FY24 Results and Guidance

30 August 2024

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

FY24 Highlights

FY24 Financial Highlights

Cash Collections[1]	EBITDA[2]	EBIT[3]	NPAT[2]
$145.0m	$99.5m	$35.3m	$1.2m
FY23: $132.6m	FY23: $86.1m	FY23: $31.2m	FY23: $0.2m
▲ 9%	▲ 16%	▲ 13%	▲ >100%

Note:
1. Includes payments classified as other income
2. Normalised for non-recurring refinancing and other expenses (comparative figures are statutory)
3. Normalised for non-recurring refinancing and other expenses and non-cash precautionary impairment (comparative figures are statutory)

FY24 Portfolio Highlights

PDP Investment	ERC	PA Portfolio	PDP Asset
$93.7m	$641.7m	$440.9m	$322.9m
FY23: $59.2m	FY23: $567.5m	FY23: $456.9m	FY23: $304.3m
▲ 58%	▲ 13%	▼ 4%	▲ 6%

FY24 in Review

FY24 results reflect steps taken to strengthen and position Pioneer for sustained profitability

Key FY24 Initiatives

- Reduced cost of capital by unwinding expensive funding following settlement of a four-year $272.5m senior syndicated debt facility
- Precautionary $17.8m impairment to shield the Company against potential economic deterioration
- Recognised $21.4m of Deferred Tax Assets, underscoring confidence in the Company's sustained profitability
- Targeted investment and consistent operational execution (Cash collections +10% with EBITDA margin +16%)
- Strategic balance sheet reset with net asset improvement and effective liability management
- Enhanced performance reporting disclosures in line with global best practice

Precautionary Impairment

Precautionary impairment of 5% or $17.8m of PDP Assets has been applied proportionally across the portfolio

Precautionary impairment is consistent with economic data and market commentary (see Appendix P23) indicating consumer financial stress

- Consumer confidence at multi-year lows
- Cost of living pressures from persistent inflation
- Expectations debt stress will rise

However, there is no evidence of degradation in the Pioneer portfolio with cash collections in line with expectations

- Customer payments remain healthy; time to first payment and % of customers paying after 3, 6, 12 months each improving
- Average payment across PA portfolio (~37k customers, $441m in receivables) has improved 2.3% over past 3 years
- Unemployment rate is higher, but the population remains generally fully employed; supporting cash collections

At no stage will any impairment reversal be included in the calculation of NPAT hurdles for management incentives

Deferred Tax Asset

DTA of $21.4m recognised in FY24; with $14.6m to be recognised at a later date

Prudent recognition of DTA based on current 3-year forecast

- Continue to assess 3-year forecasts and will recognise balance of DTA as appropriate

AASB 112 deals with the treatment of a DTA

- AASB 112.34 states *"a deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised"*

AASB 112 has criteria for recognition of a DTA, which the Board now considers satisfied, including;

- Probable that the entity will have taxable profits to utilise tax losses
- Tax losses result from identifiable causes, which are unlikely to recur

The Board has determined there is now convincing evidence of sufficient future taxable profits in the forecast period to utilise the recognised DTA

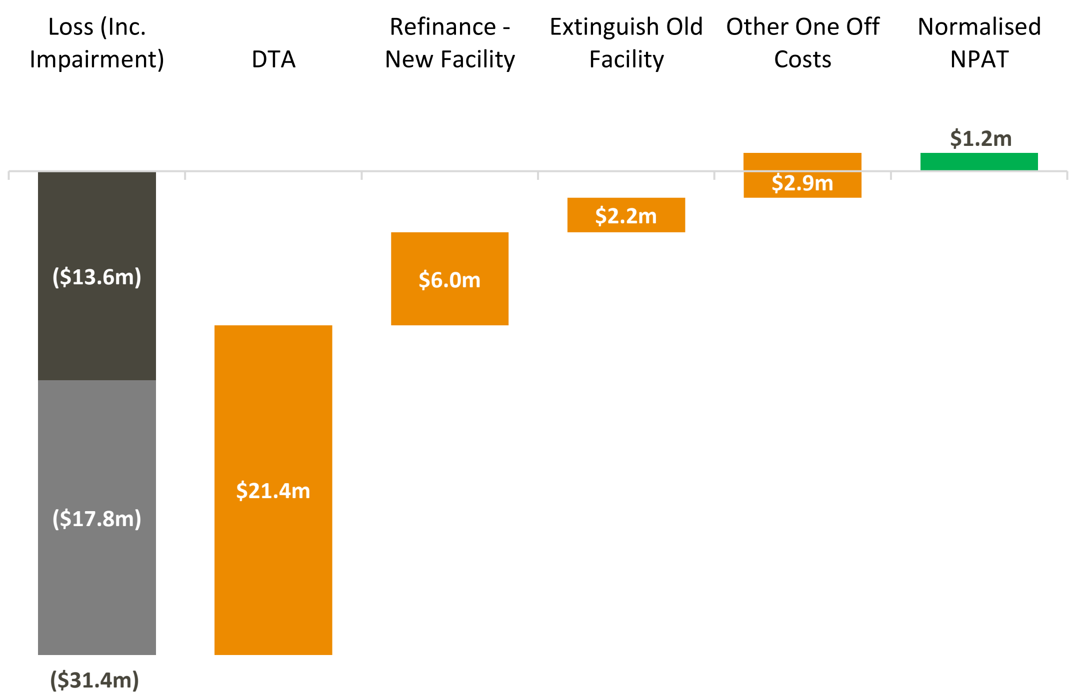
At no stage will any recognition of tax assets be factored into the calculation of NPAT hurdles for management incentives

FY24 Financial Performance

FY24 Profit or Loss

Profit or Loss ($'m)	FY23	FY24
PDP income	77.4	83.6
Precautionary impairment	0	(17.8)
Other income[1]	5.3	5.3
Total income	**82.7**	**71.1**
Employee expenses	(34.4)	(36.2)
Finance expenses	(33.8)	(43.6)
Other expenses	(14.3)	(22.7)
Net Profit/(Loss) before tax	**0.2**	**(31.4)**
Income tax expense	0	21.4
Net Profit/(Loss) after tax	**0.2**	**(10.0)**
Remove one off expenses	**0**	**11.2**
Normalised Net Profit	**0.2**	**1.2**

Opening loss to Normalised NPAT



Notes:
1. Other income is mostly remediation payments by vendors for PDPs across multiple products and vintages

FY24 Balance Sheet

Balance Sheet ($'m)	Jun-23	Jun-24
Cash and cash equivalents	8.4	4.1
Trade and other receivables	1.5	4.3
PDP assets at amortised cost	304.3	322.9
Right of use asset	7.4	6.4
Deferred tax asset	0	21.4
PPE & other	5.1	8.8
Total Assets	**326.7**	**367.8**
Trade and other payables	6.1	25.7
Borrowings	266.4	286.6
Provisions	3.0	3.2
Lease liabilities	9.3	8.2
Total Liabilities	**284.8**	**323.7**
Net Assets	**41.9**	**44.2**

Debt Funding (Current)				
Facility Type	Limit	Drawn	Available	Term Expiry
Senior Syndicated Tranche 1	222.5	222.5	-	Jul-28
Senior Syndicated Tranche 2	50.0	-	50.0	Jul-28
Senior SPV (Amortising)	24.5	15.1	-	Paid late FY25
Total Senior Facilities	**287.6**	**237.6**	**50.0**	
2026 Subordinated Notes	55.5	55.5	-	Dec-28
Total Debt	**343.1**	**293.1**	**50.0**	

About Pioneer

About Pioneer

- Pioneer is a debt recovery specialist that acquires and services retail Purchased Debt Portfolios (“**PDPs**”)
- PDPs are mostly acquired from banks, financial institutions and non-bank lenders; and are held on balance sheet
- Pioneer is a leader in the Australian PDP market; with a duopoly emerging as competitors exit
- Since 2008, Pioneer has invested over $739m in PDPs; across $5.8bn in receivables and ~760k customer accounts
- A current customer base of ~220k with ~$2.0bn in receivables due to Pioneer, including ~$441m in payment arrangements
- Pioneer employs people in Australia and the Philippines; our people are ‘founded in good’, and they have a strong social conscience. This is valued by debt vendors

To put an end to debt stress

Pioneers vision reflects a multi-stakeholder environment, and for each stakeholder in our business we aim to be their first choice

✓ As an employer, **people** choose to work for Pioneer
✓ **Customers** with multiple debts choose to work with Pioneer
✓ When presented a choice, **vendors** choose Pioneer to sell to
✓ **Investors** choose Pioneer based on expected sustainable returns

Pioneer’s Growth Opportunities

High barriers to entry and a changing landscape is presenting opportunities to increase market share

Pioneer Market Position

- **Pioneer is one of few scaled participants** with access to funding to take advantage of both returning vendors and new to market entrants.
- **Pioneer holds a market-leading reputation:** Many Vendors choose to sell exclusively to Pioneer, for our differentiated, customer-first servicing approach and strong compliance record
    - Tough regulations and the need for a mature risk management framework have forced some competitors out of the market
- **Pioneer has a unique servicing approach** and works closely with its customers to understand them and provide solutions for a mutually beneficial outcome
- **Pioneer does not offer further credit:** Vendors who have competing products in the market avoid selling to those with similar offering

Pioneer Growth Opportunities

- **Performing portfolios:** Acquire performing PDPs directly from vendors of customers who have pay regularly without default. This trend is gaining momentum, mostly in the fintech sector
- **Warehouse sales:** Aged portfolio sales from banks, non-bank lenders and other financial services companies that have not warehoused accounts since 2020
- **Alternative portfolios:** Acquire PDPs that are rarely released to market which yield high returns at a low CTS, including insolvency and mortgage shortfall portfolios
- **Entire portfolio acquisitions and M&A:** Increased regulation, capital constraints and high funding costs are forcing competitors to exit and sell entire portfolios
- **Economy:** Supports ongoing PDP investment. Macro environment having no noticeable impact on customer performance

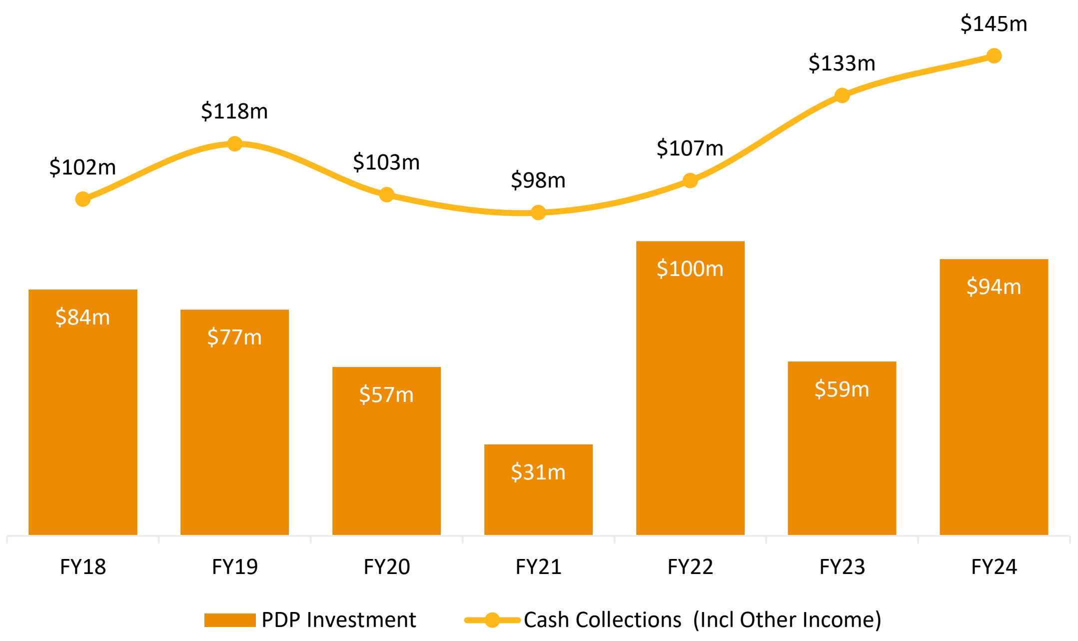
PDP Investment

Strong investment growth, growing cash collections performance to drive sustainable profitability

PDP Investment Overview

- PDP historical investment $739m across ~760k accounts;
  - Extensive performance data for underwriting
  - No payday loans or SACC[1] products
- Notable cash collections through FY18 – FY21 of ~$100m consistently, on materially lower investment. Evidences strong performance on aged vintages
- Estimated market size
  - $400m in FY25 (driven by return of dormant vendors)
  - Pioneer has ~25% of market; opportunity to grow share
- ERC (PDP Investment) replacement rate
  - Assuming a 2.4x consistent money multiple is $56m
  - PDP Investment above the replacement rate is growth
- Best FY starting PDP investment under contract in 6 years
  - Agreements in place with 13 vendors, with consistent pricing
  - ~$61m FY25 PDP investment now under contract

PDP Investment and Cash Collections



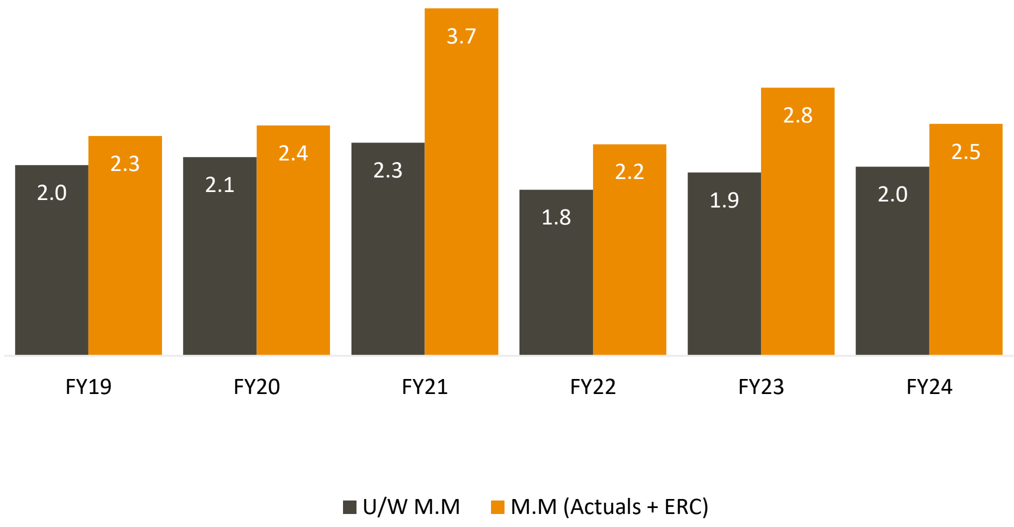
Note:
1. Small Account Credit Contract

Historical returns from PDP Investments

Forecast Money Multiples

- Underwriting (**‘U/W’)** is the forecast set at portfolio acquisition
- Money Multiple **(‘MM’)** is the gross multiple return on invested capital
- Product mix has an impact on the MM’s
  - credit cards MM is 2.2x – 2.4x investment
  - insolvency MM is 1.4x – 1.6x investment
- Recent market dynamics have enabled investment in large performing and insolvency transactions, with lower MM
- Pioneer historically outperforms U/W because
  - of consistent disciplined investment
  - of its quality customer accounts (no payday loans)
  - of its operational capabilities
  - its executive and leadership are appropriately incentivised
- Board Investment Delegation requires net internal rates of return (‘IRR’) of at least 15%
  - All vintages have exceeded net IRRs of 15%
  - MM is not a target (IRR is); they are an output of investment

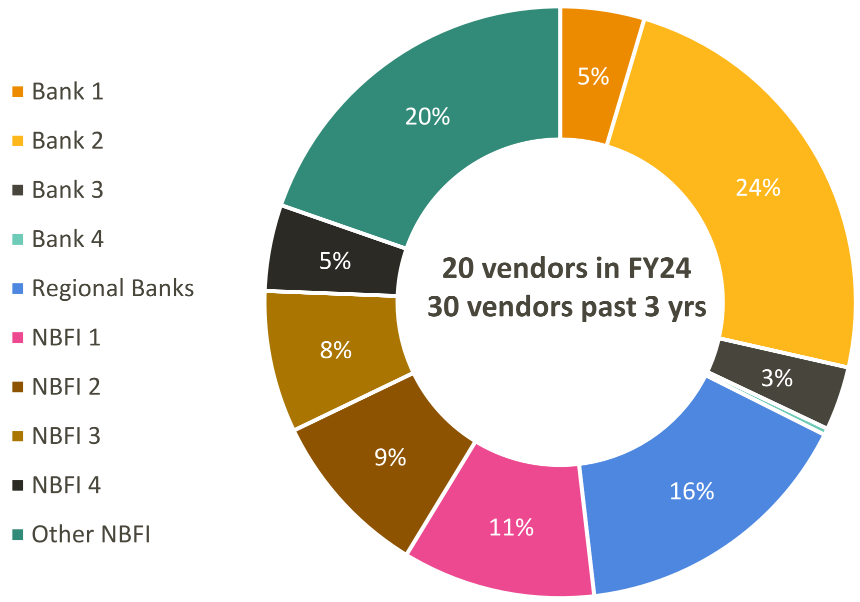
Underwriting Multiple vs. Total Money Multiple



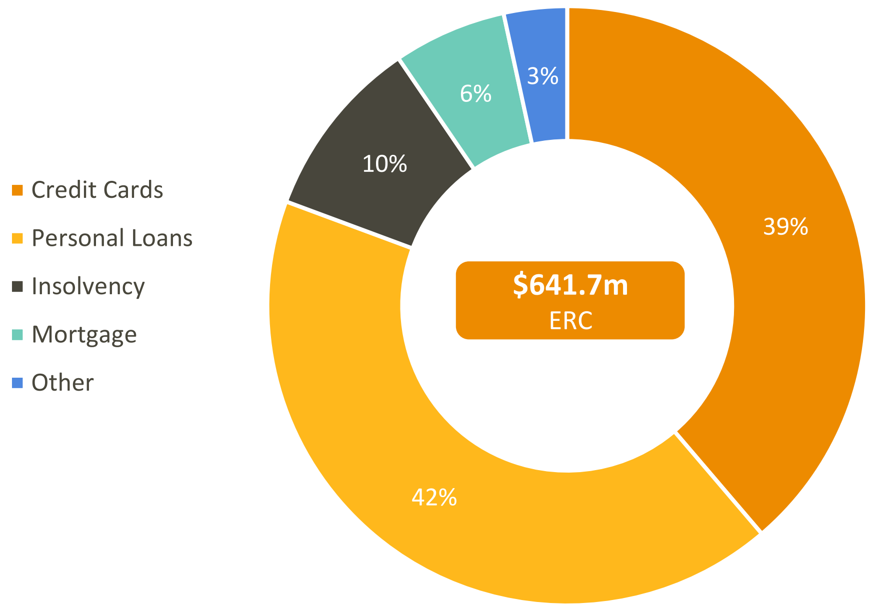
PDP Investment and ERC

Diverse vendor base with no concentration risk and core product discipline to ensure capital safety

PDP Investment by Vendor[1,2] (FY22-FY24)



ERC by Product Type



Note:
1. Excludes one-off investments from Balbec, Panthera and Max Recovery
2. Banks includes Macquarie Bank

Alignment to Shareholders

Tested and experienced management are aligned to shareholders and incentivised to deliver long-term sustainable growth

Company Ownership

Shareholdings	# Shares	% Holding
Keith John Entities	17.3m	12%
Other Board and Management	2.4m	2%
Samuel Terry Asset Management	21.5m	15%
James Simpson Entities	11.0m	8%
Nomura Holdings Inc	8.8m	6%
NGE Capital Limited	7.2m	5%
Other	72.2m	52%
Total	140.4m	100%

LTI Update

- LTI available on achievement of annual targets across 3 years (FY23 – FY25)
- For years achieved, incentives only paid if a separate 4th year (FY26) hurdle is met
- **Hurdle is a Statutory Net Profit after Taxation >$18m for FY26**

Outlook

FY25 Outlook and Guidance

Strong tailwinds for PDP opportunities

- Near-term opportunities from competitors exiting
- Significant supply of PDPs
- $61m PDP investment under contract for FY25

Continued industry regulatory focus

- A strong compliance record and NPS are an advantage
- Continued investment in compliance, customer treatment and audit

Realise operating leverage

- CRM replacement progressing, to deliver efficiencies from 2025
- Data improvements and cost out opportunities exist with our scale

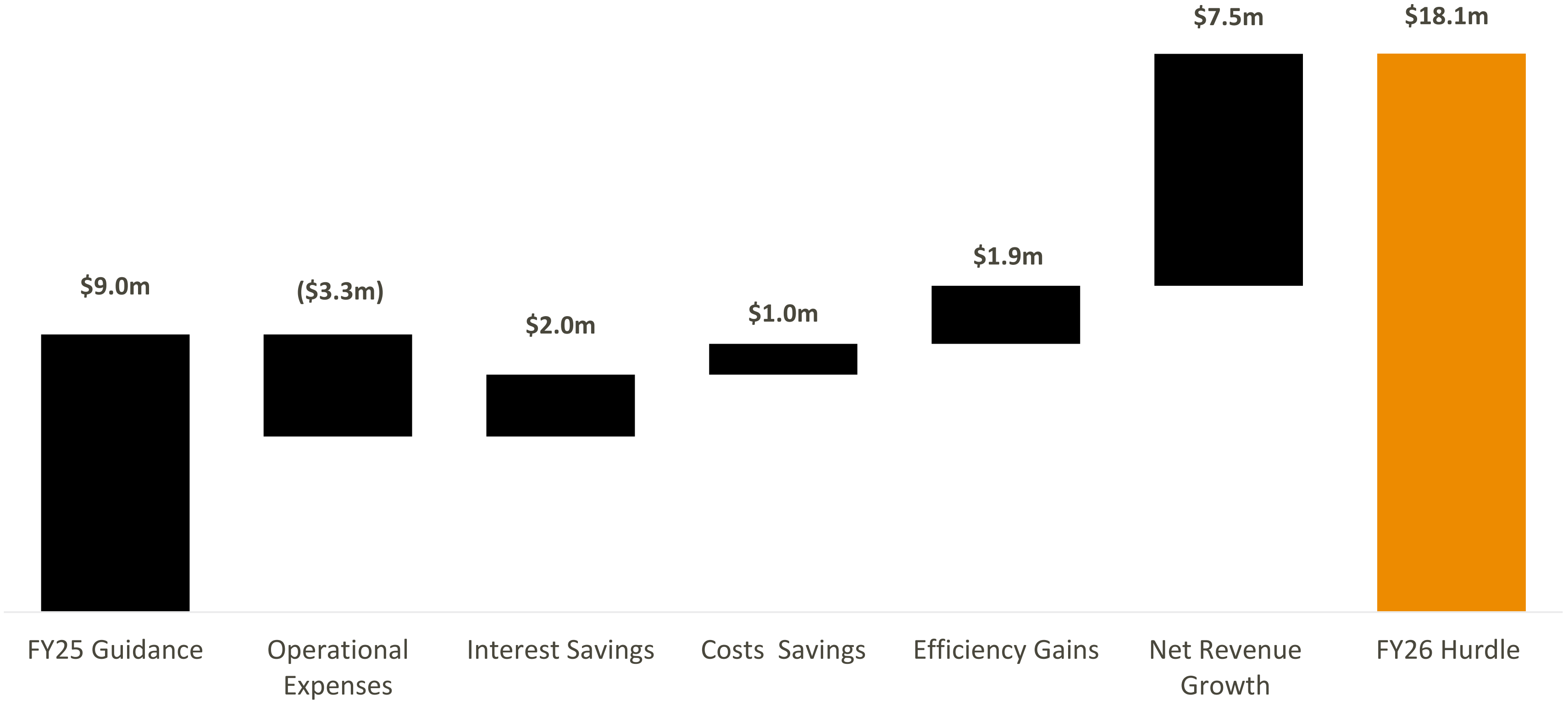
Tested and Experienced Management

- Extensive experience across the PDP sector
- Founder-led business with strong alignment to shareholders
- LTI (management incentives) vest on FY26 NPAT of >$18m

FY25 Guidance

- **PDP Investment >$80m**
- **NPAT >$9m**

Bridge to FY26 LTI Target



Appendix

Economic Data and Market Commentary

Economic Indicator	Commentary	Forecasts	Source
1. Consumer Confidence	• Consumer confidence remains low due to persistent economic uncertainty, including concerns about inflation and interest rates. • Spending patterns are cautious, with consumers prioritizing savings and debt reduction.	• Expected to remain subdued throughout FY25 as households adjust to higher living costs and interest rates	• Westpac-Melbourne Institute Consumer Sentiment Report (August 2024)
2. Inflation Rates	• Inflation is gradually easing but remains above the RBA's target range, driven by persistent supply chain issues and rising energy prices • The RBA has said it will maintain a tight monetary policy to bring inflation within the target range	• Inflation expected to decrease to around 3-4% by mid-2025, on stabilising global conditions and effective monetary policy, but remain above the RBAs target of 2-3%	• Reserve Bank of Australia (RBA) - Statement on Monetary Policy (August 2024) • Australian Bureau of Statistics (ABS) - Consumer Price Index (CPI)
3. Cost of Living	• Cost of living pressures remain high, particularly in housing, utilities and essential goods • Consumers are cutting discretionary spending to manage household budgets	• CPI expected to increase by 4-5% over the next year, negatively impacting consumer spending and savings	• Australian Bureau of Statistics (ABS) - Household Expenditure Survey
4. Debt Stress	• Increasing interest rates are leading to higher levels of mortgage stress and debt servicing difficulties • Refinancing and debt consolidation activities are on the rise as consumers seek to manage financial exposure	• Debt stress levels are expected to rise by 2-3% over the next 12 months, particularly among households with variable-rate mortgages	• Australian Prudential Regulation Authority (APRA) - Monthly Banking Statistics (July 2024) • Reserve Bank of Australia (RBA) - Financial Stability Review (April 2024)

Pioneer’s Strengths

Value	Summary
Top Australian Player	• Increasing barriers to entry, tightening compliance, and regulatory scrutiny create a strong advantage for Pioneer • Strong growth opportunity; tightening economy driving increased PDP supply with full employment underpinning revenue • #2 purchaser in the Australian PDP market
Strong Vendor Relationships	• Preferred purchaser of high-quality bank originated customers; 5-year purchase agreement with CBA and continuing relationships with all major retail banks • No payday loans or SACC Products • Strong risk and compliance record, underpinning vendor relationships and future purchasing opportunities
Sustainable and Growing Income	• PA Portfolio of $441m, consisting of ~37k customers • Inventory portfolio with an outstanding receivables of $1.7b which our servicing team is continuously converting to PAs or settlements
Operating Leverage	• Continued investment in data, analytics and acceleration of digital customer engagement to realise operational leverage and further improve cash collections • Track record of disciplined underwriting and pricing, driving underlying earnings and resilient performance
Efficient Servicing	• Cost to serve has reduced from 44% in FY22 to 33% in FY24 • Cost to serve expected to sit in the range of 35% - 37%
Best In Class Management	• Sophisticated and stable management team with extensive experience across the PDP sector • Founder led business with strong alignment with shareholders • Founder and management team own 14%

Customer Outcomes and ESG

Strong NPS[1] demonstrates our genuine care for our customers

NPS	Measuring Customer Experience			
+21 NPS Jun-24 Rolling 12-month average	(50) First Contact	+8 New Payers	+34 Ongoing Payers	+38 Settled Payers

"I have always dealt with an empathetic and understanding person on the other end of the phone or via email and we have always reached a great resolution "

"It was great talking to the team. They made everything easy and comfortable, checking in to make sure I understood everything. I really appreciate their excellent service."

Differentiated Approach

- **Performance:** A servicing model that drives customer engagement, cash collections and shareholder returns
- **Compliance:** A robust framework reduces risk while supporting good customer outcomes
- **Vendor Partners:** Our strong NPS reinforces vendor decisions to partner with Pioneer
- **Employees:** Our team are empowered to work to end debt stress for our customers
- **Shareholders and Investors:** Our integrity is evidenced by our reputation

ESG Focus

- Pioneer has a strong commitment to people through our Belonging policy
- Pioneer operates in a non-carbon intensive and sustainable environment
- Robust compliance framework that supports good customer outcomes
- Pioneer does not invest in payday loans

Note:
1. Net Promoter Score measures the willingness of a customer to recommend a product or service

Board of Directors and Executive Leadership

Non-Executive Directors

Steve Targett (Non-Executive Chairman)
- Formerly CEO RACQ Bank, ANZ Japan and Europe, Chair P&N Bank and NED at Clydesdale Bank, National Bank of NZ, Cuscal Limited
- Chair at CPT Global Ltd

Suzan Pervan (Non-Executive Director)
- Co-founder of accounting firm Gooding Pervan
- 14 years at EY and former Director at United Credit Union
- Member of the Institute of Chartered Accountants

Pauline Gately (Non-Executive Director)
- Significant investment experience at Citibank, BNP, Merrill Lynch and Deutsche Securities
- Chair of Kalgoorlie Gold Mining Ltd, Director, Audit & Risk Chair at Elixinol Wellness Ltd

Andrew Whitechurch (Non-Executive Director)
- 6 yrs at Bankwest as Exec. General Manager, Retail Bank
- 20 yrs at NAB including as a member of Executive Committees at NAB and Bank of New Zealand
- Director, Audit & Risk Chair at MercyCare Ltd and University of Notre Dame

Executive Management

Keith John (Managing Director)
- Founder of Pioneer Credit
- Over 25 years' experience in the financial services
- Director of Midbridge Investments and Chair at Bondi Born

Sue Symmons (Company Secretary)
- Over 30 yrs' experience inc at Automotive Holdings Group Limited, Helloworld Ltd
- BComm, MBL and Member of the Governance Institute of Aust.

Barry Hartnett (Chief Financial Officer)
- 10 yrs at Pioneer across finance and corporate development
- BFin, Acc and Econ
- Member of the Chartered Accountants Australia & New Zealand

Andrea Hoskins (Chief Operating Officer)
- Strategic and commercial leader with over 20 years' experience
- 10 yrs with HBF in senior management and executive roles
- BComm, GAICD

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