

1 November 2021

2021 AGM Presentation

Senior Facility Refinance & Balance Sheet Strengthening



Important notice: Disclaimer

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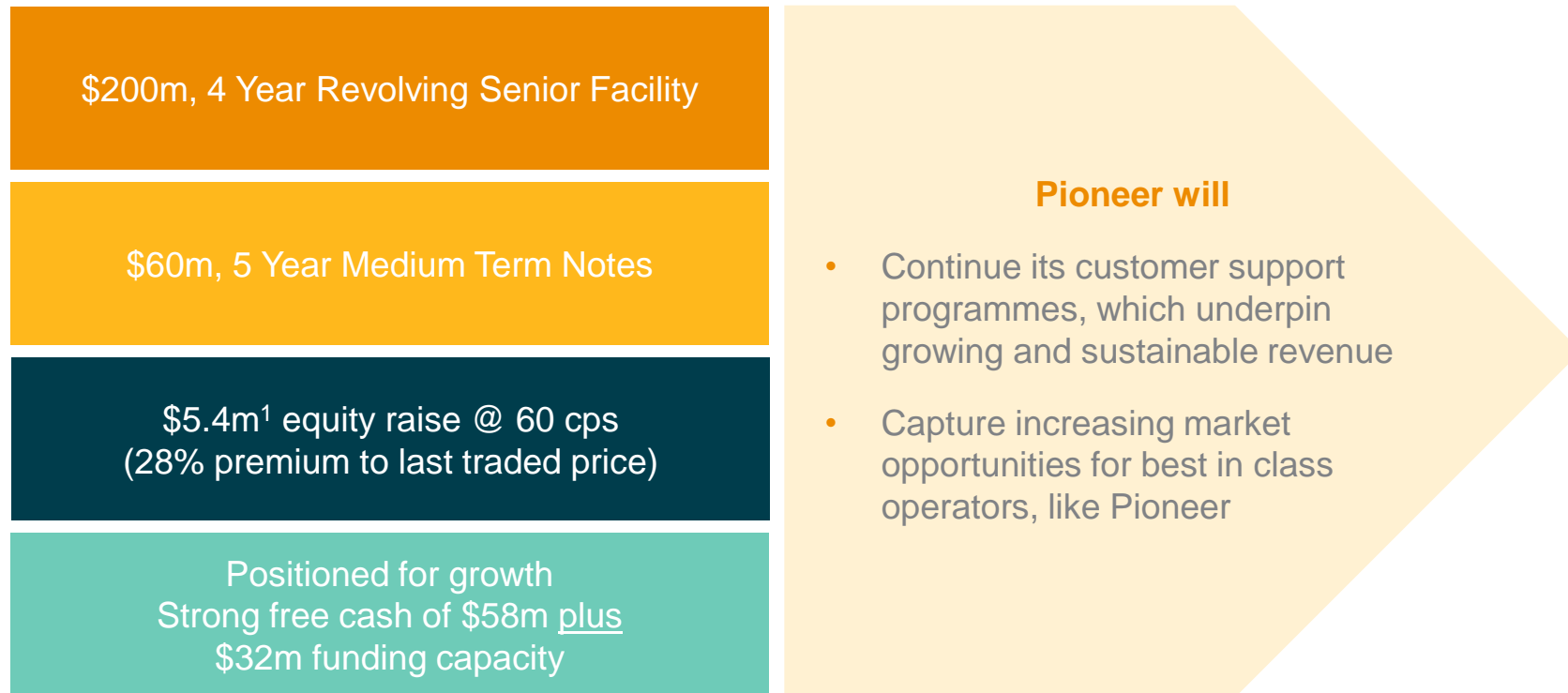
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Monetary Values: Unless otherwise stated, all dollar values are in Australian dollars (A\$). The information in this presentation is subject to change without notice.

Key Assumption: The financial performance and forecasts provided in this presentation are made using managements best estimates, and are unaudited.

A greatly enhanced capital structure returns Pioneer to profit, and positions the Company for growth



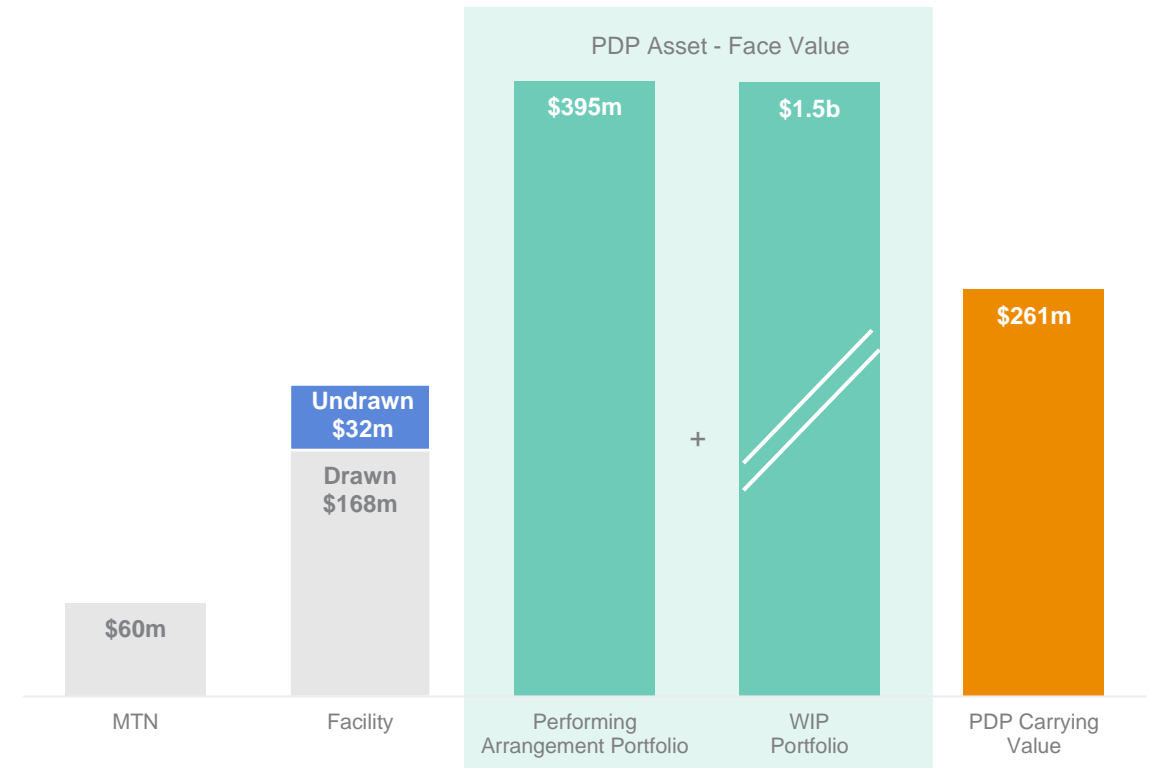
Note:

1. \$1.15m subscribed for by co-founder and MD Keith John is subject to shareholder approval at a General Meeting expected to be held on 21 Dec-21

Debt Funding

Enhanced capital structure returns Pioneer to profitability and positions the Company for growth

SENIOR REVOLVING DEBT FACILITY	
Senior facility	<ul style="list-style-type: none"> \$200m senior revolving debt facility <ul style="list-style-type: none"> Tranche 1: \$125m (drawn) Tranches 2 & 3: \$75m (part drawn and revolving for prepayments and redraws)
Running Terms	<ul style="list-style-type: none"> Undrawn line fee: 1.5% p.a. (on Tranche 3, only after first draw) Margin is variable, dependent on portfolio carrying value Forecast life margin of 7.48%, with margin risk to the downside Maturity: Nov-25 (4 year term)
SUBORDINATED MEDIUM TERM NOTES	
Structure	<ul style="list-style-type: none"> \$60m drawn Margin: BBSY +8.75% p.a. Early redemption options for the Company Maturity: Nov-26 (5 year term)



Strongly supported, fully subscribed, equity issue at a material premium to market

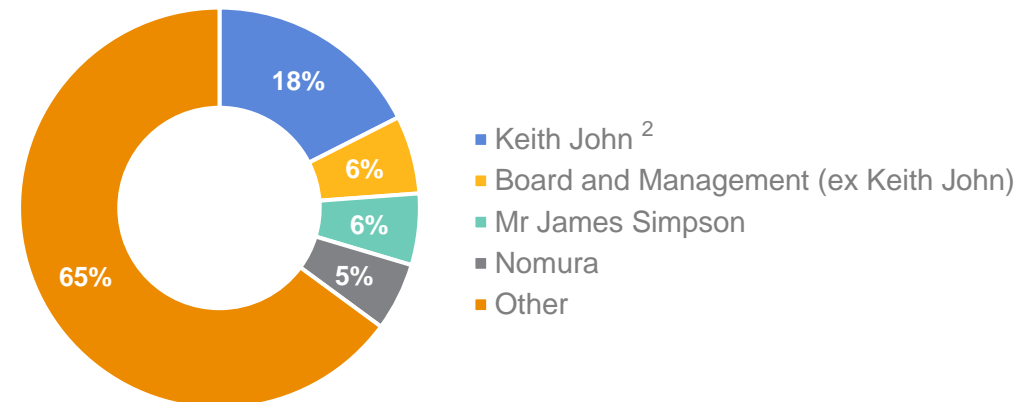
EQUITY ISSUE

Details

- Pioneer has raised \$5.4m in new equity
- Issued 9m shares @ \$0.60 per share
- Undertaken at a 28% premium to last traded price
- Total securities on issue now 88,149,045¹

- Participation by institutions and high net worth investors
 - \$1.15m subscription by Founder & MD, Keith John³
 - \$1.10m subscription by Nomura
 - \$2.00m subscription by James Simpson, co-founder of Platinum Asset Management

SHARE HOLDING ¹



Notes:

1. On a fully diluted basis, including performance and indeterminate rights, whether vested or not, assumed to be purchased on market, excluding options
2. Includes 5,000,000 vested options, 3,000,000 unvested options, exercisable at 30cps prior to Nov-23
3. \$1.15m subscribed for by co-founder and MD Keith John is subject to shareholder approval at a General Meeting expected to be held on 21 Dec-21

Year to Date



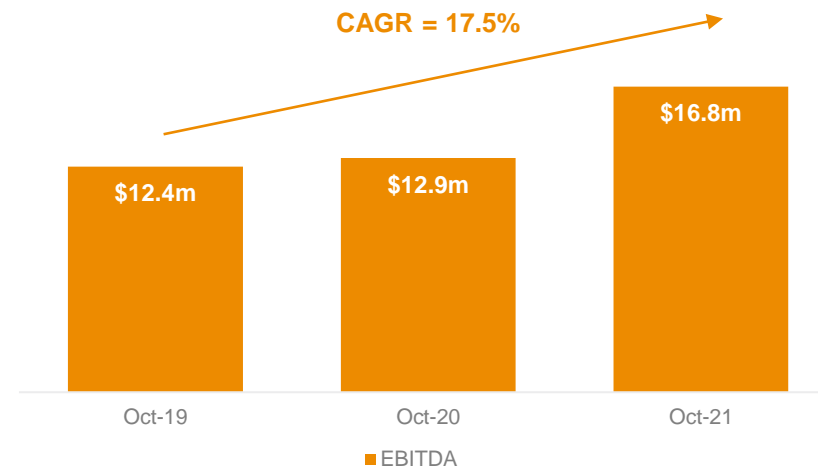
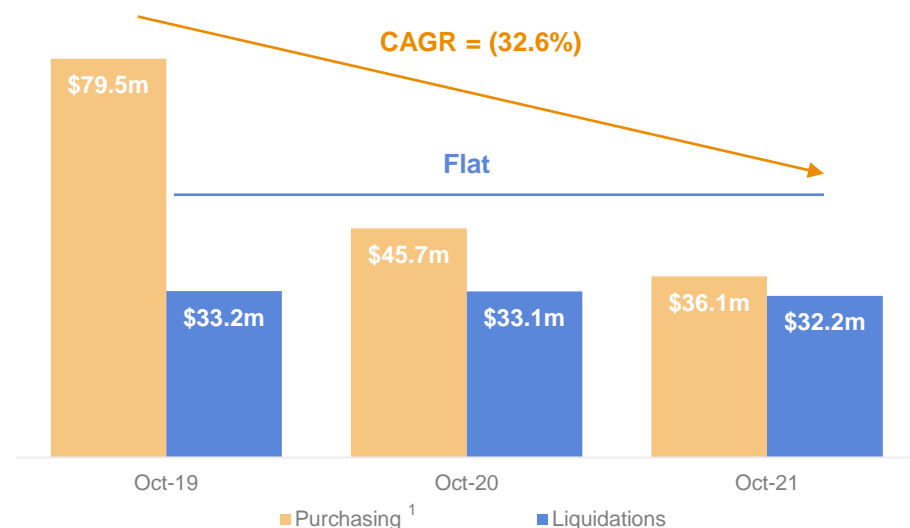
Performance to 31 October 2021

Resilient liquidations, on declining PDP investment, which has now turned, and sets Pioneer for measurable uplift in FY22 liquidations, and thereafter expected to grow materially in FY23 & FY24

Key Metrics	Oct-19	Oct-20	Oct-21
Liquidations	\$33.2m	\$33.1m	\$32.2m
PDP Investment ²	\$79.5m	\$45.7m	\$36.1m
EBITDA	\$12.4m	\$12.9m	\$16.8m
PA Portfolio	\$322m	\$369m	\$395m

Strong start to FY22

- Liquidations of ~\$32.2m – exceptional performance particularly given PDP investment
- EBITDA of \$16.8m – substantial increase, even after refinancing costs are included
- PDP Investment of \$18.1m and increasing, >\$40m guidance, largest FY investment in 3 years
 - Strict investment discipline remains, with a focus on Tier 1 Banking & Finance portfolios



Notes:
1. Trailing 12 months

Business Strategy

The Pioneer Principles are the foundation of our Company



**Selfless
Loyalty**

Put your team and company first without question



**Unlimited
Accessibility**

Be available when no one else is



**Technical
Competence**

Be relentless in exhibiting best practice. Always act with integrity



**Unwavering
Passion**

The fire inside you and the love for what you do needs to be visible to all



**Fearless
Vision**

Don't be afraid to look outside the square and commit to what you see



**Clear
Communication**

Learn to connect with people in a way they can relate

Pioneer is differentiated by its approach of providing high-quality, flexible and customised financial solutions to help customers reach their financial goals

Resilient Portfolio

- Data-driven portfolio selection and performance
- Focused on product segments where customers are working to get ahead
- Only market participant that does not purchase pay day lending

Strong Vendor Relationships

- Specialised in acquiring low risk portfolios from Australian and international banks
- Maintain strong relationships with Australian financial institutions and strong #2 position in bank PDP sub-sector

Disciplined PDP Acquisition

- Pioneer's purchasing is focussed on higher quality 'Tier 1' portfolios
- Disciplined underwriting, pricing, risk assessment and liquidations support reasonable liquidation performance against expectations

We do the right thing

- Pioneer respectfully takes care of its customers, focusing on appropriate customer outcomes
- Differentiated by customer experience and compliance record
- Dedicated team to identify and support customers experiencing hardship
- Legal action used sparingly (suspended through pandemic) and only after all other options are exhausted

Differentiated approach

Pioneer's four key pillars drive the best possible customer experience

Solution Focused

- Pioneer takes a long-term view and focuses on finding the right solution for each customer
- Give customers the information and options they need to reduce their debt for good

Empathetic

- Pioneer has a dedicated hardship team in place to identify and support customers experiencing hardship
- Underpinned by our Pioneer Principles, we treat customers with empathy and respect. We do not judge; we listen and understand

Fair

- At Pioneer we respectfully care for our customers
- Pioneer takes a flexible and tailored approach to help customers pay their account; at a pace that suits them

Transparent

- Pioneer has a very strong and enviable compliance record
- We earn the respect and trust of customers through continued transparency and honesty

Pioneer is well positioned, and is benefiting from improving market conditions

1 Refinance completion

- Significantly more favourable terms and lower cost of funds
- Opportunity to further improve cost of funds in medium term

2 Capitalise on opportunities to grow PDPs while being disciplined

- Maintain focus on Australian bank originated customer portfolios
- Continue to grow PDP investment using free cash flow, with \$32m additional headroom for substantial growth opportunities

3 Realise operational leverage

- Continue investment in data and analytics to improve operational leverage
 - Cost reduction programme continues, with increasing benefits expected over the next three years
- Increase reach into \$1.5bn WIP portfolio to deepen returns beyond forecast
 - Focus on increasing payments from accounts > 2 years old

4 Grow Performing Arrangements

- Resilience of PA portfolio expected to continue to weather macroeconomic backdrop
- Grow PA portfolio to further underpin PDP quality and valuation

5 Thrive under increased regulation and scrutiny

- Pioneer maintains a strong risk and compliance framework to enable it to thrive in an environment of increasing regulation and scrutiny
- Increased investment in compliance, customer treatment strategies and internal audit function to ensure we remain best in class
- B Corp (International ESG certification) advanced

6 Continue to enhance our exceptional NPS score

- Provide high quality, flexible and customised support to help customers become debt free
- Strive to create the best possible customer journey

Pioneer is on track for B Corp Certification – for Environmental, Social and Governance practices

APPLICATION STATUS

- B Corp Certification recognises a commitment to a high standard of Environmental, Social and Governance, transparency and accountability
 - ~3,300 certified B Corps across 150 industries in 71 countries
 - The certification process requires maintenance of an audited standard across a broad range of ESG guidelines
- Pioneer is on track for B Corp certification and has continued to develop its thinking and credentials including:
 1. Adoption of policies and procedures including an environmentally preferable purchasing policy and procurement standards
 2. Conducting and reporting gender pay equity
 3. Introduction of inclusion training including during induction
 4. Monitoring energy use, to improve our carbon footprint

NEXT STEPS

- B Corp certification requires purpose and stakeholder provisions in a Constitution
 - Pioneer always considers its purpose and stakeholders in its decision making – and has now presented these to Shareholders to reflect in our Constitution
 - On the approval of Shareholders, the Company will submit its formal application, having recently passed the self-assessed screening
 - The audit process to become B Corp certified is expected to take at least 6 months, with an announcement to the market to be made upon approval



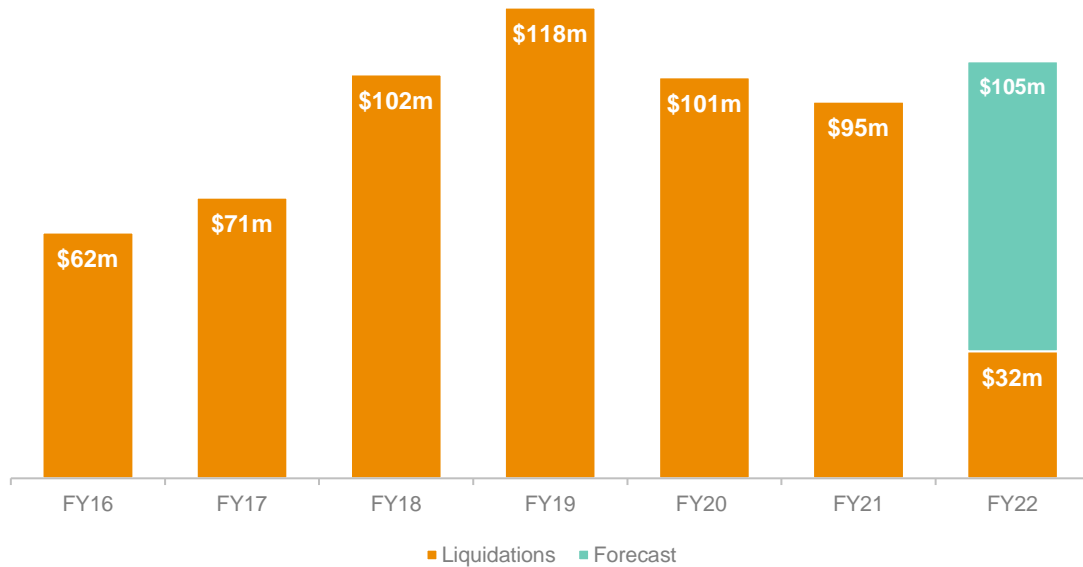
Revenue



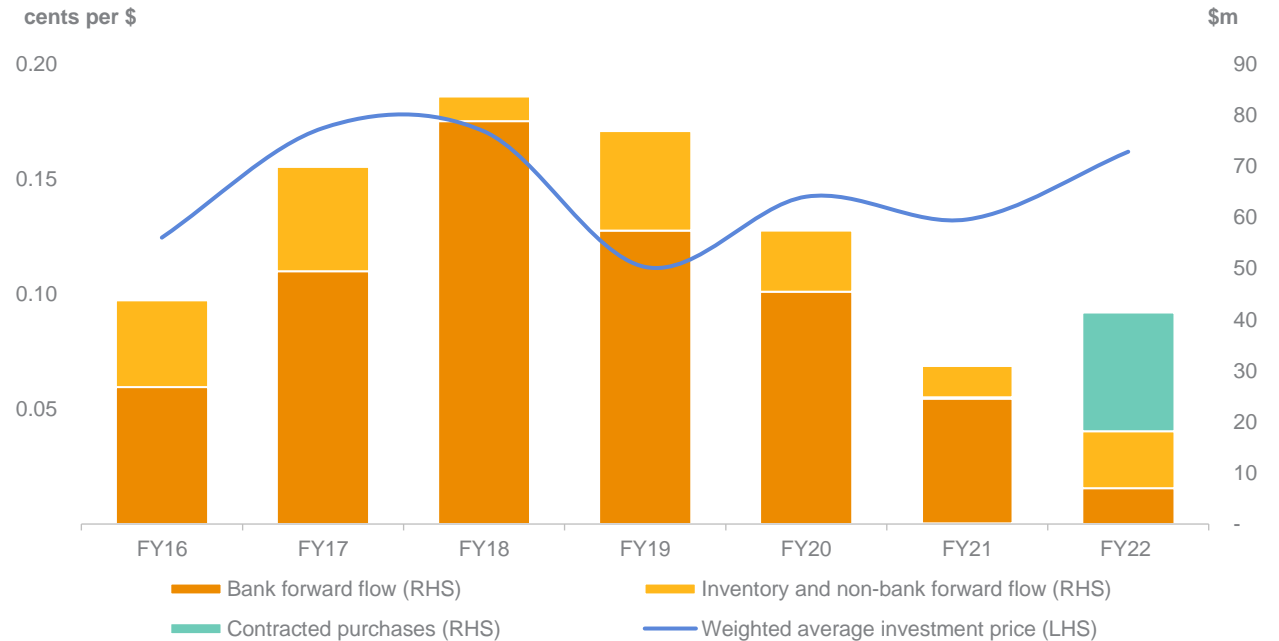
Liquidations & Purchasing

Despite a significant drop in PDP purchases as a result of COVID-19, Pioneer has maintained consistent liquidations

HISTORICAL LIQUIDATIONS (\$m)



PDP INVESTMENT AND AVERAGE INVESTMENT PRICE



Forecast financial performance

Strong liquidations, with scale efficiency is driving increasing free cash flow and profitability

Forecast Profit or Loss (\$'000)	Dec-21	Jun-22
Liquidations revenue	50,012	105,667
Other income	284	644
Total revenue	50,296	106,311
Expenses	(23,436)	46,607
EBITDA	26,860	59,705
PDP amortisation charge and impairment	(17,089)	(42,528)
Depreciation and amortisation	(685)	(1,431)
Amortisation of lease right of use asset (AASB 16)	(1,258)	(1,829)
EBIT	7,829	13,916
Net interest expense	(25,647)	(36,130)
Net Profit/(Loss) before Tax	(17,818)	(22,214)
Tax (expense) benefit	(5,735)	23,751
Net Profit/(Loss) after Tax	(12,083)	1,537

All figures presented are Statutory (without any normalisations)

- 1H22 financial results, will fully reflect unwind of all capitalised finance costs
- All one-off costs now ended
- Company will report a loss at the half, with a profit forecast for FY22

FY22 Guidance

- Liquidations >\$105m
- PDP Investment >\$40m
- EBITDA >\$59m
- Net Profit after Taxation >\$1.5m

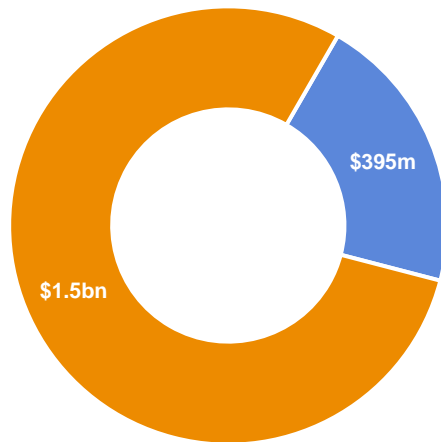
Balance Sheet

Active Portfolio - 31 Oct-21

Pioneer has a PDP portfolio of \$1.9bn - the majority originating from Australian banks; with a significant opportunity to deepen returns

Strong portfolio with ~\$1.9bn outstanding

WIP PORTFOLIO & PERFORMING ARRANGEMENTS



■ Performing Arrangements ■ WIP Portfolio

Refer to next slide

Opportunity of ~\$1.5bn

PIONEER PORTFOLIO



~229k active customers



~80% banking & finance



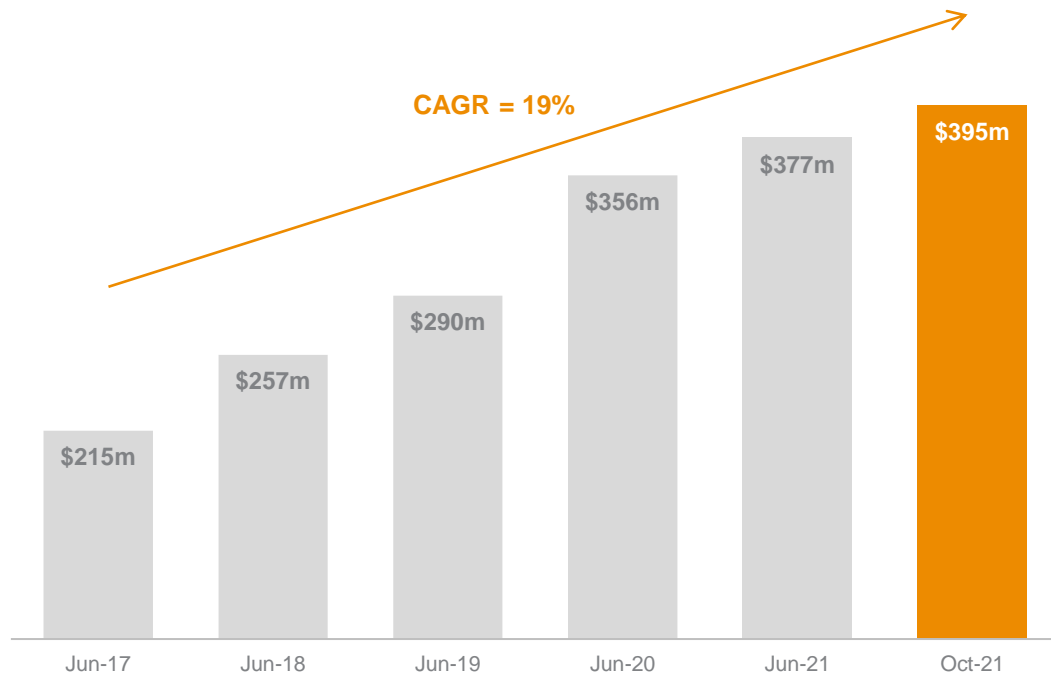
~55% less than 3 years old

Performing Arrangements Portfolio

\$395m of receivables, growing at 19% CAGR, delivering long term sustainable revenue

Maintained growth through contracted purchasing

PERFORMING ARRANGEMENTS PORTFOLIO BALANCE (\$m)



High quality portfolio

PERFORMING ARRANGEMENTS PORTFOLIO OVERVIEW



34,822 performing customers



~15% total portfolio



~91% Australian bank originated

Cautious approach to PDP valuation remains, with Balance Sheet positioned for growth

Forecast Balance Sheet (\$'000)	Dec-21	Jun-22
Assets		
Cash and cash equivalents	3,664	4,049
Trade and other receivables	4,567	4,238
PDP assets at amortised cost	256,455	255,020
Plant, property and equipment	239	131
Right of use asset	3,672	8,210
Intangible assets	1,547	2,010
Other	5,817	22,464
Total Assets	275,946	296,108
Liabilities		
Trade and other Payables	897	1,547
Borrowings	218,032	213,315
Provisions	4,409	4,441
Lease liabilities	4,992	9,592
Total Liabilities	228,330	228,895
Net assets	47,616	67,213

Current at 31 Oct-21

- Cautious approach to PDP valuation remains, with Balance Sheet positioned for growth
- PDP assets underpinned by Performing Arrangements Portfolio of \$395m
 - Additional \$1.5bn in PDP inventory
- Significant Undrawn Facilities for additional opportunities available
 - \$32m headroom, expected to remain undrawn through the period
- Free Cash Flow will fund expected PDP investment
 - \$4.7m Cash at Bank

FY22 Guidance

- Solid Net Asset position and Balance Sheet
 - FY22 net assets of ~76cps, materially above prevailing share price







FY22 Guidance



FY22 Guidance

A significant turnaround forecast for FY22, and expected earnings growth in FY23 and beyond

	FY21	FY22 Guidance
 Liquidations	\$95m	> \$105m
 PDP Investment	\$31m	> \$41m
 EBITDA	\$54m	> \$59m
 NPAT	(\$19m)	> \$1.5m

Appendices

Board of Directors



Michael Smith - Chairman

- Managing Director of strategic marketing consultancy firm Black House
- Chairman of 7-Eleven Stores and Starbucks Australia
- Previously Deputy Chair of Automotive Holdings Group Ltd, Chairman of the Lionel Samson Saddlers Group, iiNet Ltd, Synergy, Verve, Perth International Film Festival, West Coast Eagles, Indian Pacific Ltd and Scotch College



Andrea Hall - Non-Executive Director

- Over 20 years' experience in governance and risk management, including as Risk Consulting Partner at KPMG
- Director of Fremantle Football Club, Evolution Mining Ltd and Perenti Group Ltd
- Previously Director of Automotive Holdings Group Ltd, Lotterywest & Tap Oil Ltd
- Chartered Accountant, BComm, Masters of Applied Finance



Peter Hall - Non-Executive Director

- Significant experience across financial services, with specific expertise in credit risk
- Non-Executive Director of BNK Banking Corporation Ltd
- Previous Managing Director and later Country Executive at Genworth Financial Australia and New Zealand, Managing Director and CEO at GE Mortgage Insurance Australia & New Zealand



Steve Targett - Non-Executive Director

- Significant board and executive experience across financial services
- Chairman of P&N Bank and KVB Global Markets, Director of KVB Wealth Management and KVB Interactive
- Previously Chairman of BCU, CEO at RACQ (QT Mutual Bank), Group Managing Director (Institutional) at ANZ, Group Director (Wholesale and International) at Lloyds TSB and CEO at NAB Europe



Michelle d'Almeida - Non-Executive Director

- Significant digital transformation and consumer market experience
- Non-Executive Director of Perth Airport and ACTIV Foundation
- Previously Managing Director of New Corp. Australia

Executive Leadership



Keith John - Managing Director

- Founder of Pioneer Credit
- Over 25 years' experience in the financial services, both in Australia and Asia
- Director of Midbridge Investments and Bondi Born



Sue Symmons - General Counsel & Company Secretary

- Over 25 years' experience including at Evans & Tate Ltd, Automotive Holdings Group Ltd, Helloworld Ltd and Heytesbury Pty Ltd
- BComm, Master of Business Law, Member of the Governance Institute of Australia and Australian Institute of Company Directors



Barry Hartnett - Chief Financial Officer

- Over 7 years' experience at Pioneer across finance and strategy & development
- Bachelor of Finance, Accounting and Economics
- Member of the Chartered Accountants Australia & New Zealand



Andrea Hoskins - Chief Operating Officer

- Strategic and commercial leader with over 15 years' experience, predominantly in financial services.
- 10 years with HBF in senior management and executive roles, leading strategy, M&A, health and corporate services
- Non-Executive Director of Football West and Screenwest
- BComm (Marketing & PR); Member of Australian Institute of Company Directors

Key Terms – Senior and Subordinated Facilities

SENIOR FACILITY		SUBORDINATED MEDIUM TERM NOTE																						
Facility	Senior secured term and revolving corporate debt facility	Facility	Subordinated term note																					
Size	\$200 million	Size	\$60 million																					
Maturity	Nov-25	Maturity	Nov-26																					
Establishment fee	2.50%	MTN Margin	BBSY +8.75% per annum																					
Undrawn line fee	1.50% p.a. (\$25m Tranche 3, commences after first tranche drawdown only)	Call Option	(a) Call option on up to 20% of the Notes at any time, with no premium																					
Interest rate	BBSY (0.25% floor) + Margin		(b) All other notes can be called at any time, priced at:																					
Margin Grid	<table border="1"> <thead> <tr> <th>Borrowing Base</th> <th>Margin p.a.</th> </tr> </thead> <tbody> <tr> <td><= 60%</td> <td>7.25%</td> </tr> <tr> <td>> 60% and <= 65%</td> <td>7.75%</td> </tr> <tr> <td>> 65% and <= 70%</td> <td>8.25%</td> </tr> <tr> <td>> 70%</td> <td>8.75%</td> </tr> </tbody> </table>	Borrowing Base	Margin p.a.	<= 60%	7.25%	> 60% and <= 65%	7.75%	> 65% and <= 70%	8.25%	> 70%	8.75%	<table border="1"> <thead> <tr> <th>Date</th> <th>Call price</th> </tr> </thead> <tbody> <tr> <td>1 Nov-21 to 31 Oct-22</td> <td>104%</td> </tr> <tr> <td>1 Nov-22 to 31 Oct-23</td> <td>103%</td> </tr> <tr> <td>1 Nov-23 to 31 Oct-24</td> <td>102%</td> </tr> <tr> <td>1 Nov-24 to 31 Oct-25</td> <td>101%</td> </tr> <tr> <td>1 Nov-25 to 29 Oct-26</td> <td>100%</td> </tr> </tbody> </table>	Date	Call price	1 Nov-21 to 31 Oct-22	104%	1 Nov-22 to 31 Oct-23	103%	1 Nov-23 to 31 Oct-24	102%	1 Nov-24 to 31 Oct-25	101%	1 Nov-25 to 29 Oct-26	100%
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Early repayment	Make-whole if prior to Nov-23	Covenants	LVR of 87.5%, decreasing to 82.5% at 31 Mar-23																					
Key Covenants	(a) Compliance with Borrowing Base, (b) Performance Triggers (c) minimum ICR of 2.0x																							
Borrowing Base	Calculated monthly, as PDP value as a percentage to each tranche based on nature of the underlying receivables.																							