

## Pioneer signs agreements to replace its Debt Facilities

Further to its announcement on 5 December 2019, Pioneer Credit Limited (ASX:PNC) (**Pioneer** or the **Company**) is pleased to confirm it has entered into a Confirmation Deed with Pioneer's existing senior financiers (**Existing Senior Financiers**) and an entity that is part of the group of entities doing business as 'The Carlyle Group' (collectively **Carlyle**), under which, among other things, Carlyle has agreed to acquire the debt outstanding under Pioneer's existing \$130 million senior secured debt facility (**Senior Facility**) from the Existing Senior Financiers, subject to the entry into substitution and transfer documentation and the satisfaction of other customary conditions precedent (**Debt Purchase**).

The Company has also signed a Variation Deed which, on completion of the Debt Purchase and execution of the Variation Deed by Carlyle and the security trustee under the Senior Facility, will effect the waiver by Carlyle of the Company's existing defaults under the Senior Facility and vary the key terms of the Senior Facility, as set out below, including the provision of additional interim funding of up to \$28 million to fund ongoing investment in Purchased Debt Portfolios, payment of the special dividend referred to in the Company's announcement on 5 December 2019 and working capital as required (the **Replacement Facilities**).

The Variation Deed (and the variations to the Senior Facility to be effected pursuant to the Variation Deed) will only become effective upon it being signed by Carlyle and the security trustee under the Senior Facility and the Debt Purchase having completed, neither of which has yet occurred. Signing of the Variation Deed is expected to take place in the coming days, contemporaneously with the completion of the Debt Purchase, and subject to satisfaction of the relevant conditions.

With an initial nine month term, the Replacement Facilities are expected to provide sufficient time and flexibility for the scheme of arrangement with Carlyle (the **Scheme**) to be implemented, which is currently expected to occur in April 2020.

As previously announced, a Standstill Agreement was entered into between the Company and the Existing Senior Financiers as a result of the Company defaulting under the Senior Facility and, as part of that arrangement, the Existing Senior Financier's required Pioneer to explore repayment options. As a result, the Company has, as previously disclosed, undertaken a process where it has assessed numerous proposals for the provision of alternative funding and considers the arrangements agreed with Carlyle as a whole to be in the best interests of the Company.

The key terms of the Replacement Facilities will be:

Key Terms	Detail
<b>Facilities</b>	~\$130m replacement + up to \$28m incremental facilities for interim funding
<b>Arrangement fee</b>	1.5% of total limits of facilities (capitalised on the variations to the Senior Facility taking effect)
<b>Waiver</b>	Waiver of all existing defaults under the Senior Facility

Key Terms	Detail
<b>Term</b>	9-month term ( <b>Initial Term</b> ), extending to a 36 month term on the Scheme becoming effective ( <b>Extended Term</b> )
<b>Interest</b>	20.0% per annum during the Initial Term, accruing and payable only at maturity unless the term is extended to the Extended Term (in which case no interest will be accrued or paid during the Initial Term), and the interest rate during the Extended Term will become 5.0% per annum
<b>Make whole</b>	A make whole applies in respect of any repayment or prepayment of the outstanding amount under the Replacement Facilities made during the Initial Term requiring Pioneer to pay an amount equal to interest that would have accrued for the balance of the Initial Term but for early repayment of outstanding amount

In the Company's opinion, continued trading of its securities prior to the completion of this critical debt substitution process is likely to be materially prejudicial to its ability to complete this transaction which is critical to Pioneer's financial viability. Given this, the Company requests that the voluntary suspension of its securities continues until the earlier of the commencement of trading on 24 December 2019 or until the release of an announcement regarding the completion of the Debt Purchase. The Company is not aware of any reason why the suspension of its securities should not be granted.

## 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 things 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](http://www.pioneercredit.com.au)

## INVESTOR AND MEDIA ENQUIRIES

**Keith R John**  
 Managing Director  
 Pioneer Credit Limited  
 P: 08 9323 5000

**John Gardner**  
 Managing Director  
 Citadel-MAGNUS  
 P: 0413 355 997