

Senior Debt Refinancing

This release should be read in its entirety. It contains general information only and does not take into account an investor's specific objectives, financial situation, risk tolerance or needs.

A. BACKGROUND AND ANNOUNCEMENT OF SENIOR FINANCIER

Pioneer Credit Limited (ASX: PNC) ('Pioneer' or the 'Company') provides the following update on the refinancing of its senior debt facilities ('Senior Debt Refinancing') which it is undertaking to replace its existing senior financing facilities to materially reduce its funding costs and provide it with greater balance sheet flexibility going forward.

On 27 February 2024 Pioneer announced that Nomura Australia Ltd ('Nomura') has been appointed as exclusive senior finance arranger to syndicate Pioneer's replacement senior financing facility ('Replacement Senior Finance Facility'). The appointment of Nomura follows selection from a broad spectrum of banks and alternative financiers.

Nomura first became Pioneer's senior financier in 2020 until late 2021. Then in December 2023, Nomura provided Pioneer with a \$35 million facility to acquire two large debt portfolios. Nomura is also a long-standing substantial shareholder of Pioneer with an approximately 6.6% shareholding.

Reflecting the strong and improving credit profile of the Company, the Replacement Senior Finance Facility is expected to provide the Company with more attractive terms than its existing facilities, by way of reduced funding costs, strong tenor, appropriate growth funding and reasonable covenants.

B. PROPOSED REPLACEMENT SENIOR FINANCING FACILITY

The key indicative terms of the proposed Replacement Senior Finance Facility include:-

- a facility of at least \$220 million to fund the refinancing of the existing senior financing facility, transaction fees and expenses and permitted acquisitions;
- a separate facility of at least \$25 million to fund the purchase of additional purchased debt portfolios; and
- a maturity date of 48 months from financial close.

C. PROPOSED AMENDMENTS TO THE PIONEER CREDIT NOTES (ISIN: AU3FN0041505)

As part of the Senior Debt Refinancing, Pioneer is proposing amendments to the terms and conditions ('Conditions') of its secured and subordinated A\$55.5 million medium term notes (ISIN: AU3FN0041505) ('Notes'), which will require the consent of the holders of the Notes ('Noteholders') by way of passing a circulating resolution.

The key proposed amendments to the Conditions of the Notes, which are subject to the successful completion of the Senior Debt Refinancing, include:

- providing a Margin of 250 bps above the new senior margin (provided that the total margin is no less than 800 bps at any time);
- extending the Maturity Date for the Notes by four years and six months (54 months) from the completion of the Replacement Senior Finance Facility;
- enabling the Company to enter into new and additional debt facilities provided that covenants are maintained and the rights of Noteholders are not adversely affected; and
- amending the total Loan Book Valuation ratio (as defined in the Conditions) covenant, to 90% reducing thereafter per the schedule below:

Calculation Date	Loan Book Valuation ratio (Total)
Jun 2024	90.0%
Jun 2025	87.5%
Jun 2026	85.0%
Jun 2027	82.5%

It is proposed that the Noteholders will receive a consent fee of 0.25% of the outstanding principal amount of each Note they hold if they vote in favour of the circulating resolution before the close of voting (which is able to be closed early, and without notice), subject to the resolution passing and the completion of the Senior Debt Refinancing.

The circulating resolution will be sent to Noteholders as part of a consent solicitation exercise, which is intended to be launched soon.

D. PDP INVESTMENT UPDATE

As announced to the market on 6 May 2024 the Company expects its Purchase Debt Portfolio investment for FY24 to increase to approximately \$95m, reflecting a ~12% increase from the previous guidance of \$85m. This marks the Company's second investment upgrade in FY24 (*ASX Announcement: 8 December 2023: Pioneer Upgrades FY24 PDP Investment Guidance*).

At the outset of FY24, the Company forecast PDP investment of \$60m. This significant uplift (+58%) reflects the increased opportunities that Pioneer has successfully accessed as a respected servicer of impaired consumer credit.

The Company's customer-centric approach to ensuring good outcomes for its customers, as well as the exclusion of payday lending and lower quality products, differentiates Pioneer's service offering to both consumers and originators.

Pioneer expects to continue to grow its market share and enhance profitability as the Company successfully executes more PDP investment opportunities, and its cost base shrinks following the reset of its senior financing facility at materially lower rates which is expected to complete soon.

E. ADDITIONAL INFORMATION

No offer or invitation is made pursuant to this release for any person to subscribe for or apply to acquire any of the Notes, or other securities issued by the Company. You are not required to do anything in response to this release. Neither the Australian Securities and Investments Commission ('ASIC') nor ASX Limited (ABN 98 008 624 691) ('ASX') takes any responsibility for the contents of this release.

None of ASIC, ASX nor their respective officers take any responsibility for the contents of this release or the merits of the investment to which this release relates.

None of the Company or its associates or directors guarantees the success of the proposed Senior Debt Refinancing or the implementation of the amendments to the Notes. Investment-type products are subject to investment risk, including possible loss of income and capital invested.

The Company is not providing investors with any legal, business or tax advice in this release. Investors should consult their own advisers to assist them in making their investment decision. Investors must comply with all laws that apply to them in any place in which they buy, offer or sell any Notes or possess this release. The Company is not responsible for investors' compliance with any such legal requirements. The Company has not authorised the making or provision of any representation or information regarding the Company or the Notes other than as contained in this release or as approved for such purpose by the Company. Any such representation or information should not be relied upon as having been authorised by the Company.

The Company is a 'disclosing entity' for the purposes of the Corporations Act and, as a result, is subject to regular reporting and disclosure obligations under the Corporations Act and the listing rules of the ASX. Copies of documents regarding the Company that are lodged with ASIC or the ASX respectively may be obtained from, or inspected at, any ASIC office or the ASX respectively.



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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.

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