

**ASX Announcement**

**10 June 2020**

## **Amendment to the Quarterly Activity Report and Appendix 4C for Quarter Ending 31 March 2020**

Pioneer Credit Limited (**ASX: PNC**) ('**Pioneer**' or 'the **Company**') refers to the Quarterly Activity Report and Appendix 4C for the quarter ending 31 March 2020 lodged with the ASX on 15 May 2020. At the request of the ASX, the Company provides a revised Appendix 4C with the following amendments:

- Comments at section 8.6 have been removed as the Company had positive cash flow for the period; and
- The Appendix 4C has been authorised by the Board of Directors of Pioneer Credit Limited.

Further, in accordance with LR 4.7C.1 the Company advises:

That during the period it incurred operating costs in the ordinary course of business in the amount of \$12.954m, which was in line with the Company's expectations. Operating costs includes \$0.488m in legal and professional fees regarding the Company's entry into a Scheme Implementation Agreement with Robin BidCo Pty Ltd and Robin HoldCo Holdings Limited (entities part of The Carlyle Group). The Scheme Implementation Agreement has since been terminated as per the Company's announcement of 22 April 2020. The Company invested \$13.905m in the acquisition of Purchased Debt Portfolios.

**Authorised by the Board of Directors of Pioneer Credit Limited**

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

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

PIONEER CREDIT LIMITED

**ABN**

44 103 003 505

**Quarter ended ("current quarter")**

31 MARCH 2020

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date ( 9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	25,913	80,237
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(3,367)	(12,088)
(c) advertising and marketing	(3)	(36)
(d) leased assets		
(e) staff costs	(8,088)	(26,251)
(f) administration and corporate costs	(752)	(3,746)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	14
1.5 Interest and other costs of finance paid	(748)	(5,010)
1.6 Income taxes paid	-	(3,905)
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)	3	6,193
<b>1.9 Net cash from / (used in) operating activities</b>	<b>12,959</b>	<b>35,408</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(141)	(153)
(d) investments		
(e) intellectual property		
(f) other non-current assets	(14,003)	(51,729)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date ( 9 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(14,144)</b>	<b>(51,882)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		139,313
3.6	Repayment of borrowings	(73)	(130,171)
3.7	Transaction costs related to loans and borrowings		(1,867)
3.8	Dividends paid		
3.9	Other (provide details if material)	(254)	(1,337)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(327)</b>	<b>5,938</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2,160	11,184
4.2	Net cash from / (used in) operating activities (item 1.9 above)	12,959	35,408
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(14,144)	(51,882)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date ( 9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(327)	5,938
4.5	Effect of movement in exchange rates on cash held		
4.6	<b>Cash and cash equivalents at end of period</b>	<b>648</b>	<b>648</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	648	2,160
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>		

**6. Payments to related parties of the entity and their  
associates**

- 6.1 Aggregate amount of payments to related parties and their  
associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their  
associates included in item 2

Current quarter \$A'000
19

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

<b>7. Financing facilities</b>		
<i>Note: the term 'facility' includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	141,725	141,725
7.2 Credit standby arrangements		
7.3 Other (please specify)	40,000	40,000
7.4 <b>Total financing facilities</b>	<b>181,725</b>	<b>181,725</b>

7.5 **Unused financing facilities available at quarter end** -

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

	<b>Total Facility</b>	<b>Total Drawn</b>
<b>Carlyle Loan</b>	141,725	141,725
Initial Term Maturity Date	20-Sep-20	
Secured over all the assets and undertaking of the business		
Interest rate of 20% per annum which accrues during the Initial Term but is only payable on the maturity date of the Initial Term, unless the term is extended, in which case no interest will be taken to have accrued or required to be paid for the Initial Term and the interest rate during the Extended Term will be 5% per annum.		
	<b>Total Facility</b>	<b>Total Drawn</b>
<b>Medium Term Notes</b>	40,000	40,000
Maturity date	22-Mar-22	
The Group issued \$ 40m in medium term notes on 22 March 2018. The notes have a maturity date of 22 March 2022 with the option to repay the notes at 101% of par plus any accrued interest one year prior to maturity.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	12,959
8.2 Cash and cash equivalents at quarter end (Item 4.6)	648
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	648
8.5 <b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	N/A

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

- Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

- Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: .....10 June 2020.....

Authorised by: The Board of Directors of Pioneer Credit Limited

(Name of body or officer authorising release – see note 4)

### Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.