

ASX release

29 February 2024

Exceptional PDP market arrives for Pioneer

Pioneer Credit Limited ('Pioneer' or the 'Company') is pleased to report its half year results for the period ended 31 December 2023. Cash collections¹ increased by 11% compared with the prior corresponding period ('pcp') resulting in a modest NPAT of \$0.05m.

Along with this return to sustained profitability, Pioneer also reported significant improvements across other key metrics with EBITDA up 9% on pcp to \$49.2m, and a 37% improvement on pcp in EBIT to \$17.9m.

While the reported profit is small, this result highlights Pioneer's operational excellence in a period where funding costs have been a significant impediment, rising 24% on pcp to \$17.9m from the rapid and significant increases in the RBA cash rate.

Lower funding costs will deliver a material benefit to the Company's bottom line which the Company expects to materialise upon the successful conclusion of the current refinance syndication (*ASX Announcement 27 February 2024: Pioneer appoints Nomura as exclusive senior finance arranger*).

Purchasing Environment

During the period, Pioneer announced the creation of a special purpose vehicle (SPV), with a \$35m debt facility from Nomura Australia Ltd. for the acquisition of discrete portfolio opportunities. The SPV, which is wholly owned by Pioneer, purchased a \$24.1m banking portfolio (*ASX Announcement 8 December 2023: Pioneer Upgrades FY24 PDP Investment Guidance*) and later a \$15.8m Part IX portfolio (*ASX Announcement 26 February 2024: Pioneer acquires significant Part IX debt portfolio*).

Notably, while the business has continued to produce record and strengthening investible cashflows, the demand from vendors to partner with us has outstripped our capacity to absorb the volume of customers' accounts available to acquire in the manner that enables our differentiated offering. This has placed Pioneer in the enviable position of being able to be more selective in choosing where to invest its capital, enabling better returns than we have achieved in past PDP investments. Consequently, we expect this will make a larger contribution to Pioneer's earnings in the years ahead.

Refinancing

As announced on 27 February 2024, Nomura Australia Ltd has been appointed exclusive senior finance arranger and has commenced work, in conjunction with the Company, to syndicate these facilities.

Reflecting the strong and improving credit profile of the Company, the new facilities are expected to provide the Company with strong tenor, appropriate growth funding, and reasonable debt covenants. The cost of funds is expected to produce a material saving from both our existing senior facilities (BBSW plus 8.75%) and our recently established SPV facility (BBSW plus 6.5%).

¹ Includes payments classified as other income and those netted off PDP investment at recognition

Pioneer will update the market on significant developments throughout this process, which is expected to occur before 30 June 2024.

Board Succession

The Pioneer Board continues to evolve, with our focus on building out our balance sheet capabilities and further strengthening the governance of the Company.

As part of this planned succession, Mr Peter Hall has advised the Board that he intends to retire as a Non-Executive Director following the release of Pioneer's full year results in late August 2024. As a result, Mr Hall will step down as Chair of the Audit & Risk Management Committee ('**ARMC**') immediately.

Suzan Pervan, who joined the Board on 29 August 2023 replaces Mr Hall as Chair of the ARMC.

Ms Pervan is an experienced accounting professional, with nine years at Ernst & Young in Australia and five years internationally. In 1998 she co-founded the highly regarded Perth-based accountancy firm, Gooding Pervan until her retirement from the firm in 2010. Suzan is a member of Chartered Accountants Australia and New Zealand and holds a BBus from Curtin University.

Chairman Steve Targett welcomed Ms Pervan to the role and said, "I'd like to thank Peter for his leadership of the ARMC and look forward to Suzan's contribution to the Company as ARMC Chair.

"The Executive and I look forward to working with Suzan in this new role."

The Company is considering candidates to replace Mr Hall as a Non-Executive Director, from the time of his departure, and an announcement will be made at the appropriate time.

Authorised by:

Board of Directors, Pioneer Credit Limited

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About Pioneer

Pioneer Credit is an ASX-listed company (ASX: PNC) providing high quality, flexible, financial services support to help everyday Australians out of financial difficulty. Pioneer Credit has the trust of long-term vendor partners to do the right thing and respectfully support customers to achieve their financial independence.

Pioneer Credit has established a solid foundation to pursue further growth by leveraging its outstanding industry relationships, compliance record and customer-focused culture.

www.pioneercredit.com.au