

ASX Announcement

1 November 2021

Pioneer executes new Senior Finance Facility

- **\$200m, four-year Senior Facility Agreement with Fortress Investment Group**
- **Medium Term Notes amended to expire in 2026, and upsized to \$60m**
- **\$5.4m equity raised, at 60cps from institutions and high net worth investors**

Pioneer Credit Limited ("Pioneer" or "The Company") is pleased to announce that it has executed agreements for a \$200 million, four-year senior debt facility agreement with global investment manager Fortress Investment Group.

The Company has also extended the maturity of its existing Medium Term Notes ("MTNs") to five years, and increased the MTNs on issue to \$60m, through a fully subscribed offer.

The transactions remain subject to the satisfaction of certain typical conditions precedent. The parties are targeting the satisfaction of all conditions precedent and the settlement and financial close by 9 November 2021.

The new senior debt facility, together with the MTNs, will significantly reduce Pioneer's cost of funding and provide substantial incremental funding from which to grow the business.

On completion, Pioneer's access to debt funding will comprise senior and subordinated facilities totalling \$260 million, with \$32 million available for growth, beyond that which is currently expected.

Pioneer Managing Director, Keith John, said that this new facility will position the business for profitability and growth.

"Upon completion, we expect Pioneer's enhanced capital structure will return the business to profitability.

"By introducing flexibility into our balance sheet, we will be able to aggressively compete in the acquisition of PDP's¹ and firmly establish Pioneer as the top challenger brand in the industry.

"Furthermore, our demonstrated ability to grow the Pioneer performing arrangements portfolio will continue to drive liquidations and realise the value of our future investments," said Mr John.

¹ Purchased Debt Portfolios

To further strengthen the balance sheet, a \$5.4m equity issue with institutional and high net worth investors was completed at 60 cents per share – a material premium to the prevailing market price of the Company's shares.

The Company welcomes the private entities of Mr James Simpson, which subscribed for \$2m worth of shares, as a substantial shareholder. Mr Simpson was a co-founder of Platinum Asset Management, and more recently has been an active private investor.

Nomura, one of the Company's outgoing senior financiers, will become a substantial shareholder, having subscribed for \$1.1m worth of shares.

The equity issue was also supported by the Company's Founder and Managing Director Mr Keith John, who has subscribed for \$1.15m worth of shares, subject to shareholder approval².

"The willingness of investors to buy equity at a substantial premium to market reflects their strong belief in Pioneer and its future performance," Mr John said.

Financial close of the senior facility, MTNs and the equity issue (other than the subscription of the Managing Director) is expected to be completed by 9 November 2021, at which stage an announcement will be made to the market.

The Company will provide FY22 guidance at its Annual General Meeting on 1 November 2021.

Authorised by:

The Board of Directors

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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

² To be sought at a General Meeting of the Company, expected to be held on 21 December 2021