—	(767)
Reclassification of Cash Convertible Notes Warrants to liabilities	—	—	(523)	—	—	(523)
Foreign currency translation adjustment	—	—	—	—	6,168	6,168
Net income attributable to EZCORP, Inc.	—	—	—	20,448	—	20,448
Balances as of June 30, 2017	54,297	\$ 543	\$ 322,559	\$ 340,256	\$ (37,921)	\$ 625,437

See accompanying notes to unaudited interim condensed consolidated financial statements.

EZCORP, Inc.  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine Months Ended June 30,	
	2017	2016
	(Unaudited) (in thousands)	
Operating activities:		
Net income (loss)	\$ 20,096	\$ (90,564)
Adjustments to reconcile net income (loss) to net cash flows from operating activities:		
Depreciation and amortization	18,246	21,432
Amortization of debt discount and deferred financing costs	8,595	8,864
Amortization of prepaid commissions	—	10,684
Accretion of notes receivable discount	(2,898)	—
Consumer loan loss provision	1,434	24,157
Deferred income taxes	(871)	(14,234)
Impairment of goodwill	—	73,244
Other adjustments	(48)	(2,002)
Loss on sale or disposal of assets	11	641
Stock compensation	5,145	3,206
Income from investment in unconsolidated affiliate	(3,768)	(5,626)
Changes in operating assets and liabilities:		
Service charges and fees receivable	604	8,363
Inventory	1,470	(1,349)
Prepaid expenses, other current assets and other assets	1,261	(4,983)
Accounts payable, accrued expenses and other liabilities	(29,464)	(20,497)
Customer layaway deposits	288	781
Income taxes receivable and payable, current, net of excess tax benefit from stock compensation	9,873	51,990
Payments of restructuring charges	—	(8,367)
Dividends from unconsolidated affiliate	—	2,197
Net cash provided by operating activities	29,974	57,937
Investing activities:		
Loans made	(472,676)	(497,255)
Loans repaid	288,833	324,478
Recovery of pawn loan principal through sale of forfeited collateral	187,819	173,710
Additions to property and equipment	(9,340)	(6,470)
Acquisitions, net of cash acquired	—	(6,000)
Principal collections on notes receivable	23,336	—
Net cash provided by (used in) investing activities	17,972	(11,537)
Financing activities:		
Taxes paid related to net share settlement of equity awards	(767)	—
Payout of deferred consideration	—	(14,875)
Repurchase of redeemable common stock issued due to acquisitions	—	(11,750)
Proceeds from settlement of forward currency contracts	—	3,557
Change in restricted cash	—	2,710
Proceeds from borrowings, net of issuance costs	—	16,442
Payments on borrowings	—	(63,994)
Net cash used in financing activities	(767)	(67,910)
Effect of exchange rate changes on cash and cash equivalents	813	(6,506)
Net increase (decrease) in cash and cash equivalents	47,992	(28,016)
Cash and cash equivalents at beginning of period	65,737	59,124
Cash and cash equivalents at end of period	\$ 113,729	\$ 31,108
Non-cash investing and financing activities:		
Pawn loans forfeited and transferred to inventory	\$ 182,682	\$ 179,394
Dividend reinvestment acquisition of additional ownership in unconsolidated affiliate	1,153	—

See accompanying notes to unaudited interim condensed consolidated financial statements.

**EZCORP, Inc.**  
**Notes to Interim Condensed Consolidated Financial Statements (Unaudited)**  
**June 30, 2017**

**NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Description of Business***

When used in this report, the terms "we," "us," "our," "EZCORP" and the "Company" mean EZCORP, Inc. and its consolidated subsidiaries, collectively.

We are a leading provider of pawn loans in the United States and Mexico. Pawn loans are non-recourse loans collateralized by tangible property. We also sell merchandise, primarily collateral forfeited from pawn lending operations and used merchandise purchased from customers, and operate a small number of financial services stores in Canada.

***Basis of Presentation***

The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all the information and footnotes required by generally accepted accounting principles for complete financial statements. Our management has included all adjustments it considers necessary for a fair presentation. These adjustments are of a normal, recurring nature except for those related to discontinued operations described in Note 9. All intercompany accounts and transactions have been eliminated in consolidation.

The accompanying financial statements should be read in conjunction with the consolidated financial statements and notes included in our Annual Report on Form 10-K for the year ended September 30, 2016. The balance sheet as of September 30, 2016 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by GAAP for complete financial statements.

Our business is subject to seasonal variations, and operating results for the three and nine months ended June 30, 2017 and 2016 (the "current quarter" and "current nine -months" and "prior-year quarter" and "prior-year nine-months," respectively) are not necessarily indicative of the results of operations for the full fiscal year.

There have been no changes in significant accounting policies as described in our Annual Report on Form 10-K for the year ended September 30, 2016, other than those described below, and we have eliminated certain disclosures previously presented in our historical financial statements that we do not consider material to the overall financial statements presented herein.

***Reclassifications to Prior Period Financial Statements***

Certain reclassifications of prior period amounts have been made. These reclassifications, other than those pertaining to discontinued operations discussed in Note 9, the adoption of Financial Accounting Standards Board ("FASB") Accounting Standards Updates ("ASUs") discussed below and immaterial corrections for the nine months ended June 30, 2016 discussed in "Part II, Item 8 — Financial Statements and Supplementary Data — Note 2" of our Annual Report on Form 10-K for the year ended September 30, 2016, were made to conform to the current period presentation.

***Use of Estimates and Assumptions***

The preparation of these financial statements 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 ongoing basis, we evaluate our estimates and judgments, including those related to revenue recognition, inventories, 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 that we believe are 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 materially from these estimates under different assumptions or conditions.

***Recently Adopted Accounting Policies***

- We early adopted ASU 2016-09, Compensation — Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting during the quarter ended December 31, 2016. This ASU simplifies several aspects of the accounting for share-based payment transactions, including income tax consequences, calculation of the dilutive impact of awards, classification of awards as either equity or liabilities and classification on the statement of cash



flows. We prospectively applied the requirement to present excess tax benefits as an operating activity on the statement of cash flows. Further, we continue to estimate the number of award forfeitures in recording costs for share-based awards. The financial impact of adopting ASU 2016-09 was a \$0.4 million income tax benefit during the three and nine months ended June 30, 2017 for excess tax benefits on vested awards which previously would have been recorded to "Additional paid-in capital" prior to adoption of ASU 2016-09.

- We further adopted ASU 2015-11, Inventory (Topic 330): Simplifying the Measurement of Inventory, ASU 2015-05, Intangibles — Goodwill and Other — Internal-Use Software (Subtopic 350-40): Customer's Accounting for Fees Paid in a Cloud Computing Arrangement and ASU 2014-15, Presentation of Financial Statements — Going Concern (Subtopic 205-40) during the quarter ended December 31, 2016. The impacts of adoption for each ASU are as follows:
  - We early adopted ASU 2015-11 during the quarter ended December 31, 2016 on a prospective basis, and such adoption did not have a material impact on our consolidated financial position, results of operations or cash flows. We now measure our inventories at the lower of cost or net realizable value, where net realizable value is "estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation." Inventory was previously required to be measured at the lower of cost or market value, where the measurement of market value had several potential outcomes.
  - We adopted ASU 2015-05 during the quarter ended December 31, 2016 on a prospective basis for all arrangements entered into or materially modified after adoption of the ASU, and such adoption did not have a material impact on our consolidated financial position, results of operations or cash flows. We now consider whether cloud computing arrangements include a software license. If a cloud computing arrangement includes a software license, then 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.
  - We early adopted ASU 2014-15 during the quarter ended December 31, 2016. Upon adoption of the ASU, management has the responsibility to evaluate whether there is substantial doubt about our ability to continue as a going concern for a period of one year after the date that the financial statements are issued (or available to be issued) or to provide related footnote disclosures.

**Recently Issued Accounting Pronouncements and Significant Accounting Policies**

- In March 2016, the FASB issued ASU 2016-06, Derivatives and Hedging (Topic 815): Contingent Put and Call Options in Debt Instruments a consensus of the FASB Emerging Issues Task Force. This ASU clarifies what steps are required when assessing whether the economic characteristics and risks of call (put) options are clearly and closely related to the economic characteristics and risks of their debt hosts, which is one of the criteria for bifurcating an embedded derivative. Early adoption is permitted based upon guidance issued within the ASU and we plan to adopt the ASU in our fourth quarter of fiscal 2017. We do not anticipate that the adoption of ASU 2016-06 will have a material effect on our financial position, results of operations or cash flows.
- In May 2017, the FASB issued ASU 2017-09, Compensation — Stock Compensation (Topic 718). This ASU provides guidance about which changes to the terms or conditions of a share-based payment award require an entity to apply modification accounting. The provisions of this ASU are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017. Early adoption is permitted based upon guidance issued within the ASU. A reporting entity should apply the amendment to awards modified after the adoption date on a prospective basis. We do not anticipate that the adoption of ASU 2017-09 will have a material effect on our financial position, results of operations or cash flows.
- In January 2017, the FASB issued ASU 2017-04, Intangibles — Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment. This ASU eliminates Step 2 from the goodwill impairment test which previously required measurement of any goodwill impairment loss by comparing the implied fair value of a reporting unit's goodwill with the carrying amount of that goodwill. Under the new standard, an entity should perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount and recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value, without exceeding the total amount of goodwill allocated to that reporting unit. The provisions of this ASU are effective for fiscal years beginning after December 15, 2019, and any interim goodwill impairment tests within those fiscal years. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. A reporting entity should apply the amendment on a prospective basis. We currently anticipate adoption of ASU 2017-04 in the fourth quarter of our fiscal 2017 with no anticipated material impact on our consolidated financial position, results of operations or cash flows.

- In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). This ASU requires companies to generally recognize on the balance sheet operating and financing lease liabilities and corresponding right-of-use assets. The provisions of this ASU are effective for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. Early adoption is permitted based upon guidance issued within the ASU. Although we are in the process of evaluating the impact of adopting ASU 2016-02 on our consolidated financial position, results of operations and cash flows, we anticipate a material impact on our consolidated financial position. Additionally, we are evaluating the disclosure requirements under this ASU and are identifying and preparing to implement changes to our accounting policies, practices and controls to support adoption of the ASU and are evaluating upgrades to our third party software solution concurrently with our adoption. We believe we are following an appropriate timeline to allow for proper recognition, presentation and disclosure upon adoption of the ASU which is effective for our fiscal 2020.
- In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606). In August 2015, the FASB issued ASU 2015-14, Revenue from Contracts with Customers (Topic 606) to defer the effective date to December 15, 2017 for annual reporting periods beginning after that date, with early adoption permitted, but not before the original effective date of December 15, 2016. The core principle of ASU 2014-09, and the subsequently issued ASUs modifying or clarifying ASU 2014-09, is that an entity should recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve this core principle, the guidance provides that an entity should apply the following steps: (1) identify the contract(s) with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when, or as, the entity satisfies a performance obligation. The new standard allows for two methods of adoption: (a) full retrospective adoption, meaning the standard is applied to all periods presented, or (b) modified retrospective adoption, meaning the cumulative effect of applying the new standard is recognized as an adjustment to the opening retained earnings balance.

We are evaluating the impact that will result from adopting ASU 2014-09 on our consolidated financial position, results of operations, and cash flows. We currently anticipate adopting the ASU using the modified retrospective method. We do not believe the adoption will have an impact on our pawn service charge revenue recognition as we do not believe such charges are within the scope of the ASU. Further, we have not identified any impacts to our financial statements that we believe will be material as a result of the adoption of the ASU for other revenue streams, although we continue to evaluate the impact of adoption. We believe we are following an appropriate timeline to allow for proper recognition, presentation and disclosure upon adoption of the ASU which is effective for our fiscal 2019.

Please refer to Note 1, Summary of Significant Accounting Policies, of Notes to Consolidated Financial Statements included in "Part II, Item 8 — Financial Statements and Supplementary Data" of our Annual Report on Form 10-K for the year ended September 30, 2016 for discussion of our significant accounting policies and other accounting pronouncements issued but not yet adopted.

**NOTE 2: EARNINGS PER SHARE**

Components of basic and diluted earnings per share and excluded antidilutive potential common shares are as follows:

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2017	2016	2017	2016
	<i>(in thousands, except per share amounts)</i>			
Net income from continuing operations attributable to EZCORP (A)	\$ 5,525	\$ 2,904	\$ 22,316	\$ 8,954
Loss from discontinued operations, net of tax (B)	(265)	(8,593)	(1,868)	(92,929)
Net income (loss) attributable to EZCORP (C)	\$ 5,260	\$ (5,689)	\$ 20,448	\$ (83,975)
Weighted-average outstanding shares of common stock (D)	54,295	53,980	54,247	54,574
Dilutive effect of restricted stock	72	212	63	116
Weighted-average common stock and common stock equivalents (E)	54,367	54,192	54,310	54,690
<b>Basic earnings (loss) per share attributable to EZCORP:</b>				
Continuing operations (A / D)	\$ 0.10	\$ 0.05	\$ 0.41	\$ 0.16
Discontinued operations (B / D)	—	(0.16)	(0.03)	(1.70)
Basic earnings (loss) per share (C / D)	\$ 0.10	\$ (0.11)	\$ 0.38	\$ (1.54)
<b>Diluted earnings (loss) per share attributable to EZCORP:</b>				
Continuing operations (A / E)	\$ 0.10	\$ 0.05	\$ 0.41	\$ 0.16
Discontinued operations (B / E)	—	(0.16)	(0.03)	(1.70)
Diluted earnings (loss) per share (C / E)	\$ 0.10	\$ (0.11)	\$ 0.38	\$ (1.54)
<b>Potential common shares excluded from the calculation of diluted earnings (loss) per share above:</b>				
Restricted stock*	2,418	2,109	2,435	1,259
Warrants**	12,138	14,317	12,138	14,317
Total potential common shares excluded	14,556	16,426	14,573	15,576

\* Includes antidilutive share-based awards as well as performance-based and market conditioned 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.

\*\* See Note 5 for discussion of the terms and conditions of these potential common shares and Note 10 for settlement of a portion of the Cash Convertible Notes Warrants subsequent to June 30, 2017.

**NOTE 3: STRATEGIC INVESTMENTS**

As of June 30, 2017, we owned 156,552,484 shares, or approximately 32%, of our unconsolidated affiliate Cash Converters International Limited ("Cash Converters International"). The following tables present summary financial information for Cash Converters International's most recently reported results as of June 30, 2017 after translation to U.S. dollars:

	December 31,	
	2016	2015
	<i>(in thousands)</i>	
Current assets	\$ 158,235	\$ 176,105
Non-current assets	141,218	143,466
<b>Total assets</b>	<b>\$ 299,453</b>	<b>\$ 319,571</b>
Current liabilities	\$ 70,468	\$ 68,857
Non-current liabilities	48,181	48,263
Shareholders' equity:		
Equity attributable to owners of the parent	\$ 180,803	\$ 202,450
Noncontrolling interest	1	1
<b>Total liabilities and shareholders' equity</b>	<b>\$ 299,453</b>	<b>\$ 319,571</b>
	<b>Half Year Ended December 31,</b>	
	<b>2016</b>	<b>2015</b>
	<i>(in thousands)</i>	
Gross revenues*	\$ 108,161	\$ 110,219
Gross profit*	74,343	81,139
<b>Net profit</b>	<b>8,633</b>	<b>11,483</b>

\* Cash Converters International announced during its fiscal 2016 that certain of its United Kingdom operations would be discontinued, including a historical recasting of such operations as discontinued operations. We have recast the above information pertaining to the half year ended December 31, 2015 to reflect this historical recasting.

During the nine months ended June 30, 2017, the fair value of our investment in Cash Converters International declined below its carrying value. We considered the guidance in FASB Accounting Standards Codification ("ASC") 320-10-S99-1 in evaluating whether the impairment was other-than-temporary and whether to measure and recognize any other-than-temporary impairment. We noted the primary factors in determining that the decline in fair value was not other-than-temporary were the length of time and the extent to which the market value has been less than cost as well as our intent and ability to hold our investment in Cash Converters International for a period of time sufficient to allow for any anticipated recovery in market value. We do not believe the decline in fair value is other-than-temporary.

We continue to monitor the fair value of our investment in Cash Converters International for other-than-temporary impairments in future reporting periods and may record an impairment charge should the fair value of our investment in Cash Converters International remain below its carrying value for an extended period of time. We have previously recorded impairments on our investment in Cash Converters International in fiscal 2016 and 2015. See Note 4 for the fair value and carrying value of our investment in Cash Converters International.

**NOTE 4: FAIR VALUE MEASUREMENTS**

In accordance with ASC 820-10, our assets and liabilities discussed below are classified in one of the following three categories based on the inputs used to develop their fair values: 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; and Level 3 — Unobservable inputs that are not corroborated by market data.

**Recurring Fair Value Measurements**

The tables below present our financial assets (liabilities) that were carried and measured at fair value on a recurring basis, exclusive of amounts attributable to Prestaciones Finmart, S.A.P.I. de C.V., SOFOM, E.N.R. ("Grupo Finmart"), which we divested in September 2016:

Financial Assets (Liabilities)	Balance Sheet Location	June 30, 2017	June 30, 2016	September 30, 2016
			<i>(in thousands)</i>	
Guarantee asset — Level 3	Prepaid expenses and other current assets	\$ 298	\$ —	\$ 1,209
Guarantee liability — Level 3	Accounts payable, accrued expenses and other current liabilities	(310)	—	(1,258)
Cash Convertible Notes Hedges — Level 2	Other assets, net	5,900	16,200	37,692
Cash Convertible Notes Embedded Derivative — Level 2	Long-term debt, net	(5,900)	(16,200)	(37,692)
Cash Convertible Notes Warrants — Level 3	Accounts payable, accrued expenses and other current liabilities	(523)	—	—

We initially measured the guarantee asset and liability at fair value and are subsequently amortizing the guarantees based upon the principal payments received on the associated notes receivable, which approximates the fair value of the guarantees on a recurring basis. See discussion of settlement subsequent to June 30, 2017 in Note 10.

We measured the fair value of the Cash Convertible Notes Hedges and the Cash Convertible Notes Embedded Derivative using the Black-Scholes-Merton model based on observable Level 1 and Level 2 inputs such as conversion price of underlying shares, current share price, implied volatility, risk free interest rate and other factors. As of June 30, 2017 the volatility input was revised downward to 44% based on observed market inputs. As of June 30, 2016 and September 30, 2016 these inputs included volatilities of 53% to 55%.

We executed agreements dated as of June 29, 2017 to cash settle a portion of the Cash Convertible Notes Hedges and Cash Convertible Notes Warrants pertaining to the partial repayment of the Cash Convertible Notes in July 2017. Based on the negotiated cash settlement amount with our counterparties in July 2017, we realized a volatility of approximately 32% to 34%, reducing the amount received on the amounts recorded above as of June 30, 2017. As of June 30, 2017, we reclassified the portion of Cash Convertible Notes Warrants which were cash settled in July 2017 from equity to a liability at its current fair value, including inputs for current share price and trading volume. See Note 5 and Note 10 for additional discussion.

There were no transfers in or out of Level 1 or Level 2 for financial assets or liabilities measured at fair value on a recurring basis during the periods presented.

**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 (including those discussed below the following tables) on a recurring basis, exclusive of amounts attributable to Grupo Finmart:

	Carrying Value		Estimated Fair Value		
	June 30, 2017	June 30, 2017	Fair Value Measurement Using		
			Level 1	Level 2	Level 3
	<i>(in thousands)</i>				
<b>Financial assets:</b>					
Notes receivable, net	\$ 63,277	\$ 65,570	\$ —	\$ —	\$ 65,570
Investment in unconsolidated affiliate	41,725	37,306	37,306	—	—
<b>Financial liabilities:</b>					
Cash Convertible Notes	\$ 206,279	\$ 218,500	\$ —	\$ 218,500	\$ —
Term Loan Facility	48,235	48,159	—	—	48,159

	Carrying Value		Estimated Fair Value		
	June 30, 2016	June 30, 2016	Fair Value Measurement Using		
			Level 1	Level 2	Level 3
	<i>(in thousands)</i>				
<b>Financial assets:</b>					
Investment in unconsolidated affiliate	\$ 56,843	\$ 49,149	\$ 49,149	\$ —	\$ —
<b>Financial liabilities:</b>					
Cash Convertible Notes	\$ 195,221	\$ 190,762	\$ —	\$ 190,762	\$ —

	Carrying Value		Estimated Fair Value		
	September 30, 2016	September 30, 2016	Fair Value Measurement Using		
			Level 1	Level 2	Level 3
	<i>(in thousands)</i>				
<b>Financial assets:</b>					
Notes receivable, net	\$ 83,065	\$ 83,065	\$ —	\$ —	\$ 83,065
Investment in unconsolidated affiliate	37,128	37,128	37,128	—	—
<b>Financial liabilities:</b>					
Cash Convertible Notes	\$ 197,954	\$ 227,332	\$ —	\$ 227,332	\$ —
Term Loan Facility	47,965	48,688	—	—	48,688

Based on the short-term nature of cash and cash equivalents, pawn loans, pawn service charges receivable and current consumer loans, fees and interest receivable, 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 current consumer loans, fees and interest receivable to be measured using Level 3 inputs. Significant increases or decreases in the underlying assumptions used to value pawn loans, pawn service charges receivable and current consumer loans, fees and interest receivable could significantly increase or decrease these fair value estimates.

We measured the fair value of the notes receivable under a discounted cash flow approach considering the synthetic credit ratings for Grupo Finmart and Alpha Holding, S.A. de C.V. ("AlphaCredit"), as applicable and as determined with external consultation, with discount rates ranging primarily from 8% to 15%. Certain of the significant inputs used for the valuation were not observable in the market. Significant increases or decreases in the underlying assumptions used to value the notes receivable could significantly increase or decrease these fair value estimates.

The inputs used to generate the fair value of the investment in unconsolidated affiliate Cash Converters International were considered Level 1 inputs. These inputs are comprised 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 Cash Convertible Notes using quoted price inputs from Bloomberg. The Cash Convertible Notes are not actively traded and thus the price inputs represent a Level 2 measurement. As the Cash Convertible Notes are not actively traded, the quoted price inputs obtained from Bloomberg are highly variable from day to day and thus the fair value estimates disclosed above could significantly increase or decrease.

We measured the fair value of the Term Loan Facility under a discounted cash flow approach considering our synthetic credit rating, including inputs that are not observable in the market, with discount rates up to approximately 9%. A 50 basis point increase or decrease in the calculated credit spread based on our underlying synthetic credit rating would increase or decrease the fair value of our Term Loan Facility by approximately \$1.2 million. The fair value of the Term Loan Facility approximated its carrying value, inclusive of issuance costs and exclusive of deferred financing costs, as of September 30, 2016. See Note 5 and Note 10 for additional discussion.

**Notes Receivable from Grupo Finmart Divestiture**

Subsequent to the sale of Grupo Finmart in September 2016, we determined that we retained a variable interest in Grupo Finmart, including notes receivable and a guarantee liability of the future cash outflows of certain Grupo Finmart foreign exchange forward contracts with a backup guarantee provided by AlphaCredit for any payments we make under the guarantee. We determined that we are not the primary beneficiary of Grupo Finmart subsequent to its disposition as we lack a controlling financial interest in Grupo Finmart. As of June 30, 2017, we had a total gross outstanding balance on our notes receivable of \$67.1 million. We have collected \$8.2 million and \$23.3 million, respectively, in principal on these notes receivable during the three and nine months ended June 30, 2017.

The following table presents the carrying amount and classification of the assets and liabilities pertaining to our variable interest compared to the maximum exposure to loss for each asset and liability:

Instrument	Balance Sheet Location	June 30, 2017		September 30, 2016	
		Asset (Liability) Recorded in Consolidated Balance Sheet	Maximum Exposure to Loss	Asset (Liability) Recorded in Consolidated Balance Sheet	Maximum Exposure to Loss
Notes receivable	Notes receivable, net (including discount of \$3.8 million and \$6.7 million as of June 30, 2017 and September 30, 2016, respectively)	\$ 63,277	\$ 63,277	\$ 83,065	\$ 83,065
Guarantee asset	Prepaid expenses and other current assets	298	—	1,209	—
Guarantee liability*	Accounts payable, accrued expenses and other current liabilities	(310)	—	(1,258)	—

\* Maximum exposure to loss under the guarantee liability was \$6.2 million and \$25.3 million as of June 30, 2017 and September 30, 2016, respectively. However such amount is included within the maximum exposure to loss for the notes receivable above, as the guarantee liability is a guarantee by us of Grupo Finmart's repayment of our notes receivable owed by Grupo Finmart. See discussion of repayment subsequent to June 30, 2017 in Note 10.

**NOTE 5: LONG-TERM DEBT**

The following tables present our long-term debt instruments outstanding as well as future principal payments due, exclusive of amounts attributable to Grupo Finmart:

	June 30, 2017			June 30, 2016			September 30, 2016		
	Gross Amount	Debt Discount and Issuance Costs	Carrying Amount	Gross Amount	Debt Discount and Issuance Costs	Carrying Amount	Gross Amount	Debt Discount and Issuance Costs	Carrying Amount
<i>(in thousands)</i>									
2.125% Cash convertible senior notes due 2019	\$ 230,000	\$ (23,721)	\$ 206,279	\$ 230,000	\$ (34,779)	\$ 195,221	\$ 230,000	\$ (32,046)	\$ 197,954
Cash convertible senior notes due 2019 embedded derivative	5,900	—	5,900	16,200	—	16,200	37,692	—	37,692
Term loan facility	50,000	(1,765)	48,235	—	—	—	50,000	(2,035)	47,965
	<u>\$ 285,900</u>	<u>\$ (25,486)</u>	<u>\$ 260,414</u>	<u>\$ 246,200</u>	<u>\$ (34,779)</u>	<u>\$ 211,421</u>	<u>\$ 317,692</u>	<u>\$ (34,081)</u>	<u>\$ 283,611</u>
<b>Principal Payment Schedule</b>									
	<b>Total</b>		<b>Less Than 1 Year</b>	<b>1 - 3 Years</b>		<b>3 - 5 Years</b>		<b>More Than 5 Years</b>	
<i>(in thousands)</i>									
2.125% Cash convertible senior notes due 2019 (a) (b)	\$ 230,000		\$ —	\$ 230,000		\$ —		\$ —	
Term loan facility (b)	50,000		—	—		—		50,000	
	<u>\$ 280,000</u>		<u>\$ —</u>	<u>\$ 230,000</u>		<u>\$ —</u>		<u>\$ 50,000</u>	

(a) Excludes the potential impact of the embedded derivative.

(b) See discussion of repayments subsequent to June 30, 2017 in Note 10.

**Term Loan Facility up to \$100 Million**

On September 12, 2016 (the "Closing Date"), EZCORP, Inc. (as borrower) and certain of its subsidiaries (as guarantors) entered into a "Financing Agreement" with certain lenders (the "Lenders") and Fortress Credit Co LLC (as collateral and administrative agent for the Lenders). The Financing Agreement provides for a senior secured credit facility in an aggregate principal amount of \$100 million, subject to various terms and conditions contained in the Financing Agreement. The credit facility ("Term Loan Facility") consists of an Initial Term Loan of \$50 million that was drawn on the Closing Date and a Delayed Draw Term Loan of \$50 million.

Borrowings under the facility bear interest at an annual rate initially equal to the London Interbank Offered Rate ("LIBOR") plus 7.5% or, at our election, a "Reference Rate" plus 6.5%. The LIBOR is subject to a floor of 1% and the Reference Rate is subject to a floor of 3%. We pay a monthly fee of 2.75% per annum on the average daily unused portion of the Delayed Draw Term Loan facility and a quarterly loan servicing fee of \$15,000.

The Term Loan Facility was repaid in full and terminated subsequent to June 30, 2017. See Note 10.

**2.125% Cash Convertible Senior Notes Due 2019**

In June 2014 ("Original Issuance Date"), we issued \$200 million aggregate principal amount of 2.125% Cash Convertible Notes, with an additional \$30 million principal amount of Cash Convertible Notes issued in July 2014. All of the Cash Convertible Notes were issued pursuant to an indenture dated June 23, 2014 (the "Indenture") by and between EZCORP and Wells Fargo Bank, National Association, as the trustee. The Cash Convertible Notes were issued in a private offering and resold under Rule 144A under the Securities Act of 1933. The Cash Convertible Notes pay interest semi-annually in arrears at a rate of 2.125% per annum on June 15 and December 15 of each year and mature on June 15, 2019 (the "Maturity Date").

Prior to December 15, 2018, the Cash Convertible Notes will be convertible only upon the occurrence of certain events and during certain periods, and thereafter, at any time prior to the close of business on the second scheduled trading day immediately preceding the Maturity Date. At maturity, the holders of the Cash Convertible Notes will be entitled to receive



cash equal to the principal amount of the Cash Convertible Notes plus unpaid accrued interest. See discussion of partial repayment subsequent to June 30, 2017 in Note 10.

*Cash Convertible Notes Embedded Derivative*

We account for the cash conversion feature of the Cash Convertible Notes as a separate derivative instrument (the "Cash Convertible Notes Embedded Derivative"). The Cash Convertible Notes are convertible into cash, subject to satisfaction of certain conditions and during the periods described below, based on an initial "Conversion Rate" of 62.2471 shares of Class A Common Stock per \$1,000 principal amount of Cash Convertible Notes (equivalent to an initial "Conversion Price" of approximately \$16.065 per share of our Class A Common Stock). Upon conversion of a note, we will pay cash based on a daily conversion value calculated on a proportionate basis for each trading day in the applicable 80 trading day observation period as described in the Indenture. The Conversion Rate will not be adjusted for any accrued and unpaid interest.

Holders may surrender their Cash Convertible Notes for conversion into cash prior to December 15, 2018 only under the following circumstances (the "Early Conversion Conditions"): (1) during any fiscal quarter commencing after the fiscal quarter ending on September 30, 2014 (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 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; or (3) upon the occurrence of specified corporate events, as defined in the Indenture. On or after December 15, 2018 until the close of business on the second scheduled trading day immediately preceding the Maturity Date, holders may convert their notes into cash at any time, regardless of the foregoing circumstances.

If a holder elects to convert its Cash Convertible Notes in connection with certain make-whole fundamental changes, as that term is defined in the Indenture, that occur prior to the Maturity Date, we will in certain circumstances increase the Conversion Rate for Cash Convertible Notes converted in connection with such make-whole fundamental changes by a specified number of shares of Class A Common Stock. In addition, the Conversion Rate is subject to customary anti-dilution adjustments (for example, certain dividend distributions or tender or exchange offer of our Class A Common Stock).

Upon the occurrence of a fundamental change, as defined in the Indenture, holders may require us to repurchase for cash all or any portion of the then outstanding Cash Convertible Notes at a repurchase price equal to 100% of the principal amount of the notes to be repurchased, plus accrued and unpaid interest.

As of June 30, 2017, no triggering events occurred for of the note holders to elect to convert their Cash Convertible Notes. Subsequent to June 30, 2017, we repurchased and retired \$35.0 million aggregate principal amount of Cash Convertible Notes, leaving \$195.0 million aggregate principal amount outstanding. See Note 10.

*Cash Convertible Notes Hedges*

In connection with the issuance of the Cash Convertible Notes, we purchased cash-settled call options (the "Cash Convertible Notes Hedges") in privately negotiated transactions with certain of the initial purchasers or their affiliates (in this capacity, the "Option Counterparties"). The Cash Convertible Notes Hedges provide us with the option to acquire, on a net settlement basis, approximately 14.3 million shares of our Class A Common Stock at a strike price of \$16.065, which is equal to the number of shares of our Class A Common Stock that notionally underlie the Cash Convertible Notes and corresponds to the Conversion Price of the Cash Convertible Notes. The Cash Convertible Notes Hedges have an expiration date that is the same as the Maturity Date of the Cash Convertible Notes, subject to earlier exercise. The Cash Convertible Notes Hedges have customary anti-dilution provisions similar to the Cash Convertible Notes. If we exercise the Cash Convertible Notes Hedges, the aggregate amount of cash we will receive from the Option Counterparties will cover the aggregate amount of cash that we would be required to pay to the holders of the converted Cash Convertible Notes, less the principal amount thereof. As of June 30, 2017, we have not purchased any shares under the Cash Convertible Notes Hedges.

The aggregate cost of the Cash Convertible Notes Hedges was \$46.5 million (or \$21.3 million net of the total proceeds from the Warrants sold, as discussed below). The Cash Convertible Notes Hedges are accounted for as a derivative asset and are recorded in the condensed consolidated balance sheets at their estimated fair value. The Cash Convertible Notes Embedded Derivative liability and the Cash Convertible Notes Hedges asset will be adjusted to fair value each reporting period and unrealized gains and losses will be reflected in the condensed consolidated statements of operations. The Cash Convertible Notes Embedded Derivative and the Cash Convertible Notes Hedges are designed to have similar fair values. Accordingly, the changes in the fair values of these instruments are expected to offset and not have a net impact on the condensed consolidated

statements of operations. See Note 4 for discussion of fair value of the Cash Convertible Notes Embedded Derivative liability and the Cash Convertible Notes Hedges asset.

Subsequent to June 30, 2017, in connection with our repurchase and retirement of \$35.0 million aggregate principal amount of Cash Convertible Notes, we settled and terminated the portion of the Cash Convertible Notes Hedges associated with the retired Cash Convertible Notes principal. See Note 10.

*Cash Convertible Notes Warrants*

In connection with the issuance of the Cash Convertible Notes, we also sold net-share-settled warrants (the "Cash Convertible Notes Warrants") in privately negotiated transactions with the Option Counterparties for the purchase of up to approximately 14.3 million shares of our Class A Common Stock at a strike price of \$20.83 per share, for total proceeds of \$25.1 million, net of issuance costs, which was recorded as an increase in stockholders' equity. The Cash Convertible Notes Warrants have customary anti-dilution provisions similar to the Cash Convertible Notes. As a result of the Cash Convertible Notes Warrants, we will experience dilution to our diluted earnings per share if our average closing stock price exceeds \$20.83 for any fiscal quarter. The Cash Convertible Notes Warrants expire on various dates from September 2019 through February 2020 and must be settled in net shares of our Class A Common Stock. Therefore, upon expiration of the Cash Convertible Notes Warrants, we will issue shares of Class A Common Stock to the purchasers of the Cash Convertible Notes Warrants that represent the value by which the price of the Class A Common Stock exceeds the strike price stipulated within the particular warrant agreement. As of June 30, 2017, there were 12.1 million Cash Convertible Notes Warrants outstanding. Subsequent to June 30, 2017, in connection with our repurchase and retirement of \$35.0 million aggregate principal amount of Cash Convertible Notes, we settled and terminated the portion of the Cash Convertible Notes Warrants associated with the retired Cash Convertible Notes principal. See Note 10.

**NOTE 6: STOCK COMPENSATION**

On May 1, 2010 our Board of Directors approved the adoption of the EZCORP, Inc. 2010 Long-Term Incentive Plan (the "2010 Plan"). As of September 30, 2016, the 2010 Plan permitted grants of options, restricted stock awards and stock appreciation rights covering up to 3,485,649 shares of our Class A Common Stock. In December 2016, the Board of Directors and the voting stockholder approved the addition of 500,000 shares to the 2010 Plan.

In November and December 2016, we granted 919,898 restricted stock unit awards to employees and 72,500 restricted stock awards to non-employee directors with a grant date fair value of primarily \$9.60 per share. Our long-term incentive awards are generally granted based on our share price as of October 1 each year, which was \$11.06 for these fiscal 2017 awards. The awards granted to employees vest on September 30, 2019 subject to the achievement of certain performance targets. As of June 30, 2017, we considered the achievement of these performance targets probable. The awards granted to non-employee directors vest over two years, 50% on September 30, 2017 and 50% on September 30, 2018 and are subject only to service conditions.

**NOTE 7: CONTINGENCIES**

We are involved in various claims, suits, investigations and legal proceedings, including those described below. We are unable to determine the ultimate outcome of any current litigation or regulatory actions. An unfavorable outcome could have a material adverse effect on our financial condition, results of operations or liquidity. Except as noted below, we have not recorded a liability for any of these matters as of June 30, 2017 because we do not believe at this time that any loss is probable or that the amount of any probable loss can be reasonably estimated. The following is a description of significant proceedings.

*Shareholder derivative litigation* — On July 28, 2014, Lawrence Treppel, a purported holder of Class A Common Stock, filed a derivative action in the Court of Chancery of the State of Delaware styled *Treppel v. Cohen, et al.* (C.A. No. 9962-VCP). The complaint, as originally filed and as amended on September 23, 2014, names as defendants Phillip E. Cohen, the beneficial owner of all of our outstanding Class B Voting Common Stock; several current and former members of our Board of Directors (Joseph J. Beal, Sterling B. Brinkley, John Farrell, Pablo Lagos Espinosa, William C. Love, Thomas C. Roberts and Paul E. Rothamel); three entities controlled by Mr. Cohen (MS Pawn Limited Partnership, the record holder of our Class B Voting Common Stock; MS Pawn Corporation, the general partner of MS Pawn Limited Partnership; and Madison Park LLC); and EZCORP, Inc., as nominal defendant. The amended complaint asserts the following claims:

- Claims against the current and former Board members for breach of fiduciary duties and waste of corporate assets in connection with the Board's decision to enter into advisory services agreements with Madison Park from October 2004 to June 2014 (Counts I and II, respectively);

- Claims against Mr. Cohen and MS Pawn Limited Partnership for aiding and abetting the breaches of fiduciary duties relating to the advisory services agreements with Madison Park (Count III); and
- Claims against Mr. Cohen and Madison Park for unjust enrichment for payments under the advisory services agreements (Count IV).

The plaintiff seeks (a) recovery for the Company in the amount of the damages the Company has sustained as a result of the alleged breach of fiduciary duties, waste of corporate assets and aiding and abetting, (b) disgorgement by Mr. Cohen and Madison Park of the benefits they received as a result of the related party transactions and (c) reimbursement of costs and expenses, including reasonable attorney's fees.

On November 13, 2014, pursuant to the parties' stipulation, the Court dismissed the action as to Mr. Brinkley, Mr. Rothamel and Mr. Lagos.

The remaining defendants filed motions to dismiss, and a hearing on those motions was held before the Court on September 8, 2015. Prior to that hearing, the plaintiff proposed a dismissal without prejudice for the claims against Mr. Beal, Mr. Love and Mr. Farrell. Those defendants continued to seek a dismissal with prejudice that would bind all potential plaintiffs. On January 15, 2016, the Court issued an opinion dismissing the action as to Mr. Beal, Mr. Love and Mr. Farrell with prejudice only as to the plaintiff.

On January 25, 2016, the Court issued a separate opinion granting in part and denying in part the motions to dismiss filed by the remaining defendants. Specifically, the Court granted the motion to dismiss Count IV (unjust enrichment) for failure to state a claim. The Court also dismissed Count III (aiding and abetting) as to Mr. Cohen, but interpreted Count I (breach of fiduciary duty) to state a claim against Mr. Cohen and MS Pawn, as well as Mr. Roberts. The Court otherwise denied the motions to dismiss, including the motion to dismiss Count III (aiding and abetting) against MS Pawn.

On February 4, 2016, the remaining defendants filed an Application for Certification of Interlocutory Appeal, which the plaintiff opposed on February 15, 2016, and the Court set a hearing on the application. On February 22, 2016, the Court denied the Application for Certification of Interlocutory Appeal and provided the plaintiff the opportunity to amend its complaint to add a fiduciary-duty claim as to Mr. Cohen and Madison Park, staying proceedings pending a ruling from the Delaware Supreme Court. After the Application for Certification of Interlocutory Appeal was denied, Mr. Roberts, MS Pawn Corporation and MS Pawn Limited Partnership filed notices of appeal from the interlocutory opinion and order denying the motions to dismiss. On March 10, 2016, the Delaware Supreme Court denied those petitions for an interlocutory appeal.

On March 4, 2016, the plaintiff filed a Second Amended Derivative Complaint against Mr. Roberts, Mr. Cohen, Madison Park, MS Pawn Corporation and MS Pawn Limited Partnership with EZCORP, Inc., as nominal defendant. The case is now in the discovery stage.

We intend to continue to defend vigorously against the claims asserted in the lawsuit. Although the lawsuit does not seek relief against the Company, we have certain indemnification obligations to the other defendants (including Madison Park and Mr. Cohen), which obligations include the payment of attorney's fees in advance of the outcome. We cannot predict the outcome of this lawsuit, or the amount of time and expense that will be required to resolve it.

*Federal securities litigation (SDNY)* — On August 22, 2014, Jason Close, a purported holder of Class A Common Stock, for himself and on behalf of other similarly situated holders of Class A Common Stock, filed a lawsuit in the United States District Court for the Southern District of New York styled *Close v. EZCORP, Inc., et al.* (Case No. 1:14-cv-06834-ALC). That lawsuit named as defendants EZCORP, Inc., Paul E. Rothamel (the Company's former Chief Executive Officer) and Mark Kuchenrither (the Company's former Chief Financial Officer). That lawsuit was consolidated with a similar lawsuit filed in the same court on October 17, 2014 by the Automotive Machinists Pension Plan and styled *Automotive Machinists Pension Plan v. EZCORP, Inc., et al.* (Case No. 1:14-cv-8349-ALC). On November 18, 2014, the court consolidated the two lawsuits under the caption *In Re EZCORP, Inc. Securities Litigation* (Case No. 1:14-cv-06834-ALC).

The Consolidated Amended Class Action Complaint asserted certain violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as well as Rule 10b-5 promulgated thereunder. On March 31, 2016, the Court, in response to the defendants' motions to dismiss, dismissed certain of the claims, but other claims survived the motions to dismiss.

On November 23, 2016, the parties agreed to a mediated settlement of all remaining claims. The settlement provides for the payment of \$5.9 million by the defendants, which was covered by applicable directors' and officers' liability insurance. Following a Settlement Hearing on April 25, 2017, the Court entered an order to approve the settlement and dismiss the case.

*Federal Securities Litigation (WDT)* — On July 20, 2015, Wu Winfred Huang, a purported holder of Class A Common Stock, for himself and on behalf of other similarly situated holders of Class A Common Stock, filed a lawsuit in the United States

District Court for the Western District of Texas styled *Huang v. EZCORP, Inc., et al.* (Case No. 1:15-cv-00608-SS). The complaint names as defendants EZCORP, Inc., Stuart I. Grimshaw (our chief executive officer) and Mark E. Kuchenrither (our former chief financial officer) and asserts violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder. The original complaint related to the Company's announcement on July 17, 2015 that it will restate the financial statements for fiscal 2014 and the first quarter of fiscal 2015, and alleged generally that the Company issued materially false or misleading statements concerning the Company, its finances, business operations and prospects and that the Company misrepresented the financial performance of the Grupo Finmart business.

On August 14, 2015, a substantially identical lawsuit, styled *Rooney v. EZCORP, Inc., et al.* (Case No. 1:15-cv-00700-SS) was also filed in the United States District Court for the Western District of Texas. On September 28, 2015, the plaintiffs in these two lawsuits filed an agreed stipulation to be appointed co-lead plaintiffs and agreed that their two actions should be consolidated. On November 3, 2015, the Court entered an order consolidating the two actions under the caption *In re EZCORP, Inc. Securities Litigation* (Master File No. 1:15-cv-00608-SS), and appointed the two plaintiffs as co-lead plaintiffs, with their respective counsel appointed as co-lead counsel.

On January 11, 2016, the plaintiffs filed an Amended Class Action Complaint (the "Amended Complaint"). In the Amended Complaint, the plaintiffs seek to represent a class of purchasers of our Class A Common Stock between November 6, 2012 and October 20, 2015. The Amended Complaint asserts that the Company and Mr. Kuchenrither violated Section 10(b) of the Securities Exchange Act and Rule 10b-5, issued materially false or misleading statements throughout the proposed class period concerning the Company and its internal controls, specifically regarding the financial performance of Grupo Finmart. The plaintiffs also allege that Mr. Kuchenrither, as a controlling person of the Company, violated Section 20(a) of the Securities Exchange Act. The Amended Complaint does not assert any claims against Mr. Grimshaw. On February 25, 2016, defendants filed a motion to dismiss the lawsuit. The plaintiff filed an opposition to the motion to dismiss on April 11, 2016, and the defendants filed their reply on May 11, 2016. The Court held a hearing on the motion to dismiss on June 22, 2016.

On October 18, 2016, the Court granted the defendants' motion to dismiss and dismissed the Amended Complaint without prejudice. The Court gave the plaintiffs 20 days (until November 7, 2016) to file a further amended complaint. On November 4, 2016, the plaintiffs filed a Second Amended Consolidated Class Action Complaint ("Second Amended Complaint"). The Second Amended Complaint raises the same claims dismissed by the Court on October 18, 2016, except plaintiffs now seek to represent a class of purchasers of EZCORP's Class A Common Stock between November 7, 2013 and October 20, 2015 (instead of between November 6, 2012 and October 20, 2015). On December 5, 2016, defendants filed a motion to dismiss the Second Amended Complaint. The plaintiffs filed their opposition to the motion to dismiss on January 6, 2017, and the defendants filed their reply brief on January 20, 2017.

On May 8, 2017, the Court granted the defendants' motion to dismiss with regard to claims related to accounting errors relating to Grupo Finmart's bad debt reserve calculations for "nonperforming" loans, but denied the motion to dismiss with regard to claims relating to accounting errors related to certain sales of loan portfolios to third parties. The case is now in the discovery stage. We cannot predict the outcome of the litigation, but we intend to defend vigorously against all allegations and claims.

**SEC Investigation** — On October 23, 2014, we received a notice from the Fort Worth Regional Office of the SEC that it was conducting an investigation into certain matters involving EZCORP, Inc. The notice was accompanied by a subpoena, directing us to produce a variety of documents, including all minutes and materials related to Board of Directors and Board committee meetings since January 1, 2009 and all documents and communications relating to our historical advisory services relationship with Madison Park (the business advisory firm owned by Mr. Cohen) and LPG Limited (a business advisory firm owned by Lachlan P. Given, our current Executive Chairman of the Board). The SEC has also issued subpoenas to current and former members of our Board of Directors requesting production of similar documents, as well as to certain third parties, and has conducted interviews with certain individuals. We continue to cooperate fully with the SEC in its investigation.

**NOTE 8: SEGMENT INFORMATION**

We currently report our segments as follows: U.S. Pawn — all pawn activities in the United States, Mexico Pawn — all pawn activities in Mexico and other parts of Latin America and Other International — primarily our equity interest in the net income of Cash Converters International and consumer finance activities in Canada. There are no inter-segment revenues, and the amounts below were determined in accordance with the same accounting principles used in our condensed consolidated financial statements.

	Three Months Ended June 30, 2017					
	U.S. Pawn	Mexico Pawn	Other International	Total Segments	Corporate Items	Consolidated
	<i>(in thousands)</i>					
<b>Revenues:</b>						
Merchandise sales	\$ 82,714	\$ 15,207	\$ —	\$ 97,921	\$ —	\$ 97,921
Jewelry scrapping sales	17,257	384	—	17,641	—	17,641
Pawn service charges	56,774	9,104	—	65,878	—	65,878
Other revenues	50	179	1,964	2,193	—	2,193
Total revenues	156,795	24,874	1,964	183,633	—	183,633
Merchandise cost of goods sold	52,488	10,127	—	62,615	—	62,615
Jewelry scrapping cost of goods sold	14,674	336	—	15,010	—	15,010
Other cost of revenues	—	—	453	453	—	453
Net revenues	89,633	14,411	1,511	105,555	—	105,555
<b>Segment and corporate expenses (income):</b>						
Operations	63,593	8,898	1,755	74,246	—	74,246
Administrative	—	—	—	—	14,095	14,095
Depreciation and amortization	2,210	619	44	2,873	2,970	5,843
Loss (gain) on sale or disposal of assets	20	(3)	—	17	—	17
Interest expense	—	2	—	2	5,652	5,654
Interest income	—	(480)	—	(480)	(1,573)	(2,053)
Equity in net income of unconsolidated affiliate	—	—	(1,047)	(1,047)	—	(1,047)
Other income	(5)	(24)	(68)	(97)	(2)	(99)
Segment contribution	\$ 23,815	\$ 5,399	\$ 827	\$ 30,041	—	\$ 30,041
Income from continuing operations before income taxes				\$ 30,041	\$ (21,142)	\$ 8,899

Three Months Ended June 30, 2016						
	U.S. Pawn	Mexico Pawn	Other International	Total Segments	Corporate Items	Consolidated
<i>(in thousands)</i>						
<b>Revenues:</b>						
Merchandise sales	\$ 79,826	\$ 14,187	\$ 1	\$ 94,014	\$ —	\$ 94,014
Jewelry scrapping sales	10,918	312	—	11,230	—	11,230
Pawn service charges	54,395	8,078	—	62,473	—	62,473
Other revenues	39	157	2,237	2,433	—	2,433
Total revenues	145,178	22,734	2,238	170,150	—	170,150
Merchandise cost of goods sold	50,586	9,554	—	60,140	—	60,140
Jewelry scrapping cost of goods sold	8,845	265	—	9,110	—	9,110
Other cost of revenues	—	—	506	506	—	506
Net revenues	85,747	12,915	1,732	100,394	—	100,394
<b>Segment and corporate expenses (income):</b>						
Operations	62,733	8,744	1,695	73,172	—	73,172
Administrative	—	—	—	—	14,481	14,481
Depreciation and amortization	2,888	720	56	3,664	2,610	6,274
Loss on sale or disposal of assets	(51)	(13)	—	(64)	23	(41)
Interest expense	—	25	—	25	3,911	3,936
Interest income	(1)	(23)	—	(24)	(26)	(50)
Equity in net income of unconsolidated affiliate	—	—	(1,694)	(1,694)	—	(1,694)
Other expense (income)	—	759	—	759	(259)	500
Segment contribution	\$ 20,178	\$ 2,703	\$ 1,675	\$ 24,556	—	\$ 24,556
Income from continuing operations before income taxes				\$ 24,556	\$ (20,740)	\$ 3,816

Nine Months Ended June 30, 2017

	U.S. Pawn	Mexico Pawn	Other International	Total Segments	Corporate Items	Consolidated
<i>(in thousands)</i>						
<b>Revenues:</b>						
Merchandise sales	\$ 273,125	\$ 46,547	\$ —	\$ 319,672	\$ —	\$ 319,672
Jewelry scrapping sales	35,158	2,500	—	37,658	—	37,658
Pawn service charges	177,480	24,503	—	201,983	—	201,983
Other revenues	157	457	5,958	6,572	—	6,572
Total revenues	485,920	74,007	5,958	565,885	—	565,885
Merchandise cost of goods sold	173,235	31,605	—	204,840	—	204,840
Jewelry scrapping cost of goods sold	30,114	2,081	—	32,195	—	32,195
Other cost of revenues	—	—	1,433	1,433	—	1,433
Net revenues	282,571	40,321	4,525	327,417	—	327,417
<b>Segment and corporate expenses (income):</b>						
Operations	194,499	26,439	5,414	226,352	—	226,352
Administrative	—	—	—	—	41,305	41,305
Depreciation and amortization	7,487	1,910	144	9,541	8,705	18,246
Loss (gain) on sale or disposal of assets	(54)	65	—	11	—	11
Interest expense	—	7	—	7	16,840	16,847
Interest income	—	(889)	—	(889)	(6,020)	(6,909)
Equity in net income of unconsolidated affiliate	—	—	(3,768)	(3,768)	—	(3,768)
Other income	(14)	(61)	(28)	(103)	(191)	(294)
Segment contribution	\$ 80,653	\$ 12,850	\$ 2,763	\$ 96,266	—	\$ 96,266
Income from continuing operations before income taxes				\$ 96,266	\$ (60,639)	\$ 35,627

Nine Months Ended June 30, 2016						
	U.S. Pawn	Mexico Pawn	Other International	Total Segments	Corporate Items	Consolidated
	<i>(in thousands)</i>					
<b>Revenues:</b>						
Merchandise sales	\$ 266,560	\$ 45,376	\$ 5	\$ 311,941	\$ —	\$ 311,941
Jewelry scrapping sales	32,117	1,493	21	33,631	—	33,631
Pawn service charges	169,630	23,567	—	193,197	—	193,197
Other revenues	281	231	6,639	7,151	—	7,151
Total revenues	468,588	70,667	6,665	545,920	—	545,920
Merchandise cost of goods sold	164,288	30,442	1	194,731	—	194,731
Jewelry scrapping cost of goods sold	27,033	1,222	16	28,271	—	28,271
Other cost of revenues	—	—	1,549	1,549	—	1,549
Net revenues	277,267	39,003	5,099	321,369	—	321,369
<b>Segment and corporate expenses (income):</b>						
Operations	187,518	28,961	4,967	221,446	—	221,446
Administrative	—	—	—	—	50,085	50,085
Depreciation and amortization	9,489	2,285	163	11,937	8,485	20,422
Loss on sale or disposal of assets	502	116	—	618	23	641
Restructuring	982	543	202	1,727	183	1,910
Interest expense	125	103	—	228	11,786	12,014
Interest income	(2)	(23)	—	(25)	(41)	(66)
Equity in net income of unconsolidated affiliate	—	—	(5,626)	(5,626)	—	(5,626)
Other expense	—	808	3	811	4	815
Segment contribution	\$ 78,653	\$ 6,210	\$ 5,390	\$ 90,253	—	\$ 90,253
Income from continuing operations before income taxes				\$ 90,253	\$ (70,525)	\$ 19,728

**NOTE 9: SUPPLEMENTAL CONSOLIDATED FINANCIAL INFORMATION AND DISCONTINUED OPERATIONS****Supplemental Consolidated Financial Information**

The following table provides supplemental information on net amounts included in our condensed consolidated balance sheets:

	June 30, 2017	June 30, 2016	September 30, 2016
	<i>(in thousands)</i>		
Gross pawn service charges receivable	\$ 41,533	\$ 39,688	\$ 41,458
Allowance for uncollectible pawn service charges receivable	(10,948)	(10,045)	(10,396)
Pawn service charges receivable, net	\$ 30,585	\$ 29,643	\$ 31,062
Gross inventory	\$ 141,510	\$ 135,807	\$ 146,367
Inventory reserves	(6,457)	(5,439)	(6,143)
Inventory, net	\$ 135,053	\$ 130,368	\$ 140,224
Property and equipment, gross	\$ 215,823	\$ 210,005	\$ 210,309
Accumulated depreciation	(162,801)	(148,804)	(151,854)
Property and equipment, net	\$ 53,022	\$ 61,201	\$ 58,455



**Discontinued Operations**

In September 2016 we completed the previously announced sale of all of our interests in Grupo Finmart to AlphaCredit. The information presented below includes the assets, liabilities, revenues and expenses of variable interest entities which were deconsolidated as a result of the sale of Grupo Finmart.

The following table presents the reconciliation of the major line items constituting "Loss from discontinued operations, net of tax" of Grupo Finmart and other operations discontinued prior to the adoption of ASU 2014-08 that are presented in the condensed consolidated statements of operations:

	Three Months Ended June 30, 2016	Nine Months Ended June 30, 2016
	<i>(in thousands)</i>	
Revenues	\$ 11,761	\$ 36,345
Consumer loan bad debt	(6,201)	(26,444)
Operations expense	(9,489)	(100,347)
Interest expense, net	(3,943)	(13,255)
Depreciation, amortization and other expenses	(4,597)	(6,234)
Loss from discontinued operations before income taxes of Grupo Finmart	(12,469)	(109,935)
Income tax benefit	2,746	11,609
Income (loss) from discontinued operations, net of tax of operations discontinued prior to the adoption of ASU 2014-08*	590	(742)
Loss from discontinued operations, net of tax	\$ (9,133)	\$ (99,068)
Loss from discontinued operations, net of tax of Grupo Finmart	\$ (9,723)	\$ (98,326)
Loss from discontinued operations, net of tax of Grupo Finmart attributable to noncontrolling interest	540	6,140
Loss from discontinued operations, net of tax of Grupo Finmart attributable to EZCORP, Inc.	\$ (9,183)	\$ (92,186)

\* Includes revenues of \$2.1 million for the three and nine months ended June 30, 2016.

Cash flows from Grupo Finmart operating and investing activities for the three months ended June 30, 2016 were \$2.3 million and \$4.4 million, respectively, and \$9.4 million and \$4.6 million, respectively for the nine months ended June 30, 2016, with immaterial cash flows from Grupo Finmart operating and investing activities for the three and nine months ended June 30, 2017.

The following table presents the reconciliation of the carrying amounts of major classes of assets and liabilities, net of intercompany liabilities, of Grupo Finmart that are classified as held for sale presented in the condensed consolidated balance sheets as of June 30, 2016, in thousands:

Cash and cash equivalents	\$ 1,728
Consumer loans and non-current consumer loans, net	71,409
Consumer loan fees and interest receivable, net	11,390
Goodwill, intangible assets and property and equipment, net	10,285
Prepaid expenses, other current assets, deferred tax assets and other assets, net	62,742
Total assets classified as held for sale	\$ 157,554
Current maturities of long-term debt	\$ 80,248
Accounts payable, accrued expenses and other current liabilities	13,732
Long-term debt, less current maturities, net and other long-term liabilities	36,281
Total liabilities classified as held for sale	\$ 130,261

**NOTE 10: SUBSEQUENT EVENTS**

***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 "Convertible Notes"). All of the Convertible Notes were issued pursuant to an indenture dated July 5, 2017 (the "2017 Indenture") by and between us and Wells Fargo Bank, National Association, as the trustee. The Convertible Notes were issued in a private offering under Rule 144A under the Securities Act of 1933. The 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 on January 1, 2018, and will mature on July 1, 2024 (the "2024 Maturity Date"), unless earlier converted, redeemed or repurchased in accordance with their terms prior to such date. At maturity, the holders of the Convertible Notes will be entitled to receive cash equal to the principal amount of the Convertible Notes plus unpaid accrued interest.

The Convertible Notes are convertible into cash or shares of Class A Common Stock, or any combination thereof, at our option subject to satisfaction of certain conditions and during the periods described below, based on an initial conversion rate of 100 shares of Class A Common Stock per \$1,000 principal amount of Convertible Notes (equivalent to an initial conversion price of \$10.00 per share of our Class A Common Stock). The conversion rate will not be adjusted for any accrued and unpaid interest. The Convertible Notes contain certain make-whole fundamental change premiums and customary anti-dilution adjustments.

Prior to January 1, 2024, the 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 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 Convertible Notes may, at their option, convert their Convertible Notes at any time, regardless of the foregoing circumstances.

We may not redeem the Convertible Notes prior to July 6, 2021. At our option, we may redeem for cash all or any portion of the 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 the Company provides notice of redemption. The redemption price will be equal to 100% of the principal amount of the Convertible Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date.

**Repayment of Term Loan Facility and Partial Repayment of Cash Convertible Notes**

In July 2017, we used approximately \$51.6 million of net proceeds from the Convertible Notes offering, described above, to repay all outstanding borrowings under the Term Loan Facility (described in Note 5) and terminated that facility, including the undrawn Delayed Draw Term Loan commitment. In connection with the termination of the Term Loan Facility, the lenders have released, or are in the process of releasing, all related security interests in our assets.

Further, we used approximately \$34.4 million of net proceeds from the Convertible Notes offering to repurchase and retire \$35.0 million aggregate principal amount of Cash Convertible Notes. In connection with the repurchase and retirement of Cash Convertible Notes, we entered into agreements dated as of June 29, 2017 to cash settle a proportionate amount of Cash Convertible Notes Hedges and Cash Convertible Notes Warrants corresponding to the repurchased and retired Cash Convertible Notes. In July 2017 we received \$0.6 million in connection with the partial settlement of the Cash Convertible Notes Hedges and paid \$0.5 million in connection with the settlement of 2.2 million of the outstanding Cash Convertible Notes Warrants. The remaining net proceeds of approximately \$54.0 million from the Convertible Notes offering after the repayments discussed above will increase our general cash reserves and provide additional capital to potentially add to our earnings capacity as we consider attractive acquisition opportunities. We expect to record one-time charges of approximately \$5 million in the fourth quarter of fiscal 2017 related to these transactions.

**Early Repayment of Notes Receivable**

In July 2017, we received \$6.2 million, including interest, for repayment of certain of our notes receivable that we received in connection with our sale of Grupo Finmart to Alpha Credit in September 2016. The repaid promissory notes were originally scheduled to be repaid July 2017 through December 2017, including early repayment of principal of \$5.3 million. As a result of the early repayment, we will write-off the remaining associated guarantee asset and liability resulting in a nil impact to our condensed consolidated statements of operations in the fourth quarter of fiscal 2017.

**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The discussion in this section contains forward-looking statements that are based on our current expectations. Actual results could differ materially from those expressed or implied by the forward-looking statements due to a number of risks, uncertainties and other factors, including those identified in "Part I, Item 1A — Risk Factors" of our Annual Report on Form 10-K for the year ended September 30, 2016, as supplemented by the information set forth in "Part I, Item 3 — Quantitative and Qualitative Disclosures about Market Risk" and "Part II, Item 1 — Legal Proceedings" of this Quarterly Report.

**Overview and Financial Highlights**

EZCORP is a Delaware corporation headquartered in Austin, Texas. We are a leading provider of pawn loans in the United States and Mexico.

Our vision is to be the market leader in North America in responsibly and respectfully meeting our customers' desire for access to cash when they want it. That vision is supported by four key imperatives:

- Market Leading Customer Satisfaction;
- Exceptional Staff Engagement;
- Attractive Shareholder Returns; and
- Most Efficient Provider of Cash.

At our pawn stores, we offer pawn loans, which are non-recourse loans collateralized by tangible personal property, and sell merchandise to customers looking for good value. The merchandise we sell consists of second-hand collateral forfeited from our pawn lending activities or purchased from customers.

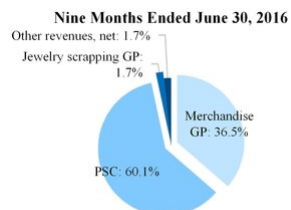
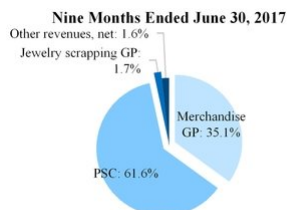
The following charts present sources of net revenues including merchandise sales and jewelry scrapping gross profit ("GP") and pawn service charges ("PSC"):

**Three Months Ended June 30, 2017**



**Three Months Ended June 30, 2016**





**Pawn Activities**

At our pawn stores, we offer secured loans, which are typically small, non-recourse loans collateralized by tangible personal property. We earn pawn service charge revenue on our pawn loans, which varies by state and loan size. Collateral for our pawn loans consists of tangible personal property, generally jewelry, consumer electronics, tools, sporting goods and musical instruments. Security for our pawn loans is provided via the estimated resale value of the collateral and the perceived probability of the loan's redemption.

Our ability to offer quality second-hand 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 loan or purchase value at the time the property is either accepted as loan collateral or purchased. As a significant portion of our inventory and sales in the U.S. involve gold and jewelry, our results can be heavily influenced by the market price of gold.

**Growth and Expansion**

We plan to expand the number of locations we operate through opening new ("de novo") locations and through acquisitions. We believe there are growth opportunities with de novo stores in Mexico and pawn store acquisitions in both Latin America and in the U.S. Our ability to add new stores is dependent on several variables, such as the availability of acceptable sites or acquisition candidates, the regulatory environment, local zoning ordinances, access to capital, availability of qualified personnel and the attainment of internal return on investment hurdles.

**Seasonality and Quarterly Results**

Historically, pawn service charges are highest in our fourth fiscal quarter (July through September) due to a higher average loan balance during the summer lending season in our third fiscal quarter, with balances peaking in our fourth and first fiscal quarters. Loan balances are generally lower in our second fiscal quarter. Merchandise sales are highest in the 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 the United States. Generally, our earnings per share are the lowest during our third fiscal quarter.

**Store Data by Segment**

	Three Months Ended June 30, 2017			
	Company-owned Stores			
	U.S. Pawn	Mexico Pawn	Other International	Consolidated
As of March 31, 2017	517	240	27	784
New locations opened	—	4	—	4
Locations sold, combined or closed	(2)	—	—	(2)
As of June 30, 2017	515	244	27	786

Three Months Ended June 30, 2016					
Company-owned Stores					
	U.S. Pawn	Mexico Pawn	Other International	Consolidated	
As of March 31, 2016	522	237	27	786	
New locations opened	—	1	—	1	
As of June 30, 2016	522	238	27	787	
Nine Months Ended June 30, 2017					
Company-owned Stores					
	U.S. Pawn	Mexico Pawn	Other International	Consolidated	
As of September 30, 2016	520	239	27	786	
New locations opened	—	6	—	6	
Locations sold, combined or closed	(5)	(1)	—	(6)	
As of June 30, 2017	515	244	27	786	
Nine Months Ended June 30, 2016					
Company-owned Stores					
	U.S. Pawn	Mexico Pawn	Other International	Consolidated	Franchises
As of September 30, 2015	522	237 *	27	786	1
New locations opened	—	1	—	1	—
Locations acquired	6	1	—	7	—
Locations sold, combined or closed	(6)	(1)	—	(7)	(1)
As of June 30, 2016	522	238	27	787	—

\* Includes five buy/sell stores which were converted to Mexico Pawn stores during the three months ended March 31, 2016.

**Results of Operations**

**Three Months Ended June 30, 2017 vs. Three Months Ended June 30, 2016**

These tables, as well as the discussion that follows, should be read with the accompanying condensed consolidated financial statements and related notes. All comparisons, unless otherwise noted, are to the prior-year quarter.

**U.S. Pawn**

The following table presents selected summary financial data from continuing operations for the U.S. Pawn segment:

	Three Months Ended June 30,		Change
	2017	2016	
<i>(in thousands)</i>			
<b>Net revenues:</b>			
Pawn service charges	\$ 56,774	\$ 54,395	4%
Merchandise sales	82,714	79,826	4%
Merchandise sales gross profit	30,226	29,240	3%
Gross margin on merchandise sales	37%	37%	—
Jewelry scrapping sales	17,257	10,918	58%
Jewelry scrapping sales gross profit	2,583	2,073	25%
Gross margin on jewelry scrapping sales	15%	19%	(400)bps
Other revenues	50	39	28%
Net revenues	89,633	85,747	5%
<b>Segment operating expenses:</b>			
Operations	63,593	62,733	1%
Depreciation and amortization	2,210	2,888	(23)%
Segment operating contribution	23,830	20,126	18%
Other segment expenses (income)	15	(52)	*
Segment contribution	\$ 23,815	\$ 20,178	18%
<b>Other data:</b>			
Net earning assets — continuing operations (a)	\$ 264,042	\$ 257,396	3%
Inventory turnover — general merchandise (b)	2.3	2.5	(8)%
Inventory turnover — jewelry (b)	1.1	1.1	—%
Average monthly ending pawn loan balance per store (c)	\$ 273	\$ 262	4%
Monthly average yield on pawn loans outstanding	14%	14%	—
Pawn loan redemption rate (d)	85%	85%	—

\* Represents an increase or decrease that is not meaningful.

(a) Balance includes pawn loans and inventory.

(b) Calculation of inventory turnover excludes the effects of scrapping.

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

(d) Our pawn loan redemption rate represents the percentage of loans made that are repaid, renewed or extended at a point in time as opposed to the life of the loan.

Net revenue increased \$3.9 million, or 5%. The increase in net revenue attributable to same stores and new stores added since the prior-year quarter is summarized as follows:

	Change in Net Revenue		
	Pawn Service Charges	Merchandise Sales Gross Profit	Total
	<i>(in millions)</i>		
Same stores	\$ 2.6	\$ 1.2	\$ 3.8
New stores and other	(0.2)	(0.2)	(0.4)
Total	\$ 2.4	\$ 1.0	\$ 3.4
Change in jewelry scrapping sales gross profit and other revenues			0.5
Total change in net revenue			\$ 3.9

We continue to invest in the core pawn business, including commencement of our upgraded point of sale system rollout. We are confident that these initiatives, combined with further investments in product and customer analytics and, in sustained training, coaching and mentoring of our field team, will continue to provide a robust platform for further profitable growth.

Pawn service charges increased 4% primarily due to an increase in average pawn loan balances outstanding during the quarter, the seventh consecutive quarter of year over year pawn loan balance growth, driven by continued intense focus on market leadership in meeting our customers' desire for cash.

Merchandise sales increased 4% with gross margin on merchandise sales of 37%, consistent with recent prior quarters and the prior-year quarter, and within our target range of 35-38%. As a result, merchandise sales gross profit increased 3% to \$30.2 million.

Jewelry scrapping sales gross profit remained relatively flat at 3% of current quarter net revenues, but was a 25% increase to the prior-year quarter. Scrapping revenues increased 58% with a lower margin, due to the timing of our scrapping activities, with more jewelry scrapping taking place in the current quarter relative to our first and second quarters of fiscal 2017.

We leveraged a 5% increase in net revenue into an 18% increase in segment contribution due to focused expense management resulting in only 1% increase in operations expense and a \$0.7 million, or 23%, decrease in depreciation and amortization as a result of ongoing savings realized from a lower depreciable fixed asset base as a result of our strategic review completed in fiscal 2015.

**Non-GAAP Financial Information**

In addition to the financial information prepared in conformity with generally accepted accounting principles in the United States of America ("GAAP"), we provide certain other non-GAAP financial information on a constant currency basis ("constant currency"). We use constant currency and ongoing segment contribution results to evaluate results of our Mexico Pawn operations, which are denominated in Mexican pesos, and believe that presentation of constant currency results are meaningful and useful in understanding the activities and business metrics of our Mexico Pawn operations and reflect an additional way of viewing aspects of our business that, when viewed with GAAP results, provide a more complete understanding 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 instead of 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 Mexican pesos 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. The end-of-period exchange rate as of June 30, 2017 and 2016 was 18.0 to 1 and 18.6 to 1, respectively. The approximate average exchange rate for the three months ended June 30, 2017 and 2016 was 18.6 to 1 and 18.1 to 1, respectively. The approximate average exchange rate for the nine months ended June 30, 2017 and 2016 was 19.6 to 1 and 17.6 to 1, respectively; however, our statement of operations constant currency results reflect the impact of monthly effects of exchange rates and so are not directly calculable from the above rates. Constant currency results, where presented, also exclude the foreign currency gain or loss and the related foreign currency derivative gain or loss impact. We have

experienced a prolonged weakening of the Mexican peso to the U.S. dollar and may continue to experience further weakening in future reporting periods, which may adversely impact our future operating results when stated on a GAAP basis.



**Mexico Pawn**

The following table presents selected summary financial data from continuing operations for the Mexico Pawn segment, including constant currency results, after translation to U.S. dollars from its functional currency of the Mexican peso. See "Results of Operations — Non-GAAP Financial Information" above.

	Three Months Ended June 30,				
	2017 (GAAP)	2016 (GAAP)	Change (GAAP)	2017 (Constant Currency)	Change (Constant Currency)
	<i>(in USD thousands)</i>			<i>(in USD thousands)</i>	
<b>Net revenues:</b>					
Pawn service charges	\$ 9,104	\$ 8,078	13%	\$ 9,363	16%
Merchandise sales	15,207	14,187	7%	15,627	10%
Merchandise sales gross profit	5,080	4,633	10%	5,220	13%
Gross margin on merchandise sales	33%	33%	—	33%	—
Jewelry scrapping sales	384	312	23%	397	27%
Jewelry scrapping sales gross profit	48	47	2%	50	6%
Gross margin on jewelry scrapping sales	13%	15%	(200)bps	13%	(200)bps
Other revenues	179	157	14%	181	15%
Net revenues	14,411	12,915	12%	14,814	15%
<b>Segment operating expenses:</b>					
Operations	8,898	8,744	2%	9,152	5%
Depreciation and amortization	619	720	(14)%	638	(11)%
Segment operating contribution	4,894	3,451	42%	5,024	46%
<b>Other segment (income) expenses (a)</b>					
Segment contribution	\$ 5,399	\$ 2,703	100%	\$ 5,523	104%
<b>Other data:</b>					
Net earning assets — continuing operations (b)	\$ 39,246	\$ 33,214	18%	\$ 38,131	15%
Inventory turnover (c)	2.3	2.3	—%	2.3	—%
Average monthly ending pawn loan balance per store (d)	\$ 78	\$ 71	10%	\$ 80	13%
Monthly average yield on pawn loans outstanding	16%	16%	—	16%	—
Pawn loan redemption rate (e)	78%	77%	100bps	78%	100bps

\* Represents an increase or decrease that is not meaningful.

(a) The three months ended June 30, 2017 constant currency balance excludes nominal net foreign currency transaction gains resulting from movement in exchange rates. The three months ended June 30, 2016 includes \$0.8 million net foreign currency transaction losses that are included in the above results.

(b) Balance includes pawn loans and inventory.

(c) Calculation of inventory turnover excludes the effects of scrapping.

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

(e) Our pawn loan redemption rate represents the percentage of loans made that are repaid, renewed or extended at a point in time as opposed to the life of the loan.

The Mexico market continues to be fast-growing, and we have plans to open an additional four de novo stores during the remainder of fiscal 2017, with significant runway for continued store openings and acquisitions in Latin America. Net revenue increased \$1.5 million, or 12% (up \$1.9 million, or 15%, on a constant currency basis). The increase in net revenue attributable to same stores and new stores added since the prior-year quarter is summarized as follows:

	Change in Net Revenue		
	Pawn Service Charges	Merchandise Sales Gross Profit	Total
	<i>(in millions)</i>		
Same stores	\$ 0.9	\$ 0.3	\$ 1.2
New stores and other	0.1	0.2	0.3
<b>Total</b>	<b>\$ 1.0</b>	<b>\$ 0.5</b>	<b>\$ 1.5</b>
Change in jewelry scrapping sales gross profit and other revenues			—
<b>Total change in net revenue</b>			<b>\$ 1.5</b>

	Change in Net Revenue (Constant Currency)		
	Pawn Service Charges	Merchandise Sales Gross Profit	Total
	<i>(in millions)</i>		
Same stores	\$ 1.1	\$ 0.4	\$ 1.5
New stores and other	0.2	0.2	0.4
<b>Total</b>	<b>\$ 1.3</b>	<b>\$ 0.6</b>	<b>\$ 1.9</b>
Change in jewelry scrapping sales gross profit and other revenues			—
<b>Total change in net revenue</b>			<b>\$ 1.9</b>

We continue to invest in the core pawn business, including commencement of our upgraded point of sale system rollout. We are confident that these initiatives, combined with further investments in product and customer analytics and, in sustained training, coaching and mentoring of our field team, and in disciplined acquisitions and de novo openings, will continue to provide a robust platform for further profitable growth.

Pawn service charges were up 13% (up 16% on a constant currency basis) primarily as a result of same store growth, offset by foreign currency impacts. We increased our average pawn loan balances outstanding during the quarter, driven by continued intense focus on market leadership in meeting our customers' desire for cash, offset by foreign currency impacts.

Merchandise sales increased 7% (up 10% on a constant currency basis), with gross margin on merchandise sales of 33%, consistent with recent prior quarters and the prior-year quarter. Merchandise sales gross profit increased 10% to \$5.1 million (up 13% to \$5.2 million on a constant currency basis).

We leveraged a 12% increase in net revenue (15% increase on a constant currency basis) into a 42% increase in segment operating contribution (46% increase on a constant currency basis) due to focused expense management resulting in only 2% increase (5% increase on a constant currency basis) in operations expense. After a \$1.3 million improvement in other segment income, primarily interest income and foreign currency impacts, segment contribution increased 100% (104% on a constant currency basis).

**Other International**

The following table presents selected financial data from continuing operations for the Other International segment after translation to U.S. dollars from its reporting units' functional currency of primarily Canadian and Australian dollars:

	Three Months Ended June 30,		Percentage Change
	2017	2016	
	<i>(in thousands)</i>		
<b>Net revenues:</b>			
Consumer loan fees, interest and other	\$ 1,964	\$ 2,237	(12)%
Consumer loan bad debt	(453)	(506)	(10)%
Other revenues, net	—	1	(100)%
Net revenues	<u>1,511</u>	<u>1,732</u>	(13)%
<b>Segment operating expenses (income):</b>			
Operating expenses	1,799	1,751	3%
Equity in net income of unconsolidated affiliate	(1,047)	(1,694)	(38)%
Segment operating contribution	<u>759</u>	<u>1,675</u>	(55)%
<b>Other segment income</b>			
Segment contribution	<u>\$ 827</u>	<u>\$ 1,675</u>	(51)%

\* Represents an increase or decrease that is not meaningful.

Segment contribution decreased \$0.8 million, or 51%, primarily due to a \$0.6 million decrease in earnings from Cash Converters International.

The fair value of our investment in Cash Converters International was \$4.4 million below its carrying value as of June 30, 2017. We have taken impairment charges on this investment in prior periods and continue to monitor the fair value of our investment for other-than-temporary impairments. We may record an impairment charge should the fair value of our investment remain below its carrying value for an extended period of time, or if we no longer had the intent or ability to hold our investment for a period of time sufficient to allow for any anticipated recovery in market value.

**Other Items**

The following table reconciles our consolidated segment contribution discussed above to net income (loss) attributable to EZCORP, Inc., including items that affect our consolidated financial results but are not allocated among segments:

	Three Months Ended June 30,		Percentage Change
	2017	2016	
	<i>(in thousands)</i>		
Segment contribution	\$ 30,041	\$ 24,556	22%
Corporate expenses (income):			
Administrative	14,095	14,481	(3)%
Depreciation and amortization	2,970	2,610	14%
Loss on sale or disposal of assets	—	23	(100)%
Interest expense	5,652	3,911	45%
Interest income	(1,573)	(26)	*
Other income	(2)	(259)	(99)%
Income from continuing operations before income taxes	8,899	3,816	133%
Income tax expense	3,432	1,038	231%
Income from continuing operations, net of tax	5,467	2,778	97%
Loss from discontinued operations, net of tax	(265)	(9,133)	(97)%
Net income (loss)	5,202	(6,355)	*
Net loss attributable to noncontrolling interest	(58)	(666)	(91)%
Net income (loss) attributable to EZCORP, Inc.	\$ 5,260	\$ (5,689)	*

\* Represents an increase or decrease that is not meaningful.

Administrative expenses decreased \$0.4 million, or 3%, in the current quarter, and we remain on track to reduce administrative expenses to no more than \$50 million in fiscal 2018.

Interest expense increased \$1.7 million, or 45%, as a result of our Term Loan Facility obtained in September 2016, including accruals of interest in addition to amortization of associated discounts and deferred financings costs. Interest income increased \$1.5 million as a result of our notes receivable from the sale of Grupo Finmart, including ordinary accruals of interest in addition to accretion of associated discounts.

Subsequent to the end of the quarter, we raised additional capital through the issuance of \$143.75 million aggregate principal amount of our 2.875% Convertible Senior Notes due 2024, repaid all outstanding borrowings under our Term Loan Facility and repurchase and retired \$35.0 million aggregate principal amount of our outstanding Cash Convertible Notes. As a result of these transactions, we expect to record one-time charges of approximately \$5 million in the fourth quarter of fiscal 2017. See "Part I, Item 2 — Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources."

Income tax expense increased \$2.4 million, due primarily to the impacts of a \$5.1 million increase in income from continuing operations before income taxes. Income tax expense includes other items that do not necessarily correspond to pre-tax earnings and create volatility in our effective tax rate, of which no items were material during the current quarter.

We have substantially eliminated activities associated with our discontinued operations.

**Nine Months Ended June 30, 2017 vs. Nine Months Ended June 30, 2016**

**U.S. Pawn**

The following table presents selected summary financial data from continuing operations for the U.S. Pawn segment:

	Nine Months Ended June 30,		Change
	2017	2016	
	<i>(in thousands)</i>		
<b>Net revenues:</b>			
Pawn service charges	\$ 177,480	\$ 169,630	5%
Merchandise sales	273,125	266,560	2%
Merchandise sales gross profit	99,890	102,272	(2)%
Gross margin on merchandise sales	37%	38%	(100)bps
Jewelry scrapping sales	35,158	32,117	9%
Jewelry scrapping sales gross profit	5,044	5,084	(1)%
Gross margin on jewelry scrapping sales	14%	16%	(200)bps
Other revenues	157	281	(44)%
Net revenues	282,571	277,267	2%
<b>Segment operating expenses:</b>			
Operations	194,499	187,518	4%
Depreciation and amortization	7,487	9,489	(21)%
Segment operating contribution	80,585	80,260	—%
<b>Other segment (income) expenses</b>			
Segment contribution	\$ 80,653	\$ 78,653	3%
<b>Other data:</b>			
Average monthly ending pawn loan balance per store (a)	\$ 274	\$ 264	4%
Monthly average yield on pawn loans outstanding	14%	14%	—
Pawn loan redemption rate (b)	84%	84%	—

\* Represents an increase or decrease that is not meaningful.

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

(b) Our pawn loan redemption rate represents the percentage of loans made that are repaid, renewed or extended at a point in time as opposed to the life of the loan.

Net revenue increased \$5.3 million, or 2%. The increase in net revenue attributable to same stores and new stores added since the prior-year nine-months is summarized as follows:

	Change in Net Revenue		
	Pawn Service Charges	Merchandise Sales Gross Profit	Total
	<i>(in millions)</i>		
Same stores	\$ 7.4	\$ (2.2)	\$ 5.2
New stores and other	0.5	(0.2)	0.3
<b>Total</b>	<b>\$ 7.9</b>	<b>\$ (2.4)</b>	<b>\$ 5.5</b>
Change in jewelry scrapping sales gross profit and other revenues			(0.2)
<b>Total change in net revenue</b>			<b>\$ 5.3</b>

Pawn service charges increased 5% primarily due to an increase in average pawn loan balances outstanding during the current nine-months, driven by continued intense focus on market leadership in meeting our customers' desire for cash.

Merchandise sales increased 2% with gross margin on merchandise sales of 37%, consistent with recent prior periods and within our target range of 35-38%, but 100bps lower than the prior-year nine-months. As a result, merchandise sales gross profit decreased 2% to \$99.9 million.

Jewelry scrapping sales gross profit remained flat at 2% of current nine-months net revenues, in-line with our strategy to sell rather than scrap merchandise. Jewelry margins were relatively stable.

We maintained a consistent level of total segment expenses at 42% of revenues. In dollar terms, segment expenses increased by \$3.3 million, in line with our increase in net revenue. This increase was primarily due to \$5.1 million higher labor costs with investment in greater field leadership and customer-facing team members in addition to higher employee benefit costs, partially offset by a \$2.0 million decrease in depreciation and amortization from a lower depreciable asset base. Restructuring activities have been substantially completed, resulting in a further \$1.0 million offsetting reduction.

**Mexico Pawn**

The following table presents selected summary financial data from continuing operations for the Mexico Pawn segment, including constant currency results, after translation to U.S. dollars from its functional currency of the Mexican peso. See "Results of Operations — Non-GAAP Financial Information" above.

	Nine Months Ended June 30,				
	2017 (GAAP)	2016 (GAAP)	Change (GAAP)	2017 (Constant Currency)	Change (Constant Currency)
	<i>(in USD thousands)</i>			<i>(in USD thousands)</i>	
<b>Net revenues:</b>					
Pawn service charges	\$ 24,503	\$ 23,567	4%	\$ 27,167	15%
Merchandise sales	46,547	45,376	3%	52,007	15%
Merchandise sales gross profit	14,942	14,934	—%	16,653	12%
Gross margin on merchandise sales	32%	33%	(100)bps	32%	(100)bps
Jewelry scrapping sales	2,500	1,493	67%	2,825	89%
Jewelry scrapping sales gross profit	419	271	55%	474	75%
Gross margin on jewelry scrapping sales	17%	18%	(100)bps	17%	(100)bps
Other revenues	457	231	98%	504	*
Net revenues	40,321	39,003	3%	44,798	15%
<b>Segment operating expenses:</b>					
Operations	26,439	28,961	(9)%	29,451	2%
Depreciation and amortization	1,910	2,285	(16)%	2,131	(7)%
Segment operating contribution	11,972	7,757	54%	13,216	70%
Other segment (income) expenses (a)	(878)	1,547	*	(872)	*
Segment contribution	\$ 12,850	\$ 6,210	107%	\$ 14,088	127%
<b>Other data:</b>					
Average monthly ending pawn loan balance per store (b)	\$ 71	\$ 69	3%	\$ 78	13%
Monthly average yield on pawn loans outstanding	16%	16%	—	16%	—
Pawn loan redemption rate (c)	78%	78%	—	78%	—

\* Represents an increase or decrease that is not meaningful.

(a) The nine months ended June 30, 2017 constant currency balance excludes \$0.1 million net foreign currency transaction gains resulting from movement in exchange rates. The nine months ended June 30, 2016 includes \$0.8 million net foreign currency transaction losses that are included in the above results.

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

(c) Our pawn loan redemption rate represents the percentage of loans made that are repaid, renewed or extended at a point in time as opposed to the life of the loan.

Net revenue increased \$1.3 million, or 3% (up \$5.8 million, or 15%, on a constant currency basis). The increase in net revenue attributable to same stores and new stores added since the prior-year nine-months is summarized as follows:

	Change in Net Revenue		
	Pawn Service Charges	Merchandise Sales Gross Profit	Total
	<i>(in millions)</i>		
Same stores	\$ 0.6	\$ (0.1)	\$ 0.5
New stores and other	0.3	0.1	0.4
<b>Total</b>	<b>\$ 0.9</b>	<b>\$ —</b>	<b>\$ 0.9</b>
Change in jewelry scrapping sales gross profit and other revenues			0.4
<b>Total change in net revenue</b>			<b>\$ 1.3</b>

	Change in Net Revenue (Constant Currency)		
	Pawn Service Charges	Merchandise Sales Gross Profit	Total
	<i>(in millions)</i>		
Same stores	\$ 3.1	\$ 1.5	\$ 4.6
New stores and other	0.5	0.2	0.7
<b>Total</b>	<b>\$ 3.6</b>	<b>\$ 1.7</b>	<b>\$ 5.3</b>
Change in jewelry scrapping sales gross profit and other revenues			0.5
<b>Total change in net revenue</b>			<b>\$ 5.8</b>

Pawn service charges were up 4% (up 15% on a constant currency basis) primarily as a result of same store growth, offset by foreign currency impacts. We increased our average pawn loan balances outstanding during the quarter, driven by continued intense focus on market leadership in meeting our customers' desire for cash, offset by foreign currency impacts.

Merchandise sales were up 3% (up 15% on a constant currency basis), with gross margin on merchandise sales of 32%, consistent with recent prior quarters, but 100bps lower than the prior-year nine-months. As a result of the combination of these effects, offset by foreign currency impacts, merchandise sales gross profit was flat at \$14.9 million (up 12% to \$16.7 million on a constant currency basis).

We leveraged a 3% increase in net revenue (15% increase on a constant currency basis) into a 54% increase in segment operating contribution (70% increase on a constant currency basis) due to focused expense management. After a \$2.4 million improvement in other segment income, primarily interest income and foreign currency impacts, segment contribution increased 107% (127% increase on a constant currency basis).

Segment expenses decreased by \$5.3 million (\$2.1 million decrease on a constant currency basis) primarily due to:

- A \$1.4 million decrease (\$0.2 million decrease on a constant currency basis) in labor costs as a result of foreign currency impacts;
- A \$0.9 million increase in interest income as a result of our notes receivable from the sale of Grupo Finmart, including ordinary accruals of interest in addition to accretion of associated discounts;
- A \$0.5 million decrease in restructuring charges as we have substantially completed all prior restructuring actions; and
- A \$0.9 million decrease in foreign currency transaction losses; partially offset by
- \$0.5 million in losses, net of insurance recoveries, on a GAAP basis associated with looting of 12 stores during our second fiscal quarter.



**Other International**

The following table presents selected financial data from continuing operations for the Other International segment after translation to U.S. dollars from its reporting units' functional currency of primarily Canadian and Australian dollars:

	Nine Months Ended June 30,		Percentage Change
	2017	2016	
	<i>(in thousands)</i>		
<b>Net revenues:</b>			
Consumer loan fees and interest	\$ 5,958	\$ 6,639	(10)%
Consumer loan bad debt	(1,433)	(1,549)	(7)%
Other revenues, net	—	9	(100)%
Net revenues	<u>4,525</u>	<u>5,099</u>	(11)%
<b>Segment operating expenses (income):</b>			
Operating expenses	5,558	5,130	8%
Equity in net income of unconsolidated affiliate	(3,768)	(5,626)	(33)%
Segment operating contribution	<u>2,735</u>	<u>5,595</u>	(51)%
<b>Other segment (income) expenses</b>	<u>(28)</u>	<u>205</u>	*
Segment contribution	<u>\$ 2,763</u>	<u>\$ 5,390</u>	(49)%

\* Represents an increase or decrease that is not meaningful.

Segment contribution decreased \$2.6 million or 49% , primarily due to a \$1.9 million decrease in earnings from Cash Converters International in addition to a \$1.1 million increase in operating expenses due to continued investment in the development of a digital IT platform that enables greater intimacy with our customers that will drive future revenue enhancement.

**Other Items**

The following table reconciles our consolidated segment contribution discussed above to net income (loss) attributable to EZCORP, Inc., including items that affect our consolidated financial results but are not allocated among segments:

	Nine Months Ended June 30,		Percentage Change
	2017	2016	
	<i>(in thousands)</i>		
Segment contribution	\$ 96,266	\$ 90,253	7%
Corporate expenses (income):			
Administrative	41,305	50,085	(18)%
Depreciation and amortization	8,705	8,485	3%
Loss on sale or disposal of assets	—	23	(100)%
Restructuring	—	183	(100)%
Interest expense	16,840	11,786	43%
Interest income	(6,020)	(41)	(100)%
Other (income) expense	(191)	4	*
Income from continuing operations before income taxes	35,627	19,728	81%
Income tax expense	13,663	11,224	22%
Income from continuing operations, net of tax	21,964	8,504	158%
Loss from discontinued operations, net of tax	(1,868)	(99,068)	(98)%
Net income (loss)	20,096	(90,564)	*
Net loss attributable to noncontrolling interest	(352)	(6,589)	(95)%
Net income (loss) attributable to EZCORP, Inc.	\$ 20,448	\$ (83,975)	*

\* Represents an increase or decrease that is not meaningful.

Administrative expenses decreased \$8.8 million, or 18%, due primarily to:

- A \$7.3 million decrease in business and professional fees due to completion of remediation efforts in the prior year; and
- A \$1.7 million decrease in labor costs including the impact of corporate headcount reductions.

Interest expense increased \$5.1 million, or 43%, as a result of our Term Loan Facility obtained in September 2016, including accruals of interest in addition to amortization of associated discounts and deferred financings costs. Interest income increased \$6.0 million as a result of our notes receivable from the sale of Grupo Finmart, including ordinary accruals of interest in addition to accretion of associated discounts.

Income tax expense increased \$2.4 million, from \$11.2 million in the prior-year nine-months to \$13.7 million in the current nine-months, due primarily to the impacts of a \$15.9 million increase in income from continuing operations before income taxes, partially offset by a discrete tax expense of \$3.7 million recorded in the prior-year nine-months related to a change in estimate of our fiscal 2015 tax provision. Income tax expense includes other items that do not necessarily correspond to pre-tax earnings and create volatility in our effective tax rate, of which no items were material during the current nine-months.

We have substantially eliminated activities associated with our discontinued operations.

**Liquidity and Capital Resources**

**Cash Flows**

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

	Nine Months Ended June 30,		Percentage Change
	2017	2016	
	<i>(in thousands)</i>		
Cash flows from operating activities	\$ 29,974	\$ 57,937	(48)%
Cash flows from investing activities	17,972	(11,537)	*
Cash flows from financing activities	(767)	(67,910)	99%
Effect of exchange rate changes on cash and cash equivalents	813	(6,506)	*
Net increase (decrease) in cash and cash equivalents	<u>\$ 47,992</u>	<u>\$ (28,016)</u>	*

\* Represents an increase or decrease that is not meaningful.

*Change in Cash and Cash Equivalents for the Nine Months Ended June 30, 2017 vs. Nine Months Ended June 30, 2016*

The decrease in cash flows from operating activities year-over-year was due to a \$50.3 million decrease from changes in operating assets and liabilities and a \$2.2 million decrease in cash dividends received from our unconsolidated affiliate, offset by a \$16.1 million increase in net income exclusive of non-cash items due to improved operational results and an \$8.4 million decrease in restructuring payments as we have substantially completed all prior restructuring actions. The decrease from changes in operating assets and liabilities was primarily driven by a \$34.2 million tax refund received in March 2016 as a result of the carryback of fiscal 2015 tax net operating losses and \$15.6 million paid out during the three months ended December 31, 2016 for accrued fiscal 2016 incentive compensation.

The increase in cash flows from investing activities year-over-year was due to \$23.3 million in principal collections on notes receivable, a \$3.0 million net increase in proceeds related to loan activities (net loans repaid and recovery of pawn loan principal through sale of forfeited collateral) and a \$6.0 million decrease in acquisition expenditures, offset by a \$2.9 million increase in additions to property and equipment.

The increase in cash flows from financing activities year-over-year was primarily due to the elimination of Grupo Finmart activities and deferred expenditures on previous acquisitions.

The net effect of these and other smaller items was a \$48.0 million increase in cash on hand during the nine months ended June 30, 2017, resulting in a \$113.7 million ending cash balance, \$11.9 million of which was not available to fund domestic operations as we intend to permanently reinvest those earnings in our foreign operations.

See Note 10 of Notes to Interim Condensed Consolidated Financial Statements included in "Part I, Item 1 — Financial Statements" regarding additional funds raised subsequent to the end of the current quarter, which we used to repay and terminate our Term Loan Facility, repurchase and retire a portion of our existing Cash Convertible Notes outstanding, and increase cash available for general corporate purposes, including potential acquisitions.

**Contractual Obligations**

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, 2016, we reported that we had \$592.8 million in total contractual obligations as of September 30, 2016. There have been no material changes to this total obligation during the current nine-month period ended June 30, 2017, other than ordinary fulfillment of obligations as well as transactions discussed below.

We are responsible for the maintenance, property taxes and insurance at most of our locations. In the fiscal year ended September 30, 2016, these collectively amounted to \$21.3 million.

**Sources and Uses of Cash**

We anticipate that cash flow from operations, cash on hand and available credit facilities will be adequate to fund our contractual obligations, planned store growth, capital expenditures and working capital requirements during the remainder of fiscal 2017. Our strengthened balance sheet and liquidity position provides strategic flexibility to continue our investment in our pawn businesses and expansion of the pawn loan portfolio to drive increased profit, including potentially to add to our earnings capacity as we consider attractive acquisition opportunities. We believe that current cash on hand, cash generated from

our operating activities and anticipated repayments on the promissory notes received in connection with the sale of Grupo Finmart, absent utilization of significant amounts of cash for acquisitions or other investments, will be sufficient to repay our longer-term debt obligations (including the Cash Convertible Notes, which are due in 2019).

*2.875% Convertible Senior Notes Due 2024*

In July 2017, we issued \$143.75 million aggregate principal amount of our 2.875% Convertible Senior Notes due 2024 in order to strengthen our balance sheet and liquidity and lock in an attractive fixed interest rate for a seven-year term. We used the net proceeds from the offering (approximately \$140.0 million) to (1) retire all remaining obligations under our Term Loan Facility which had a higher cost of funds, (2) repurchase and retire \$35 million aggregate principal amount of our existing Cash Convertible Notes and (3) increase our general cash reserves.

For a description of the terms of the Convertible Notes, see Note 10 of Notes to Interim Condensed Consolidated Financial Statements included in "Part I, Item 1 — Financial Statements."

*Cash Convertible Notes and Term Loan Facility*

For a description of the Cash Convertible Notes, the conversion terms thereof and the hedges and warrants transactions as well as our Term Loan Facility, see Note 5 of Notes to Interim Condensed Consolidated Financial Statements included in "Part I, Item 1 — Financial Statements." Additionally, see Note 10 of Notes to Interim Condensed Consolidated Financial Statements included in "Part I, Item 1 — Financial Statements" for a discussion of subsequent events pertaining to the repayment of the Term Loan Facility, the repurchase and retirement of a portion of the Cash Convertible Notes and the associated partial settlement of Cash Convertible Notes Hedges and Cash Convertible Notes Warrants.

*Notes Receivable from Grupo Finmart Divestiture*

As of June 30, 2017, we had a gross balance of \$67.1 million on our notes receivable that we received in connection with the sale of Grupo Finmart in September 2016. We have collected \$23.3 million in principal on these notes receivable during the nine months ended June 30, 2017 and anticipate an additional principal collection of \$24.4 million of these notes receivable during the remainder of fiscal 2017, with the balance to be collected through fiscal 2019. The notes receivable are subject to certain foreign currency impacts as a result of changes in the value of the Mexican dollar relative to the U.S. dollar. In July 2017, we received \$6.2 million, including interest, for repayment of certain of the notes receivable. Of that amount, \$5.3 million was an early repayment.

**Recently Adopted Accounting Policies and Recently Issued Accounting Pronouncements**

See Note 1 of Notes to Interim Condensed Consolidated Financial Statements included in "Part I, Item 1 — Financial Statements."

**Cautionary Statement Regarding Risks and Uncertainties that May Affect Future Results**

This Quarterly Report on Form 10-Q, 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. These statements are often, but not always, made with words or phrases like "may," "should," "could," "will," "predict," "anticipate," "believe," "estimate," "expect," "intend," "plan," "projection" and similar expressions. Such statements are only predictions of the outcome and timing of future events based on our current expectations and currently available information and, accordingly, are subject to substantial risks, uncertainties and assumptions. 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. 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. Accordingly, you should not regard any forward-looking statements as a representation that the expected results will be achieved. Important risk factors that could cause results or events to differ from current expectations are identified and described in "Part I, Item 1A — Risk Factors" of our Annual Report on Form 10-K for the year ended September 30, 2016, supplemented by those described in "Part II, Item 1A — Risk Factors" of this Quarterly Report.

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 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risks relating to our operations result primarily from changes in interest rates, gold values and foreign currency exchange rates, and are described in detail in "Part II, Item 7A — Quantitative and Qualitative Disclosures about Market Risk" of our Annual Report on Form 10-K for the year ended September 30, 2016. There have been no material changes to our exposure to market risks since September 30, 2016.

### ITEM 4. CONTROLS AND PROCEDURES

This report includes the certifications of our Chief Executive Officer and Chief Financial Officer required by Rule 13a-14 of the Securities Exchange Act of 1934 (the "Exchange Act"). See Exhibits 31.1 and 31.2. This Item 4 includes information concerning the controls and control evaluations referred to in those certifications.

#### *Evaluation of Disclosure Controls and Procedures*

Disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) are designed to ensure that information required to be disclosed in the reports we file or submit under the Securities 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. Under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, our management evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of June 30, 2017. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of June 30, 2017.

#### *Changes in Internal Control over Financial Reporting*

There were no changes in our internal control over financial reporting during the quarter ended June 30, 2017 that 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.

## PART II — OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

See Note 7 of Notes to Interim Condensed Consolidated Financial Statements included in "Part I, Item 1 — Financial Statements."

**ITEM 1A. RISK FACTORS**

Important risk factors that could affect our operations and financial performance, or that could cause results or events to differ from current expectations, are described in "Part I, Item 1A — Risk Factors" of our Annual Report on Form 10-K for the year ended September 30, 2016.

**ITEM 5. OTHER INFORMATION**

**Related Party Transaction**

The Company has entered into an Asset Purchase Agreement, dated June 8, 2017, with Cash Solution Centers, LLC ("CSC"), pursuant to which the Company has agreed to acquire, for an aggregate estimated purchase price of \$735,000 in cash, certain assets used in the operation of two pawn stores located in Central Texas. Daniel M. Chism, who was appointed Chief Financial Officer of the Company effective May 9, 2017, is the owner of a 28% interest in CSC. Closing of the transaction is subject to certain licensing and other conditions, but is expected to occur during the fourth quarter of fiscal 2017. Following completion of this transaction, Mr. Chism will not own any interest in any pawn-related businesses outside of his interest in the Company.

The terms of this transaction were reviewed and approved by the Audit Committee of the Board of Directors pursuant to the Company's Policy for Review and Evaluation of Related Party Transactions.

**ITEM 6. EXHIBITS**

The following exhibits are filed with, or incorporated by reference into, this report.

Exhibit No.	Description of Exhibit
<a href="#">4.1</a>	<a href="#">Indenture, dated July 5, 2017, between EZCORP, Inc., and Wells Fargo Bank, National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K, dated July 6, 2017, Commission File No. 0-19424)</a>
<a href="#">10.1</a>	<a href="#">Purchase Agreement, dated June 29, 2017, between EZCORP, Inc., and UBS Securities LLC and Jefferies LLC (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, dated July 6, 2017, Commission File No. 0-19424)</a>
<a href="#">10.2†</a>	<a href="#">Call Option Termination Agreement, dated June 29, 2017, between EZCORP, Inc., and UBS AG, London Branch</a>
<a href="#">10.3†</a>	<a href="#">Warrant Termination Agreement, dated June 29, 2017, between EZCORP, Inc., and UBS AG, London Branch</a>
<a href="#">10.4†</a>	<a href="#">Call Option Termination Agreement, dated June 29, 2017, between EZCORP, Inc., and Jefferies International Limited</a>
<a href="#">10.5†</a>	<a href="#">Warrant Termination Agreement, dated June 29, 2017, between EZCORP, Inc., and Jefferies International Limited</a>
<a href="#">10.6†</a>	<a href="#">Call Option Termination Agreement, dated June 29, 2017, between EZCORP, Inc., and Morgan Stanley &amp; Co. International plc</a>
<a href="#">10.7†</a>	<a href="#">Warrant Termination Agreement, dated June 29, 2017, between EZCORP, Inc., and Morgan Stanley &amp; Co. International plc</a>
<a href="#">10.8</a>	<a href="#">Separation Agreement and Release dated May 2, 2017, between EZCORP, Inc., and Mark Ashby, former Chief Financial Officer (incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K dated May 3, 2017, Commission File No. 0-19424)</a>
<a href="#">31.1†</a>	<a href="#">Certification of Stuart J. Grimshaw, 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</a>
<a href="#">31.2†</a>	<a href="#">Certification of Daniel M. Chism, 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</a>
<a href="#">32.1††</a>	<a href="#">Certifications of Stuart J. Grimshaw, Chief Executive Officer, and Daniel M. Chism, Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>
101.INS†††	XBRL Instance Document
101.SCH†††	XBRL Taxonomy Extension Schema Document
101.CAL†††	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB†††	XBRL Taxonomy Label Linkbase Document
101.DEF†††	XBRL Taxonomy Extension Definition Linkbase Document
101.PRE†††	XBRL Taxonomy Extension Presentation Linkbase Document

† Filed herewith.

†† Furnished herewith.

††† Filed herewith as Exhibit 101 to this report are the following formatted in XBRL (Extensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets as of June 30, 2017, June 30, 2016 and September 30, 2016; (ii) Condensed Consolidated Statements of Operations for the three and nine months ended June 30, 2017 and June 30, 2016; (iii) Condensed Consolidated Statements of Comprehensive Income (Loss) for the three and nine months ended June 30, 2017 and June 30, 2016; (iv) Condensed Consolidated Statements of Stockholders' Equity for the nine months ended June 30, 2017 and June 30, 2016; (v) Condensed Consolidated Statements of Cash Flows for the nine months ended June 30, 2017 and June 30, 2016; and (vi) Notes to Interim Condensed Consolidated Financial Statements.

**SIGNATURES**

Pursuant to the requirements 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.

/s/ David McGuire

David McGuire,  
Deputy Chief Financial Officer and Chief Accounting Officer  
(principal accounting officer)

Date: July 31, 2017



**CALL OPTION TERMINATION AGREEMENT**  
**dated as of June 29, 2017**  
**Between EZCORP, INC. and UBS AG, LONDON BRANCH**

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THIS CALL OPTION TERMINATION AGREEMENT (this "**Agreement**") with respect to the Call Option Confirmations (as defined below) is made as of June 29, 2017, between EZCORP, Inc. ("**Company**") and UBS AG, London Branch ("**Dealer**").

WHEREAS, Company issued \$200,000,000 principal amount of 2.125% Cash Convertible Senior Notes due 2019 (the "**Convertible Notes**"), and another \$30,000,000 principal amount of Convertible Notes in connection with the initial purchasers' option to purchase additional Convertible Notes (the "**Additional Notes**"), in each case, pursuant to an Indenture dated as of June 23, 2014 between Company and Wells Fargo Bank, National Association, as trustee;

WHEREAS, in connection with the pricing of the Convertible Notes, Company and Dealer entered into a Base Call Option Transaction (the "**Base Call Option Transaction**") pursuant to a letter agreement re: Call Option Transaction dated as of June 17, 2014 confirming the terms of a call option transaction (as amended, modified, terminated or unwound from time to time, the "**Base Call Option Confirmation**");

WHEREAS, in connection with the Additional Notes, Company and Dealer entered into an Additional Call Option Transaction (the "**Additional Call Option Transaction**") and, together with the Base Call Option Transaction, the "**Call Option Transactions**") pursuant to a letter agreement re: Additional Call Option Transaction dated as of June 27, 2014 confirming the terms of an additional call option transaction (as amended, modified, terminated or unwound from time to time, the "**Additional Call Option Confirmation**" and, together with the Base Call Option Confirmation, the "**Call Option Confirmations**");

WHEREAS, in connection with a repurchase by Company of 35,000 Convertible Notes in \$1,000 principal amount denominations (the "**Notes Repurchase**", and such number of Convertible Notes in \$1,000 principal amount denominations, the "**Repurchase Number**"), Company has requested a full termination of the Additional Call Option Transaction and partial termination of the Base Call Option Transaction;

NOW, THEREFORE, in consideration of their mutual covenants herein contained, the parties hereto, intending to be legally bound, hereby mutually covenant and agree as follows:

1. **Defined Terms.** Any capitalized term not otherwise defined herein shall have the meaning set forth for such term in the Call Option Confirmations.
  2. **Termination and Amendment.** Notwithstanding anything to the contrary in the Call Option Confirmations, Company and Dealer agree that, effective on the date hereof, (i) the Additional Call Option Transaction shall automatically terminate and all of the respective rights and obligations of the parties under the Additional Call Option Confirmation shall be terminated, cancelled and extinguished and (ii) the Number of Options under the Base Call Option Transaction shall be reduced to 195,000, and in connection therewith Dealer shall be required to pay to Company the Cash Settlement Amount on the Payment Date pursuant to Sections 3 and 4 below. For the avoidance of doubt, the parties agree that the Notes Repurchase shall be disregarded for all purposes under the Call Option Transactions, and without limiting the foregoing, no Early Termination Date shall be deemed to occur with respect to any Call Option Transaction or any portion thereof on account of the Notes Repurchase.
  3. **Procedures for Hedge Unwind.** On each Hedge Unwind Date (as defined below), Dealer (or an affiliate of Dealer), for the account of Dealer, shall unwind a portion of its hedge of the Options underlying the Call Option Transactions being terminated hereunder (the period of ten consecutive Scheduled Trading Days beginning on and including the Exchange Business Day following the Effective Date (as defined below, and such Exchange Business Day, the "**Start Date**") being collectively referred to as the "**Hedge Unwind Period**" (subject to extension pursuant to the proviso in the immediately following sentence)). A "**Hedge Unwind Date**" means the Start Date and each Scheduled Trading Day in the Hedge Unwind Period; *provided, however*, that if any such date is a Disrupted Day in whole, such date shall not constitute a Hedge Unwind Date, and an additional Hedge Unwind Date shall occur on the Scheduled Trading Day after the date that would otherwise be the final Hedge Unwind Date.
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4. **Payments and Deliveries.** On the third Scheduled Trading Day following the final Hedge Unwind Date or, if such day is not a Clearance System Business Day, on the next Clearance System Business Day immediately following such day (the "**Payment Date**"), Dealer shall pay to Company in immediately available funds cash in an amount equal to the Cash Settlement Amount. The "**Cash Settlement Amount**" shall mean an amount in US Dollars determined by Dealer according to the table set forth in Schedule A attached hereto (using linear interpolation or commercially reasonable extrapolation by Dealer, as applicable, to determine the Cash Settlement Amount for any Average VWAP not specifically appearing in Schedule A). "**Average VWAP**" means the arithmetic average of the VWAP Prices for each Hedge Unwind Date during the Hedge Unwind Period. "**VWAP Price**" for any Scheduled Trading Day means the per Share volume-weighted average price as displayed under the heading "Bloomberg VWAP" on Bloomberg page EZPW <equity> AQR (or any successor thereto) in respect of the period from 9:30 am to 4:00 pm (New York City time) on such Scheduled Trading Day (or if such volume-weighted average price is unavailable, the market value of one Share on such Scheduled Trading Day for such time period, as determined by Dealer). Notwithstanding the foregoing, if any Scheduled Trading Day in the Hedge Unwind Period is a Disrupted Day (in whole or in part), then the VWAP Price for such Scheduled Trading Day(s) shall be the volume-weighted average price per Share on such Scheduled Trading Day on the Exchange for such time period, as determined by Dealer based on such sources as it deems appropriate using a volume-weighted methodology, for the portion of such Scheduled Trading Day for which Dealer determines there is no Market Disruption Event with respect to the Shares (if any) and the number of Hedge Unwind Dates and the Cash Settlement Amount shall be adjusted by Dealer in its good faith, commercially reasonable discretion to account for such disruption and/or extension.

5. **Effectiveness.** This Agreement, including the termination and amendment of the Call Option Confirmations as set forth herein, shall be effective upon the date (the "**Effective Date**") that each of (i) Company's offering of its 2.875% Convertible Senior Notes due 2024 and (ii) the Notes Repurchase has been consummated and settled. If, for any reason, the Effective Date has not occurred on or prior to July 5, 2017, (i) this Agreement shall automatically terminate and all of the respective rights and obligations of Company and Dealer hereunder shall be cancelled, terminated and discharged and (ii) each party shall be released and discharged by the other party from, and agrees not to make any claim against the other party with respect to, any obligations or liabilities of the other party arising out of and to be performed in connection with this Agreement.

6. **Representations and Warranties of Company.** Company represents and warrants to Dealer (and agrees with Dealer in the case of Section 6(g)(ii)) on the date hereof that:

(a) it has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and to perform its obligations under this Agreement and has taken all necessary action to authorize such execution, delivery and performance;

(b) such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any material contractual restriction binding on or affecting it or any of its assets;

(c) all governmental and other consents that are required to have been obtained by it with respect to this Agreement have been obtained and are in full force and effect and all conditions of any such consents have been complied with;

(d) its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law));

(e) each of it and its affiliates is not in possession of any material nonpublic information regarding Company or the Shares;

(f) it is not entering into this Agreement to create actual or apparent trading activity in the Shares (or any security convertible into or exchangeable for the Shares), to raise or depress or otherwise manipulate the price of the Shares (or any security convertible into or exchangeable for the Shares), for the purpose of inducing the sale of the Shares (or any security convertible into or exchangeable for the Shares) by others or otherwise in violation of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), provided that Company makes no representation or warranty with respect to Dealer's Hedge Position (or any other dealer's hedge position in respect of derivatives relating to the Convertible Notes); and

(g) (i) it is not on the date hereof, engaged in a distribution, as such term is used in Regulation M under the Exchange Act ("**Regulation M**"), of the Shares or any securities deemed "reference securities" (as defined in Regulation M)

with respect to the Shares and (ii) it shall not engage in any such distribution during the period commencing on the date hereof and ending on the second Exchange Business Day immediately following the last day of the Hedge Unwind Period with respect to the Shares or such reference securities, unless it notifies Dealer, on the day immediately preceding the first day of the "restricted period" (as defined in Regulation M) of any such distribution, and of completion of such restricted period on the date such distribution is concluded; *provided* that, in connection with the notification with respect to the completion of the restricted period, it shall be deemed to repeat the representations contained in paragraphs (e) and (f) of this Section 6.

7. Representations and Warranties of Dealer. Dealer represents and warrants to Company on the date hereof that:

(a) it has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and to perform its obligations under this Agreement and has taken all necessary action to authorize such execution, delivery and performance;

(b) such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any material contractual restriction binding on or affecting it or any of its assets;

(c) all governmental and other consents that are required to have been obtained by it with respect to this Agreement have been obtained and are in full force and effect and all conditions of any such consents have been complied with; and

(d) its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

8. Account for Payment to Company:

Bank: Wells Fargo Bank, NA  
ABA#: 121000248  
Acct Name: Texas EZPawn, LP  
Acct No.: 4159720622  
Contact: Karissa Sullivan  
Phone No.: 512-314-2257

9. Governing Law. This Agreement and any dispute arising hereunder shall be governed by and construed in accordance with the laws of the State of New York (without reference to choice of law doctrine).

10. Counterparts. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if all of the signatures thereto and hereto were upon the same instrument.

11. No Reliance, etc. Company confirms that it has relied on the advice of its own counsel and other advisors (to the extent it deems appropriate) with respect to any legal, tax, accounting, or regulatory consequences of this Agreement, that it has not relied on Dealer or its affiliates in any respect in connection therewith, and that it will not hold Dealer or its affiliates accountable for any such consequences.

12. Designation by Dealer. Notwithstanding any other provision in this Agreement to the contrary requiring or allowing Dealer to purchase, sell, receive or deliver any Shares or other securities to or from Company, Dealer may designate any of its affiliates to purchase, sell, receive or deliver such shares or other securities and otherwise to perform Dealer obligations in respect of the transactions contemplated by this Agreement and any such designee may assume such obligations. Dealer shall be discharged of its obligations to Company to the extent of any such performance.

13. No Setoff, No Collateral. Notwithstanding any provision of this Agreement or any other agreement between the parties to the contrary, the obligations of Company hereunder are not, and shall not be, secured by any collateral. Each party waives any and all rights it may have to set off obligations arising under this Agreement and the Transaction against other obligations between the parties, whether arising under any other agreement, applicable law or otherwise.

14. No Other Changes. Except as expressly set forth herein, all of the terms and conditions of the Base Call Option Confirmation shall remain in full force and effect and are hereby confirmed in all respects.

[ *Signature Page Follows* ]



The Cash Settlement Amount shall be determined by Dealer according to the table below.

<u>Average VWAP</u>	<u>Cash Settlement Amount</u>
\$7.00	\$113,941
\$7.25	\$133,132
\$7.50	\$154,380
\$7.75	\$177,795
\$8.00	\$203,422
\$8.25	\$231,403
\$8.50	\$261,658
\$8.75	\$294,372
\$9.00	\$329,560

Dealer may adjust the table above upon the occurrence of any event or condition that would have allowed Dealer to adjust the terms of the Call Option Transactions under the Call Option Confirmations.

**WARRANT TERMINATION AGREEMENT**  
**dated as of June 29, 2017**  
**Between EZCORP, INC. and UBS AG, LONDON BRANCH**

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THIS WARRANT TERMINATION AGREEMENT (this "Agreement") with respect to the Warrants Confirmations (as defined below) is made as of June 29, 2017, between EZCORP, Inc. ("Company") and UBS AG, London Branch ("Dealer").

WHEREAS, Dealer and Company entered into a Base Warrants Transaction (the "Base Warrants Transaction") pursuant to a letter agreement re: Base Warrants dated as of June 17, 2014 confirming the terms of a warrant transaction whereby Dealer purchased from Company 3,734,826 warrants (as amended by that certain amendment agreement dated as of June 27, 2014 and as may be further amended, modified, terminated or unwound from time to time, the "Base Warrants Confirmation");

WHEREAS, Dealer and Company entered into an Additional Warrants Transaction (the "Additional Warrants Transaction" and, together with the Base Warrants Transaction, the "Warrants Transactions") pursuant to a letter agreement re: Additional Warrants dated as of June 27, 2014 confirming the terms of an additional warrant transaction whereby Dealer purchased from Company 360,224 warrants (as amended, modified, terminated or unwound from time to time, the "Additional Warrants Confirmation" and, together with the Base Warrants Confirmation, the "Warrants Confirmations"); and

WHEREAS, Company has requested a full termination of the Additional Warrants Transaction and partial termination of the Base Warrants Transaction;

NOW, THEREFORE, in consideration of their mutual covenants herein contained, the parties hereto, intending to be legally bound, hereby mutually covenant and agree as follows:

1. **Defined Terms.** Any capitalized term not otherwise defined herein shall have the meaning set forth for such term in the Warrants Confirmations.
  2. **Termination and Amendment.** Notwithstanding anything to the contrary in the Warrants Confirmations, Company and Dealer agree that, effective on the date hereof, (i) the Additional Warrants Transaction shall automatically terminate and all of the respective rights and obligations of the parties under the Additional Warrants Confirmation shall be terminated, cancelled and extinguished and (ii) the Number of Warrants under the Base Warrants Transaction shall be reduced to 3,641,455, and in connection therewith Company shall be required to pay to Dealer the Cash Settlement Amount on the Payment Date pursuant to Sections 3 and 4 below.
  3. **Procedures for Hedge Unwind.** On each Hedge Unwind Date (as defined below), Dealer (or an affiliate of Dealer), for the account of Dealer, shall unwind a portion of its hedge of the Warrants underlying the Warrants Transactions being terminated hereunder (the period of ten consecutive Scheduled Trading Days beginning on and including the Exchange Business Day following the Effective Date (as defined below), and such Exchange Business Day, the "Start Date") being collectively referred to as the "Hedge Unwind Period" (subject to extension pursuant to the proviso in the immediately following sentence). A "Hedge Unwind Date" means the Start Date and each Scheduled Trading Day in the Hedge Unwind Period; *provided, however*, that if any such date is a Disrupted Day in whole, such date shall not constitute a Hedge Unwind Date, and an additional Hedge Unwind Date shall occur on the Scheduled Trading Day after the date that would otherwise be the final Hedge Unwind Date.
  4. **Payments and Deliveries.** On the third Scheduled Trading Day following the final Hedge Unwind Date or, if such day is not a Clearance System Business Day, on the next Clearance System Business Day immediately following such day (the "Payment Date"), Company shall pay to Dealer in immediately available funds cash in an amount equal to the Cash Settlement Amount. The "Cash Settlement Amount" shall mean an amount in US Dollars determined by Dealer according to the table set forth in Schedule A attached hereto (using linear interpolation or commercially reasonable extrapolation by Dealer, as applicable, to determine the Cash Settlement Amount for any Average VWAP not specifically appearing in Schedule A). "Average VWAP" means the arithmetic average of the VWAP Prices for each Hedge Unwind Date during the Hedge Unwind Period. "VWAP Price" for any Scheduled Trading Day means the per Share volume-weighted average price as displayed under the heading "Bloomberg VWAP" on Bloomberg page EZPW <equity> AQR (or any successor thereto) in respect of the period from 9:30 am to 4:00 pm (New York City time) on such Scheduled Trading Day (or if such volume-weighted average price is unavailable, the market value of one Share on such Scheduled Trading Day for such time period, as determined by Dealer).
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Notwithstanding the foregoing, if any Scheduled Trading Day in the Hedge Unwind Period is a Disrupted Day (in whole or in part), then the VWAP Price for such Scheduled Trading Day(s) shall be the volume-weighted average price per Share on such Scheduled Trading Day on the Exchange for such time period, as determined by Dealer based on such sources as it deems appropriate using a volume-weighted methodology, for the portion of such Scheduled Trading Day for which Dealer determines there is no Market Disruption Event with respect to the Shares (if any) and the number of Hedge Unwind Dates and the Cash Settlement Amount shall be adjusted by Dealer in its good faith, commercially reasonable discretion to account for such disruption and/or extension.

5. **Effectiveness.** This Agreement, including the termination and amendment of the Warrant Confirmations as set forth herein, shall be effective upon the date (the "**Effective Date**") that each of (i) Company's offering of its 2.875% Convertible Senior Notes due 2024 and (ii) Company's repurchase of its 2.125% Cash Convertible Senior Notes due 2019 has been consummated and settled. If, for any reason, the Effective Date has not occurred on or prior to July 5, 2017, (i) this Agreement shall automatically terminate and all of the respective rights and obligations of Company and Dealer hereunder shall be cancelled, terminated and discharged and (ii) each party shall be released and discharged by the other party from, and agrees not to make any claim against the other party with respect to, any obligations or liabilities of the other party arising out of and to be performed in connection with this Agreement.

6. **Representations and Warranties of Company.** Company represents and warrants to Dealer (and agrees with Dealer in the case of Section 6(g)(ii)) on the date hereof that:

(a) it has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and to perform its obligations under this Agreement and has taken all necessary action to authorize such execution, delivery and performance;

(b) such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any material contractual restriction binding on or affecting it or any of its assets;

(c) all governmental and other consents that are required to have been obtained by it with respect to this Agreement have been obtained and are in full force and effect and all conditions of any such consents have been complied with;

(d) its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law));

(e) each of it and its affiliates is not in possession of any material nonpublic information regarding Company or the Shares;

(f) it is not entering into this Agreement to create actual or apparent trading activity in the Shares (or any security convertible into or exchangeable for the Shares), to raise or depress or otherwise manipulate the price of the Shares (or any security convertible into or exchangeable for the Shares), for the purpose of inducing the sale of the Shares (or any security convertible into or exchangeable for the Shares) by others or otherwise in violation of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), *provided* that Company makes no representation or warranty with respect to Dealer's Hedge Position (or any other dealer's hedge position); and

(g) (i) it is not on the date hereof, engaged in a distribution, as such term is used in Regulation M under the Exchange Act ("**Regulation M**"), of the Shares or any securities deemed "reference securities" (as defined in Regulation M) with respect to the Shares and (ii) it shall not engage in any such distribution during the period commencing on the date hereof and ending on the second Exchange Business Day immediately following the last day of the Hedge Unwind Period with respect to the Shares or such reference securities, unless it notifies Dealer, on the day immediately preceding the first day of the "restricted period" (as defined in Regulation M) of any such distribution, and of completion of such restricted period on the date such distribution is concluded; *provided* that, in connection with the notification with respect to the completion of the restricted period, it shall be deemed to repeat the representations contained in paragraphs (e) and (f) of this Section 6.

7. **Representations and Warranties of Dealer.** Dealer represents and warrants to Company on the date hereof that:



(a) it has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and to perform its obligations under this Agreement and has taken all necessary action to authorize such execution, delivery and performance;

(b) such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any material contractual restriction binding on or affecting it or any of its assets;

(c) all governmental and other consents that are required to have been obtained by it with respect to this Agreement have been obtained and are in full force and effect and all conditions of any such consents have been complied with; and

(d) its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

8. Account for Payment to Dealer :

Bank: UBS AG Stamford  
Bank Routing: 026-007-993  
Account Name: UBS AG, London Branch  
Acct No.: 101-WA-140007-000  
Attn: Equity Derivatives Settlements

9. Governing Law. This Agreement and any dispute arising hereunder shall be governed by and construed in accordance with the laws of the State of New York (without reference to choice of law doctrine).

10. Counterparts. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if all of the signatures thereto and hereto were upon the same instrument.

11. No Reliance, etc. Company confirms that it has relied on the advice of its own counsel and other advisors (to the extent it deems appropriate) with respect to any legal, tax, accounting, or regulatory consequences of this Agreement, that it has not relied on Dealer or its affiliates in any respect in connection therewith, and that it will not hold Dealer or its affiliates accountable for any such consequences.

12. Designation by Dealer. Notwithstanding any other provision in this Agreement to the contrary requiring or allowing Dealer to purchase, sell, receive or deliver any Shares or other securities to or from Company, Dealer may designate any of its affiliates to purchase, sell, receive or deliver such shares or other securities and otherwise to perform Dealer obligations in respect of the transactions contemplated by this Agreement and any such designee may assume such obligations. Dealer shall be discharged of its obligations to Company to the extent of any such performance.

13. No Setoff, No Collateral. Notwithstanding any provision of this Agreement or any other agreement between the parties to the contrary, the obligations of Company hereunder are not, and shall not be, secured by any collateral. Each party waives any and all rights it may have to set off obligations arising under this Agreement and the Transaction against other obligations between the parties, whether arising under any other agreement, applicable law or otherwise.

14. No Other Changes. Except as expressly set forth herein, all of the terms and conditions of the Base Warrants Confirmation shall remain in full force and effect and are hereby confirmed in all respects.

[ Signature Page Follows ]



The Cash Settlement Amount shall be determined by Dealer according to the table below.

<u>Average VWAP</u>	<u>Cash Settlement Amount</u>
\$7.00	\$106,689
\$7.25	\$122,466
\$7.50	\$139,712
\$7.75	\$158,472
\$8.00	\$178,829
\$8.25	\$200,828
\$8.50	\$224,531
\$8.75	\$249,823
\$9.00	\$276,930

Dealer may adjust the table above upon the occurrence of any event or condition that would have allowed Dealer to adjust the terms of the Warrants Transactions under the Warrants Confirmations.

**CALL OPTION TERMINATION AGREEMENT**  
**dated as of June 29, 2017**  
**Between EZCORP, INC. and JEFFERIES INTERNATIONAL LIMITED**

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THIS CALL OPTION TERMINATION AGREEMENT (this "**Agreement**") with respect to the Call Option Confirmations (as defined below) is made as of June 29, 2017, between EZCORP, Inc. ("**Company**") and Jefferies International Limited ("**Dealer**").

WHEREAS, Company issued \$200,000,000 principal amount of 2.125% Cash Convertible Senior Notes due 2019 (the "**Convertible Notes**"), and another \$30,000,000 principal amount of Convertible Notes in connection with the initial purchasers' option to purchase additional Convertible Notes (the "**Additional Notes**"), in each case, pursuant to an Indenture dated as of June 23, 2014 between Company and Wells Fargo Bank, National Association, as trustee;

WHEREAS, in connection with the pricing of the Convertible Notes, Company and Dealer entered into a Base Call Option Transaction (the "**Base Call Option Transaction**") pursuant to a letter agreement re: Call Option Transaction dated as of June 17, 2014 confirming the terms of a call option transaction (as amended, modified, terminated or unwound from time to time, the "**Base Call Option Confirmation**");

WHEREAS, in connection with the Additional Notes, Company and Dealer entered into an Additional Call Option Transaction (the "**Additional Call Option Transaction**") and, together with the Base Call Option Transaction, the "**Call Option Transactions**") pursuant to a letter agreement re: Additional Call Option Transaction dated as of June 27, 2014 confirming the terms of an additional call option transaction (as amended, modified, terminated or unwound from time to time, the "**Additional Call Option Confirmation**" and, together with the Base Call Option Confirmation, the "**Call Option Confirmations**");

WHEREAS, in connection with a repurchase by Company of 35,000 Convertible Notes in \$1,000 principal amount denominations (the "**Notes Repurchase**", and such number of Convertible Notes in \$1,000 principal amount denominations, the "**Repurchase Number**"), Company has requested a full termination of the Additional Call Option Transaction and partial termination of the Base Call Option Transaction;

NOW, THEREFORE, in consideration of their mutual covenants herein contained, the parties hereto, intending to be legally bound, hereby mutually covenant and agree as follows:

1. **Defined Terms.** Any capitalized term not otherwise defined herein shall have the meaning set forth for such term in the Call Option Confirmations.
  2. **Termination and Amendment.** Notwithstanding anything to the contrary in the Call Option Confirmations, Company and Dealer agree that, effective on the date hereof, (i) the Additional Call Option Transaction shall automatically terminate and all of the respective rights and obligations of the parties under the Additional Call Option Confirmation shall be terminated, cancelled and extinguished and (ii) the Number of Options under the Base Call Option Transaction shall be reduced to 195,000, and in connection therewith Dealer shall be required to pay to Company the Cash Settlement Amount on the Payment Date pursuant to Sections 3 and 4 below. For the avoidance of doubt, the parties agree that the Notes Repurchase shall be disregarded for all purposes under the Call Option Transactions, and without limiting the foregoing, no Early Termination Date shall be deemed to occur with respect to any Call Option Transaction or any portion thereof on account of the Notes Repurchase.
  3. **Procedures for Hedge Unwind.** On each Hedge Unwind Date (as defined below), Dealer (or an affiliate of Dealer), for the account of Dealer, shall unwind a portion of its hedge of the Options underlying the Call Option Transactions being terminated hereunder (the period of ten consecutive Scheduled Trading Days beginning on and including the Exchange Business Day following the Effective Date (as defined below, and such Exchange Business Day, the "**Start Date**") being collectively referred to as the "**Hedge Unwind Period**" (subject to extension pursuant to the proviso in the immediately following sentence)). A "**Hedge Unwind Date**" means the Start Date and each Scheduled Trading Day in the Hedge Unwind Period; *provided, however*, that if any such date is a Disrupted Day in whole, such date shall not constitute a Hedge Unwind Date, and an additional Hedge Unwind Date shall occur on the Scheduled Trading Day after the date that would otherwise be the final Hedge Unwind Date.
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4. **Payments and Deliveries.** On the third Scheduled Trading Day following the final Hedge Unwind Date or, if such day is not a Clearance System Business Day, on the next Clearance System Business Day immediately following such day (the "**Payment Date**"), Dealer shall pay to Company in immediately available funds cash in an amount equal to the Cash Settlement Amount. The "**Cash Settlement Amount**" shall mean an amount in US Dollars determined by Dealer according to the table set forth in Schedule A attached hereto (using linear interpolation or commercially reasonable extrapolation by Dealer, as applicable, to determine the Cash Settlement Amount for any Average VWAP not specifically appearing in Schedule A). "**Average VWAP**" means the arithmetic average of the VWAP Prices for each Hedge Unwind Date during the Hedge Unwind Period. "**VWAP Price**" for any Scheduled Trading Day means the per Share volume-weighted average price as displayed under the heading "Bloomberg VWAP" on Bloomberg page EZPW <equity> AQR (or any successor thereto) in respect of the period from 9:30 am to 4:00 pm (New York City time) on such Scheduled Trading Day (or if such volume-weighted average price is unavailable, the market value of one Share on such Scheduled Trading Day for such time period, as determined by Dealer). Notwithstanding the foregoing, if any Scheduled Trading Day in the Hedge Unwind Period is a Disrupted Day (in whole or in part), then the VWAP Price for such Scheduled Trading Day(s) shall be the volume-weighted average price per Share on such Scheduled Trading Day on the Exchange for such time period, as determined by Dealer based on such sources as it deems appropriate using a volume-weighted methodology, for the portion of such Scheduled Trading Day for which Dealer determines there is no Market Disruption Event with respect to the Shares (if any) and the number of Hedge Unwind Dates and the Cash Settlement Amount shall be adjusted by Dealer in its good faith, commercially reasonable discretion to account for such disruption and/or extension.

5. **Effectiveness.** This Agreement, including the termination and amendment of the Call Option Confirmations as set forth herein, shall be effective upon the date (the "**Effective Date**") that each of (i) Company's offering of its 2.875% Convertible Senior Notes due 2024 and (ii) the Notes Repurchase has been consummated and settled. If, for any reason, the Effective Date has not occurred on or prior to July 5, 2017, (i) this Agreement shall automatically terminate and all of the respective rights and obligations of Company and Dealer hereunder shall be cancelled, terminated and discharged and (ii) each party shall be released and discharged by the other party from, and agrees not to make any claim against the other party with respect to, any obligations or liabilities of the other party arising out of and to be performed in connection with this Agreement.

6. **Representations and Warranties of Company.** Company represents and warrants to Dealer (and agrees with Dealer in the case of Section 6(g)(ii)) on the date hereof that:

(a) it has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and to perform its obligations under this Agreement and has taken all necessary action to authorize such execution, delivery and performance;

(b) such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any material contractual restriction binding on or affecting it or any of its assets;

(c) all governmental and other consents that are required to have been obtained by it with respect to this Agreement have been obtained and are in full force and effect and all conditions of any such consents have been complied with;

(d) its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law));

(e) each of it and its affiliates is not in possession of any material nonpublic information regarding Company or the Shares;

(f) it is not entering into this Agreement to create actual or apparent trading activity in the Shares (or any security convertible into or exchangeable for the Shares), to raise or depress or otherwise manipulate the price of the Shares (or any security convertible into or exchangeable for the Shares), for the purpose of inducing the sale of the Shares (or any security convertible into or exchangeable for the Shares) by others or otherwise in violation of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), provided that Company makes no representation or warranty with respect to Dealer's Hedge Position (or any other dealer's hedge position in respect of derivatives relating to the Convertible Notes); and

(g) (i) it is not on the date hereof, engaged in a distribution, as such term is used in Regulation M under the Exchange Act ("**Regulation M**"), of the Shares or any securities deemed "reference securities" (as defined in Regulation M)

with respect to the Shares and (ii) it shall not engage in any such distribution during the period commencing on the date hereof and ending on the second Exchange Business Day immediately following the last day of the Hedge Unwind Period with respect to the Shares or such reference securities, unless it notifies Dealer, on the day immediately preceding the first day of the "restricted period" (as defined in Regulation M) of any such distribution, and of completion of such restricted period on the date such distribution is concluded; *provided* that, in connection with the notification with respect to the completion of the restricted period, it shall be deemed to repeat the representations contained in paragraphs (e) and (f) of this Section 6.

7. Representations and Warranties of Dealer. Dealer represents and warrants to Company on the date hereof that:

(a) it has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and to perform its obligations under this Agreement and has taken all necessary action to authorize such execution, delivery and performance;

(b) such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any material contractual restriction binding on or affecting it or any of its assets;

(c) all governmental and other consents that are required to have been obtained by it with respect to this Agreement have been obtained and are in full force and effect and all conditions of any such consents have been complied with; and

(d) its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

8. Account for Payment to Company:

Bank: Wells Fargo Bank, NA  
ABA#: 121000248  
Acct Name: Texas EZPawn, LP  
Acct No.: 4159720622  
Contact: Karissa Sullivan  
Phone No.: 512-314-2257

9. Governing Law. This Agreement and any dispute arising hereunder shall be governed by and construed in accordance with the laws of the State of New York (without reference to choice of law doctrine).

10. Counterparts. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if all of the signatures thereto and hereto were upon the same instrument.

11. No Reliance, etc. Company confirms that it has relied on the advice of its own counsel and other advisors (to the extent it deems appropriate) with respect to any legal, tax, accounting, or regulatory consequences of this Agreement, that it has not relied on Dealer or its affiliates in any respect in connection therewith, and that it will not hold Dealer or its affiliates accountable for any such consequences.

12. Designation by Dealer. Notwithstanding any other provision in this Agreement to the contrary requiring or allowing Dealer to purchase, sell, receive or deliver any Shares or other securities to or from Company, Dealer may designate any of its affiliates to purchase, sell, receive or deliver such shares or other securities and otherwise to perform Dealer obligations in respect of the transactions contemplated by this Agreement and any such designee may assume such obligations. Dealer shall be discharged of its obligations to Company to the extent of any such performance.

13. No Setoff, No Collateral. Notwithstanding any provision of this Agreement or any other agreement between the parties to the contrary, the obligations of Company hereunder are not, and shall not be, secured by any collateral. Each party waives any and all rights it may have to set off obligations arising under this Agreement and the Transaction against other obligations between the parties, whether arising under any other agreement, applicable law or otherwise.

14. No Other Changes. Except as expressly set forth herein, all of the terms and conditions of the Base Call Option Confirmation shall remain in full force and effect and are hereby confirmed in all respects.

[ *Signature Page Follows* ]





The Cash Settlement Amount shall be determined by Dealer according to the table below.

<u>Average VWAP</u>	<u>Cash Settlement Amount</u>
\$7.00	\$85,456
\$7.25	\$99,849
\$7.50	\$115,785
\$7.75	\$133,346
\$8.00	\$152,567
\$8.25	\$173,552
\$8.50	\$196,243
\$8.75	\$220,779
\$9.00	\$247,170

Dealer may adjust the table above upon the occurrence of any event or condition that would have allowed Dealer to adjust the terms of the Call Option Transactions under the Call Option Confirmations.

**WARRANT TERMINATION AGREEMENT**  
**dated as of June 29, 2017**  
**Between EZCORP, INC. and JEFFERIES INTERNATIONAL LIMITED**

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THIS WARRANT TERMINATION AGREEMENT (this "Agreement") with respect to the Warrants Confirmations (as defined below) is made as of June 29, 2017, between EZCORP, Inc. ("Company") and Jefferies International Limited ("Dealer").

WHEREAS, Dealer and Company entered into a Base Warrants Transaction (the "Base Warrants Transaction") pursuant to a letter agreement re: Base Warrants dated as of June 17, 2014 confirming the terms of a warrant transaction whereby Dealer purchased from Company 2,801,119 warrants (as amended by that certain amendment agreement dated as of June 27, 2014 and as may be further amended, modified, terminated or unwound from time to time, the "Base Warrants Confirmation");

WHEREAS, Dealer and Company entered into an Additional Warrants Transaction (the "Additional Warrants Transaction" and, together with the Base Warrants Transaction, the "Warrants Transactions") pursuant to a letter agreement re: Additional Warrants dated as of June 27, 2014 confirming the terms of an additional warrant transaction whereby Dealer purchased from Company 420,168 warrants (as amended, modified, terminated or unwound from time to time, the "Additional Warrants Confirmation" and, together with the Base Warrants Confirmation, the "Warrants Confirmations"); and

WHEREAS, Company has requested a full termination of the Additional Warrants Transaction and partial termination of the Base Warrants Transaction;

NOW, THEREFORE, in consideration of their mutual covenants herein contained, the parties hereto, intending to be legally bound, hereby mutually covenant and agree as follows:

1. **Defined Terms.** Any capitalized term not otherwise defined herein shall have the meaning set forth for such term in the Warrants Confirmations.
2. **Termination and Amendment.** Notwithstanding anything to the contrary in the Warrants Confirmations, Company and Dealer agree that, effective on the date hereof, (i) the Additional Warrants Transaction shall automatically terminate and all of the respective rights and obligations of the parties under the Additional Warrants Confirmation shall be terminated, cancelled and extinguished and (ii) the Number of Warrants under the Base Warrants Transaction shall be reduced to 2,731,091, and in connection therewith Company shall be required to pay to Dealer the Cash Settlement Amount on the Payment Date pursuant to Sections 3 and 4 below.
3. **Procedures for Hedge Unwind.** On each Hedge Unwind Date (as defined below), Dealer (or an affiliate of Dealer), for the account of Dealer, shall unwind a portion of its hedge of the Warrants underlying the Warrants Transactions being terminated hereunder (the period of ten consecutive Scheduled Trading Days beginning on and including the Exchange Business Day following the Effective Date (as defined below), and such Exchange Business Day, the "Start Date") being collectively referred to as the "Hedge Unwind Period" (subject to extension pursuant to the proviso in the immediately following sentence)). A "Hedge Unwind Date" means the Start Date and each Scheduled Trading Day in the Hedge Unwind Period; *provided, however*, that if any such date is a Disrupted Day in whole, such date shall not constitute a Hedge Unwind Date, and an additional Hedge Unwind Date shall occur on the Scheduled Trading Day after the date that would otherwise be the final Hedge Unwind Date.
4. **Payments and Deliveries.** On the third Scheduled Trading Day following the final Hedge Unwind Date or, if such day is not a Clearance System Business Day, on the next Clearance System Business Day immediately following such day (the "Payment Date"), Company shall pay to Dealer in immediately available funds cash in an amount equal to the Cash Settlement Amount. The "Cash Settlement Amount" shall mean an amount in US Dollars determined by Dealer according to the table set forth in Schedule A attached hereto (using linear interpolation or commercially reasonable extrapolation by Dealer, as applicable, to determine the Cash Settlement Amount for any Average VWAP not specifically appearing in Schedule A). "Average VWAP" means the arithmetic average of the VWAP Prices for each Hedge Unwind Date during the Hedge Unwind Period. "VWAP Price" for any Scheduled Trading Day means the per Share volume-weighted average price as displayed under the heading "Bloomberg VWAP" on Bloomberg page EZPW <equity> AQR (or any successor thereto) in respect of the period from 9:30 am to 4:00 pm (New York City time) on such Scheduled Trading Day (or if such volume-weighted average price is

unavailable, the market value of one Share on such Scheduled Trading Day for such time period, as determined by Dealer). Notwithstanding the foregoing, if any Scheduled Trading Day in the Hedge Unwind Period is a Disrupted Day (in whole or in part), then the VWAP Price for such Scheduled Trading Day(s) shall be the volume-weighted average price per Share on such Scheduled Trading Day on the Exchange for such time period, as determined by Dealer based on such sources as it deems appropriate using a volume-weighted methodology, for the portion of such Scheduled Trading Day for which Dealer determines there is no Market Disruption Event with respect to the Shares (if any) and the number of Hedge Unwind Dates and the Cash Settlement Amount shall be adjusted by Dealer in its good faith, commercially reasonable discretion to account for such disruption and/or extension.

5. **Effectiveness.** This Agreement, including the termination and amendment of the Warrant Confirmations as set forth herein, shall be effective upon the date (the "**Effective Date**") that each of (i) Company's offering of its 2.875% Convertible Senior Notes due 2024 and (ii) Company's repurchase of its 2.125% Cash Convertible Senior Notes due 2019 has been consummated and settled. If, for any reason, the Effective Date has not occurred on or prior to July 5, 2017, (i) this Agreement shall automatically terminate and all of the respective rights and obligations of Company and Dealer hereunder shall be cancelled, terminated and discharged and (ii) each party shall be released and discharged by the other party from, and agrees not to make any claim against the other party with respect to, any obligations or liabilities of the other party arising out of and to be performed in connection with this Agreement.

6. **Representations and Warranties of Company.** Company represents and warrants to Dealer (and agrees with Dealer in the case of Section 6(g)(ii)) on the date hereof that:

(a) it has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and to perform its obligations under this Agreement and has taken all necessary action to authorize such execution, delivery and performance;

(b) such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any material contractual restriction binding on or affecting it or any of its assets;

(c) all governmental and other consents that are required to have been obtained by it with respect to this Agreement have been obtained and are in full force and effect and all conditions of any such consents have been complied with;

(d) its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law));

(e) each of it and its affiliates is not in possession of any material nonpublic information regarding Company or the Shares;

(f) it is not entering into this Agreement to create actual or apparent trading activity in the Shares (or any security convertible into or exchangeable for the Shares), to raise or depress or otherwise manipulate the price of the Shares (or any security convertible into or exchangeable for the Shares), for the purpose of inducing the sale of the Shares (or any security convertible into or exchangeable for the Shares) by others or otherwise in violation of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), *provided* that Company makes no representation or warranty with respect to Dealer's Hedge Position (or any other dealer's hedge position); and

(g) (i) it is not on the date hereof, engaged in a distribution, as such term is used in Regulation M under the Exchange Act ("**Regulation M**"), of the Shares or any securities deemed "reference securities" (as defined in Regulation M) with respect to the Shares and (ii) it shall not engage in any such distribution during the period commencing on the date hereof and ending on the second Exchange Business Day immediately following the last day of the Hedge Unwind Period with respect to the Shares or such reference securities, unless it notifies Dealer, on the day immediately preceding the first day of the "restricted period" (as defined in Regulation M) of any such distribution, and of completion of such restricted period on the date such distribution is concluded; *provided* that, in connection with the notification with respect to the completion of the restricted period, it shall be deemed to repeat the representations contained in paragraphs (e) and (f) of this Section 6.

7. **Representations and Warranties of Dealer.** Dealer represents and warrants to Company on the date hereof that:

(a) it has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and to perform its obligations under this Agreement and has taken all necessary action to authorize such execution, delivery and performance;

(b) such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any material contractual restriction binding on or affecting it or any of its assets;

(c) all governmental and other consents that are required to have been obtained by it with respect to this Agreement have been obtained and are in full force and effect and all conditions of any such consents have been complied with; and

(d) its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

8. Account for Payment to Dealer :

Bank: The Bank of New York Mellon  
ABA#: 021000018  
A/C: Jefferies LLC  
A/C: 890-000-7001  
FFC Equity Derivatives

9. Governing Law. This Agreement and any dispute arising hereunder shall be governed by and construed in accordance with the laws of the State of New York (without reference to choice of law doctrine).

10. Counterparts. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if all of the signatures thereto and hereto were upon the same instrument.

11. No Reliance, etc. Company confirms that it has relied on the advice of its own counsel and other advisors (to the extent it deems appropriate) with respect to any legal, tax, accounting, or regulatory consequences of this Agreement, that it has not relied on Dealer or its affiliates in any respect in connection therewith, and that it will not hold Dealer or its affiliates accountable for any such consequences.

12. Designation by Dealer. Notwithstanding any other provision in this Agreement to the contrary requiring or allowing Dealer to purchase, sell, receive or deliver any Shares or other securities to or from Company, Dealer may designate any of its affiliates to purchase, sell, receive or deliver such shares or other securities and otherwise to perform Dealer obligations in respect of the transactions contemplated by this Agreement and any such designee may assume such obligations. Dealer shall be discharged of its obligations to Company to the extent of any such performance.

13. No Setoff, No Collateral. Notwithstanding any provision of this Agreement or any other agreement between the parties to the contrary, the obligations of Company hereunder are not, and shall not be, secured by any collateral. Each party waives any and all rights it may have to set off obligations arising under this Agreement and the Transaction against other obligations between the parties, whether arising under any other agreement, applicable law or otherwise.

14. No Other Changes. Except as expressly set forth herein, all of the terms and conditions of the Base Warrants Confirmation shall remain in full force and effect and are hereby confirmed in all respects.

[ Signature Page Follows ]



**CALL OPTION TERMINATION AGREEMENT**  
**dated as of June 29, 2017**  
**Between EZCORP, INC. and MORGAN STANLEY & CO. INTERNATIONAL PLC**

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THIS CALL OPTION TERMINATION AGREEMENT (this "**Agreement**") with respect to the Call Option Confirmations (as defined below) is made as of June 29, 2017, between EZCORP, Inc. ("**Company**") and Morgan Stanley & Co. International plc ("**Dealer**").

WHEREAS, Company issued \$200,000,000 principal amount of 2.125% Cash Convertible Senior Notes due 2019 (the "**Convertible Notes**"), and another \$30,000,000 principal amount of Convertible Notes in connection with the initial purchasers' option to purchase additional Convertible Notes (the "**Additional Notes**"), in each case, pursuant to an Indenture dated as of June 23, 2014 between Company and Wells Fargo Bank, National Association, as trustee;

WHEREAS, in connection with the pricing of the Convertible Notes, Company and Dealer entered into a Base Call Option Transaction (the "**Base Call Option Transaction**") pursuant to a letter agreement re: Call Option Transaction dated as of June 17, 2014 confirming the terms of a call option transaction (as amended, modified, terminated or unwound from time to time, the "**Base Call Option Confirmation**");

WHEREAS, in connection with the Additional Notes, Company and Dealer entered into an Additional Call Option Transaction (the "**Additional Call Option Transaction**") and, together with the Base Call Option Transaction, the "**Call Option Transactions**") pursuant to a letter agreement re: Additional Call Option Transaction dated as of June 27, 2014 confirming the terms of an additional call option transaction (as amended, modified, terminated or unwound from time to time, the "**Additional Call Option Confirmation**" and, together with the Base Call Option Confirmation, the "**Call Option Confirmations**");

WHEREAS, in connection with a repurchase by Company of 35,000 Convertible Notes in \$1,000 principal amount denominations (the "**Notes Repurchase**", and such number of Convertible Notes in \$1,000 principal amount denominations, the "**Repurchase Number**"), Company has requested a full termination of the Additional Call Option Transaction and partial termination of the Base Call Option Transaction;

NOW, THEREFORE, in consideration of their mutual covenants herein contained, the parties hereto, intending to be legally bound, hereby mutually covenant and agree as follows:

1. **Defined Terms.** Any capitalized term not otherwise defined herein shall have the meaning set forth for such term in the Call Option Confirmations.
  2. **Termination and Amendment.** Notwithstanding anything to the contrary in the Call Option Confirmations, Company and Dealer agree that, effective on the date hereof, (i) the Additional Call Option Transaction shall automatically terminate and all of the respective rights and obligations of the parties under the Additional Call Option Confirmation shall be terminated, cancelled and extinguished and (ii) the Number of Options under the Base Call Option Transaction shall be reduced to 195,000, and in connection therewith Dealer shall be required to pay to Company the Cash Settlement Amount on the Payment Date pursuant to Sections 3 and 4 below. For the avoidance of doubt, the parties agree that the Notes Repurchase shall be disregarded for all purposes under the Call Option Transactions, and without limiting the foregoing, no Early Termination Date shall be deemed to occur with respect to any Call Option Transaction or any portion thereof on account of the Notes Repurchase.
  3. **Procedures for Hedge Unwind.** On each Hedge Unwind Date (as defined below), Dealer (or an affiliate of Dealer), for the account of Dealer, shall unwind a portion of its hedge of the Options underlying the Call Option Transactions being terminated hereunder (the period of ten consecutive Scheduled Trading Days beginning on and including the Exchange Business Day following the Effective Date (as defined below, and such Exchange Business Day, the "**Start Date**") being collectively referred to as the "**Hedge Unwind Period**" (subject to extension pursuant to the proviso in the immediately following sentence)). A "**Hedge Unwind Date**" means the Start Date and each Scheduled Trading Day in the Hedge Unwind Period; *provided, however*, that if any such date is a Disrupted Day in whole, such date shall not constitute a Hedge Unwind Date, and an additional Hedge Unwind Date shall occur on the Scheduled Trading Day after the date that would otherwise be the final Hedge Unwind Date.
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4. **Payments and Deliveries.** On the third Scheduled Trading Day following the final Hedge Unwind Date or, if such day is not a Clearance System Business Day, on the next Clearance System Business Day immediately following such day (the "**Payment Date**"), Dealer shall pay to Company in immediately available funds cash in an amount equal to the Cash Settlement Amount. The "**Cash Settlement Amount**" shall mean an amount in US Dollars determined by Dealer according to the table set forth in Schedule A attached hereto (using linear interpolation or commercially reasonable extrapolation by Dealer, as applicable, to determine the Cash Settlement Amount for any Average VWAP not specifically appearing in Schedule A). "**Average VWAP**" means the arithmetic average of the VWAP Prices for each Hedge Unwind Date during the Hedge Unwind Period. "**VWAP Price**" for any Scheduled Trading Day means the per Share volume-weighted average price as displayed under the heading "Bloomberg VWAP" on Bloomberg page EZPW <equity> AQR (or any successor thereto) in respect of the period from 9:30 am to 4:00 pm (New York City time) on such Scheduled Trading Day (or if such volume-weighted average price is unavailable, the market value of one Share on such Scheduled Trading Day for such time period, as determined by Dealer). Notwithstanding the foregoing, if any Scheduled Trading Day in the Hedge Unwind Period is a Disrupted Day (in whole or in part), then the VWAP Price for such Scheduled Trading Day(s) shall be the volume-weighted average price per Share on such Scheduled Trading Day on the Exchange for such time period, as determined by Dealer based on such sources as it deems appropriate using a volume-weighted methodology, for the portion of such Scheduled Trading Day for which Dealer determines there is no Market Disruption Event with respect to the Shares (if any) and the number of Hedge Unwind Dates and the Cash Settlement Amount shall be adjusted by Dealer in its good faith, commercially reasonable discretion to account for such disruption and/or extension.

5. **Effectiveness.** This Agreement, including the termination and amendment of the Call Option Confirmations as set forth herein, shall be effective upon the date (the "**Effective Date**") that each of (i) Company's offering of its 2.875% Convertible Senior Notes due 2024 and (ii) the Notes Repurchase has been consummated and settled. If, for any reason, the Effective Date has not occurred on or prior to July 5, 2017, (i) this Agreement shall automatically terminate and all of the respective rights and obligations of Company and Dealer hereunder shall be cancelled, terminated and discharged and (ii) each party shall be released and discharged by the other party from, and agrees not to make any claim against the other party with respect to, any obligations or liabilities of the other party arising out of and to be performed in connection with this Agreement.

6. **Representations and Warranties of Company.** Company represents and warrants to Dealer (and agrees with Dealer in the case of Section 6(g)(ii)) on the date hereof that:

(a) it has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and to perform its obligations under this Agreement and has taken all necessary action to authorize such execution, delivery and performance;

(b) such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any material contractual restriction binding on or affecting it or any of its assets;

(c) all governmental and other consents that are required to have been obtained by it with respect to this Agreement have been obtained and are in full force and effect and all conditions of any such consents have been complied with;

(d) its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law));

(e) each of it and its affiliates is not in possession of any material nonpublic information regarding Company or the Shares;

(f) it is not entering into this Agreement to create actual or apparent trading activity in the Shares (or any security convertible into or exchangeable for the Shares), to raise or depress or otherwise manipulate the price of the Shares (or any security convertible into or exchangeable for the Shares), for the purpose of inducing the sale of the Shares (or any security convertible into or exchangeable for the Shares) by others or otherwise in violation of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), provided that Company makes no representation or warranty with respect to Dealer's Hedge Position (or any other dealer's hedge position in respect of derivatives relating to the Convertible Notes); and

(g) (i) it is not on the date hereof, engaged in a distribution, as such term is used in Regulation M under the Exchange Act ("**Regulation M**"), of the Shares or any securities deemed "reference securities" (as defined in Regulation M)

with respect to the Shares and (ii) it shall not engage in any such distribution during the period commencing on the date hereof and ending on the second Exchange Business Day immediately following the last day of the Hedge Unwind Period with respect to the Shares or such reference securities, unless it notifies Dealer, on the day immediately preceding the first day of the "restricted period" (as defined in Regulation M) of any such distribution, and of completion of such restricted period on the date such distribution is concluded; *provided* that, in connection with the notification with respect to the completion of the restricted period, it shall be deemed to repeat the representations contained in paragraphs (e) and (f) of this Section 6.

7. Representations and Warranties of Dealer. Dealer represents and warrants to Company on the date hereof that:

(a) it has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and to perform its obligations under this Agreement and has taken all necessary action to authorize such execution, delivery and performance;

(b) such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any material contractual restriction binding on or affecting it or any of its assets;

(c) all governmental and other consents that are required to have been obtained by it with respect to this Agreement have been obtained and are in full force and effect and all conditions of any such consents have been complied with; and

(d) its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

8. Account for Payment to Company:

Bank: Wells Fargo Bank, NA  
ABA#: 121000248  
Acct Name: Texas EZPawn, LP  
Acct No.: 4159720622  
Contact: Karissa Sullivan  
Phone No.: 512-314-2257

9. Governing Law. This Agreement and any dispute arising hereunder shall be governed by and construed in accordance with the laws of the State of New York (without reference to choice of law doctrine).

10. Counterparts. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if all of the signatures thereto and hereto were upon the same instrument.

11. No Reliance, etc. Company confirms that it has relied on the advice of its own counsel and other advisors (to the extent it deems appropriate) with respect to any legal, tax, accounting, or regulatory consequences of this Agreement, that it has not relied on Dealer or its affiliates in any respect in connection therewith, and that it will not hold Dealer or its affiliates accountable for any such consequences.

12. Designation by Dealer. Notwithstanding any other provision in this Agreement to the contrary requiring or allowing Dealer to purchase, sell, receive or deliver any Shares or other securities to or from Company, Dealer may designate any of its affiliates to purchase, sell, receive or deliver such shares or other securities and otherwise to perform Dealer obligations in respect of the transactions contemplated by this Agreement and any such designee may assume such obligations. Dealer shall be discharged of its obligations to Company to the extent of any such performance.

13. No Setoff, No Collateral. Notwithstanding any provision of this Agreement or any other agreement between the parties to the contrary, the obligations of Company hereunder are not, and shall not be, secured by any collateral. Each party waives any and all rights it may have to set off obligations arising under this Agreement and the Transaction against other obligations between the parties, whether arising under any other agreement, applicable law or otherwise.



14. No Other Changes. Except as expressly set forth herein, all of the terms and conditions of the Base Call Option Confirmation shall remain in full force and effect and are hereby confirmed in all respects.

[ *Signature Page Follows* ]



**WARRANT TERMINATION AGREEMENT**  
**dated as of June 29, 2017**  
**Between EZCORP, INC. and MORGAN STANLEY & CO. INTERNATIONAL PLC**

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THIS WARRANT TERMINATION AGREEMENT (this "Agreement") with respect to the Warrants Confirmations (as defined below) is made as of June 29, 2017, between EZCORP, Inc. ("Company") and Morgan Stanley & Co. International plc ("Dealer").

WHEREAS, Dealer and Company entered into a Base Warrants Transaction (the "Base Warrants Transaction") pursuant to a letter agreement re: Base Warrants dated as of June 17, 2014 confirming the terms of a warrant transaction whereby Dealer purchased from Company 5,913,475 warrants (as amended by that certain amendment agreement dated as of June 27, 2014 and as may be further amended, modified, terminated or unwound from time to time, the "Base Warrants Confirmation");

WHEREAS, Dealer and Company entered into an Additional Warrants Transaction (the "Additional Warrants Transaction" and, together with the Base Warrants Transaction, the "Warrants Transactions") pursuant to a letter agreement re: Additional Warrants dated as of June 27, 2014 confirming the terms of an additional warrant transaction whereby Dealer purchased from Company 887,021 warrants (as amended, modified, terminated or unwound from time to time, the "Additional Warrants Confirmation" and, together with the Base Warrants Confirmation, the "Warrants Confirmations"); and

WHEREAS, Company has requested a full termination of the Additional Warrants Transaction and partial termination of the Base Warrants Transaction;

NOW, THEREFORE, in consideration of their mutual covenants herein contained, the parties hereto, intending to be legally bound, hereby mutually covenant and agree as follows:

1. **Defined Terms.** Any capitalized term not otherwise defined herein shall have the meaning set forth for such term in the Warrants Confirmations.
2. **Termination and Amendment.** Notwithstanding anything to the contrary in the Warrants Confirmations, Company and Dealer agree that, effective on the date hereof, (i) the Additional Warrants Transaction shall automatically terminate and all of the respective rights and obligations of the parties under the Additional Warrants Confirmation shall be terminated, cancelled and extinguished and (ii) the Number of Warrants under the Base Warrants Transaction shall be reduced to 5,765,638, and in connection therewith Company shall be required to pay to Dealer the Cash Settlement Amount on the Payment Date pursuant to Sections 3 and 4 below.
3. **Procedures for Hedge Unwind.** On each Hedge Unwind Date (as defined below), Dealer (or an affiliate of Dealer), for the account of Dealer, shall unwind a portion of its hedge of the Warrants underlying the Warrants Transactions being terminated hereunder (the period of ten consecutive Scheduled Trading Days beginning on and including the Exchange Business Day following the Effective Date (as defined below), and such Exchange Business Day, the "Start Date") being collectively referred to as the "Hedge Unwind Period" (subject to extension pursuant to the proviso in the immediately following sentence). A "Hedge Unwind Date" means the Start Date and each Scheduled Trading Day in the Hedge Unwind Period; *provided, however*, that if any such date is a Disrupted Day in whole, such date shall not constitute a Hedge Unwind Date, and an additional Hedge Unwind Date shall occur on the Scheduled Trading Day after the date that would otherwise be the final Hedge Unwind Date.
4. **Payments and Deliveries.** On the third Scheduled Trading Day following the final Hedge Unwind Date or, if such day is not a Clearance System Business Day, on the next Clearance System Business Day immediately following such day (the "Payment Date"), Company shall pay to Dealer in immediately available funds cash in an amount equal to the Cash Settlement Amount. The "Cash Settlement Amount" shall mean an amount in US Dollars determined by Dealer according to the table set forth in Schedule A attached hereto (using linear interpolation or commercially reasonable extrapolation by Dealer, as applicable, to determine the Cash Settlement Amount for any Average VWAP not specifically appearing in Schedule A). "Average VWAP" means the arithmetic average of the VWAP Prices for each Hedge Unwind Date during the Hedge Unwind Period. "VWAP Price" for any Scheduled Trading Day means the per Share volume-weighted average price as displayed under the heading "Bloomberg VWAP" on Bloomberg page EZPW <equity> AQR (or any successor thereto) in respect of the period from 9:30 am to 4:00 pm (New York City time) on such Scheduled Trading Day (or if such volume-weighted average price is

unavailable, the market value of one Share on such Scheduled Trading Day for such time period, as determined by Dealer). Notwithstanding the foregoing, if any Scheduled Trading Day in the Hedge Unwind Period is a Disrupted Day (in whole or in part), then the VWAP Price for such Scheduled Trading Day(s) shall be the volume-weighted average price per Share on such Scheduled Trading Day on the Exchange for such time period, as determined by Dealer based on such sources as it deems appropriate using a volume-weighted methodology, for the portion of such Scheduled Trading Day for which Dealer determines there is no Market Disruption Event with respect to the Shares (if any) and the number of Hedge Unwind Dates and the Cash Settlement Amount shall be adjusted by Dealer in its good faith, commercially reasonable discretion to account for such disruption and/or extension.

5. **Effectiveness.** This Agreement, including the termination and amendment of the Warrant Confirmations as set forth herein, shall be effective upon the date (the "**Effective Date**") that each of (i) Company's offering of its 2.875% Convertible Senior Notes due 2024 and (ii) Company's repurchase of its 2.125% Cash Convertible Senior Notes due 2019 has been consummated and settled. If, for any reason, the Effective Date has not occurred on or prior to July 5, 2017, (i) this Agreement shall automatically terminate and all of the respective rights and obligations of Company and Dealer hereunder shall be cancelled, terminated and discharged and (ii) each party shall be released and discharged by the other party from, and agrees not to make any claim against the other party with respect to, any obligations or liabilities of the other party arising out of and to be performed in connection with this Agreement.

6. **Representations and Warranties of Company.** Company represents and warrants to Dealer (and agrees with Dealer in the case of Section 6(g)(ii)) on the date hereof that:

(a) it has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and to perform its obligations under this Agreement and has taken all necessary action to authorize such execution, delivery and performance;

(b) such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any material contractual restriction binding on or affecting it or any of its assets;

(c) all governmental and other consents that are required to have been obtained by it with respect to this Agreement have been obtained and are in full force and effect and all conditions of any such consents have been complied with;

(d) its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law));

(e) each of it and its affiliates is not in possession of any material nonpublic information regarding Company or the Shares;

(f) it is not entering into this Agreement to create actual or apparent trading activity in the Shares (or any security convertible into or exchangeable for the Shares), to raise or depress or otherwise manipulate the price of the Shares (or any security convertible into or exchangeable for the Shares), for the purpose of inducing the sale of the Shares (or any security convertible into or exchangeable for the Shares) by others or otherwise in violation of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), *provided* that Company makes no representation or warranty with respect to Dealer's Hedge Position (or any other dealer's hedge position); and

(g) (i) it is not on the date hereof, engaged in a distribution, as such term is used in Regulation M under the Exchange Act ("**Regulation M**"), of the Shares or any securities deemed "reference securities" (as defined in Regulation M) with respect to the Shares and (ii) it shall not engage in any such distribution during the period commencing on the date hereof and ending on the second Exchange Business Day immediately following the last day of the Hedge Unwind Period with respect to the Shares or such reference securities, unless it notifies Dealer, on the day immediately preceding the first day of the "restricted period" (as defined in Regulation M) of any such distribution, and of completion of such restricted period on the date such distribution is concluded; *provided* that, in connection with the notification with respect to the completion of the restricted period, it shall be deemed to repeat the representations contained in paragraphs (e) and (f) of this Section 6.

7. **Representations and Warranties of Dealer.** Dealer represents and warrants to Company on the date hereof that:

(a) it has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and to perform its obligations under this Agreement and has taken all necessary action to authorize such execution, delivery and performance;

(b) such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any material contractual restriction binding on or affecting it or any of its assets;

(c) all governmental and other consents that are required to have been obtained by it with respect to this Agreement have been obtained and are in full force and effect and all conditions of any such consents have been complied with; and

(d) its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

8. Account for Payment to Dealer :

Bank: Citibank, N.A.  
SWIFT: CITIUS33  
Bank Routing: 021-000-089  
Acct Name: Morgan Stanley and Co.  
Acct No.: 30632076

9. Governing Law. This Agreement and any dispute arising hereunder shall be governed by and construed in accordance with the laws of the State of New York (without reference to choice of law doctrine).

10. Counterparts. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if all of the signatures thereto and hereto were upon the same instrument.

11. No Reliance, etc. Company confirms that it has relied on the advice of its own counsel and other advisors (to the extent it deems appropriate) with respect to any legal, tax, accounting, or regulatory consequences of this Agreement, that it has not relied on Dealer or its affiliates in any respect in connection therewith, and that it will not hold Dealer or its affiliates accountable for any such consequences.

12. Designation by Dealer. Notwithstanding any other provision in this Agreement to the contrary requiring or allowing Dealer to purchase, sell, receive or deliver any Shares or other securities to or from Company, Dealer may designate any of its affiliates to purchase, sell, receive or deliver such shares or other securities and otherwise to perform Dealer obligations in respect of the transactions contemplated by this Agreement and any such designee may assume such obligations. Dealer shall be discharged of its obligations to Company to the extent of any such performance.

13. No Setoff, No Collateral. Notwithstanding any provision of this Agreement or any other agreement between the parties to the contrary, the obligations of Company hereunder are not, and shall not be, secured by any collateral. Each party waives any and all rights it may have to set off obligations arising under this Agreement and the Transaction against other obligations between the parties, whether arising under any other agreement, applicable law or otherwise.

14. No Other Changes. Except as expressly set forth herein, all of the terms and conditions of the Base Warrants Confirmation shall remain in full force and effect and are hereby confirmed in all respects.

[ Signature Page Follows ]



The Cash Settlement Amount shall be determined by Dealer according to the table below.

<u>Average VWAP</u>	<u>Cash Settlement Amount</u>
\$7.00	\$168,925
\$7.25	\$193,905
\$7.50	\$221,211
\$7.75	\$250,914
\$8.00	\$283,147
\$8.25	\$317,978
\$8.50	\$355,507
\$8.75	\$395,553
\$9.00	\$438,473

Dealer may adjust the table above upon the occurrence of any event or condition that would have allowed Dealer to adjust the terms of the Warrants Transactions under the Warrants Confirmations.

**Certification of Stuart I. Grimshaw, 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, Stuart I. Grimshaw, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q 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: July 31, 2017

/s/ Stuart I. Grimshaw

Stuart I. Grimshaw

Chief Executive Officer



**Certification of Daniel M. Chism, 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, Daniel M. Chism, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q 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: July 31, 2017

/s/ Daniel M. Chism

Daniel M. Chism

Chief Financial Officer

**Certifications of Stuart I. Grimshaw, Chief Executive Officer, and Daniel M. Chism, 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 Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, 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: July 31, 2017

/s/ Stuart I. Grimshaw

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Stuart I. Grimshaw  
Chief Executive Officer

Date: July 31, 2017

/s/ Daniel M. Chism

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Daniel M. Chism  
Chief Financial Officer