

ASX release

19 April 2022

Priority Offer Prospectus

Pioneer Credit Limited (ASX: PNC) ('Pioneer' or the 'Company') refers to its previous announcements and confirms that the Priority Offer Prospectus was lodged with ASIC on 19 April 2022.

The Prospectus relates to an offer:-

1. of up to 9,090,909 new Shares at an issue price of \$0.55 per new Share to Eligible Shareholders and Invitees to raise up to \$5 million (before costs) with up to 9,090,909 attaching new Options with an exercise price of \$0.80 and expiry date of 31 March 2025 on a one for one basis at a nil issue price per Option ('**Priority Offer**');
2. to Key Management Personnel under the Company's Equity Incentive Plan to subscribe for a total of up to 4,545,454 new Shares and 4,545,454 new Options, out of the new Shares and new Options allocated under the Priority Offer (to the extent there is any allocation remaining following the take up by Eligible Shareholders and Invitees prior to the close of the Priority Offer) on the same terms as the Priority Offer except that the issue price for such new Shares will be funded by way of a loan ("**Management Offer**"); and
3. of 20,636,361 new Options with an exercise price of \$0.80 and expiry date of 31 March 2025 on a one for one basis for every Share subscribed for by participants in the recent Placement ('**Placement Options Offer**').

(collectively, the '**Offers**').

The Offers are conditional on the receipt of Shareholder approval, which will be sought at a General Meeting that will be held on 12 May 2022.

A copy of the Priority Offer Prospectus follows.

Authorised by:
Sue Symmons
Company Secretary

Investor and media enquiries:

Keith John
Managing Director
Pioneer Credit Limited
M: 0438 877 767

T: 1300 720 823

www.pioneercredit.com.au

Pioneer Credit Limited
ABN: 44 103 003 505
Level 6, 108 St Georges Terrace, Perth WA 6000
PO Box 5673, Perth WA 6831

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



PIONEER CREDIT LIMITED
ABN 44 103 003 505

PROSPECTUS

This Prospectus relates to an offer:-

1. of up to 9,090,909 new Shares at an issue price of \$0.55 per new Share to Eligible Shareholders and Invitees to raise up to \$5 million (before costs) with up to 9,090,909 attaching new Options with an exercise price of \$0.80 and expiry date of 31 March 2025 on a one for one basis at a nil issue price per Option ('**Priority Offer**');
2. to Key Management Personnel under the Company's Equity Incentive Plan to subscribe for a total of up to 4,545,454 new Shares and 4,545,454 new Options, out of the new Shares and new Options allocated under the Priority Offer (to the extent there is any allocation remaining following the take up by Eligible Shareholders and Invitees prior to the close of the Priority Offer) on the same terms as the Priority Offer except that the issue price for such new Shares will be funded by way of a loan ("**Management Offer**"); and
3. of 20,636,361 new Options with an exercise price of \$0.80 and expiry date of 31 March 2025 on a one for one basis for every Share subscribed for by participants in the Placement ('**Placement Options Offer**').

(collectively, the '**Offers**').

The Offers are subject to the conditions set out in Section 3.3, including the receipt of shareholder approval.

The Record Date for participating in the Priority Offer was 5.00pm WST on 25 March 2022.

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. Shareholders who do not understand it should consult their professional advisers without delay.

The Shares and Options offered by this Prospectus should be considered speculative.

This Prospectus is a transaction-specific document issued in accordance with section 713 of the Corporations Act 2001 (Cth). If you have any questions as to its contents or the course of action you should follow, you should consult your professional adviser.

TABLE OF CONTENTS

1.	IMPORTANT NOTES	3
2.	LETTER FROM THE CHAIRMAN	8
3.	DETAILS OF THE OFFERS	10
4.	EFFECT OF THE OFFERS ON THE COMPANY	18
5.	RIGHTS AND LIABILITIES ATTACHING TO SHARES AND OPTIONS	22
6.	RISKS	28
7.	ADDITIONAL INFORMATION	41
8.	DIRECTORS' AUTHORISATION	52
9.	GLOSSARY	53

CORPORATE DIRECTORY

Directors

Michael Smith
Chairman

Keith John
Managing Director

Andrea Hall
Non-Executive Director

Peter Hall
Non-Executive Director

Stephen Targett
Non-Executive Director

Michelle d'Almeida
Non-Executive Director

ASX Code

PNC

Website

www.pioneercredit.com.au

Solicitors

K&L Gates
Level 32
44 St Georges Terrace
Perth WA 6000

Telephone: + 61 8 9216 0900

Registered Office

Level 6
108 St Georges Terrace
Perth WA 6000

Telephone: 1300 720 823

Share Registry

Link Market Services Limited
Level 12
250 St Georges Terrace
Perth WA 6000

Telephone: 1300 222 378

1. IMPORTANT NOTES

1.1 Important notes

This Prospectus is issued by Pioneer Credit Limited ('Pioneer'), is dated 19 April 2022 and was lodged with ASIC on that date. ASIC, the ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. No Shares or Options may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Eligible Shareholders and Invitees who wish to participate in the Priority Offer are encouraged to submit an Application via BPAY®.

Information in relation to how Eligible Shareholders and Invitees may apply for Shares and Options under the Priority Offer and how Key Management Personnel may apply for Shares and Options under the Management Offer is set out in Section 3.

The Placement Options Offer is only available to participants of the Placement. Applications to accept the Placement Options Offer under this Prospectus can only be submitted on the Application Form which will be provided by the Company to participants of the Placement.

The Directors reserve the right to issue Shares pursuant to the Priority Offer and Management Offer at their absolute discretion. Recipients of Shares will also be issued the corresponding number of Options pursuant to the Priority Offer and the Management Offer.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and Options to acquire continuously quoted securities. It has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus prepared in accordance with Section 710 of the Corporations Act. This Prospectus is therefore intended to be read in conjunction with the information publicly available in relation to the Company which has been notified to ASX. In making representations in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

The Issue of Options under this Prospectus is made pursuant to ASIC Corporations (Exposure Period) Instrument 2016/74 which exempts the Company from complying with section 727(3) of the Corporations Act to the extent that that section prohibits the Company from issuing Options in the seven calendar day period after the date of lodgement of this Prospectus with ASIC.

This Prospectus has been prepared in respect of the Offers such that the relief provided under ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80 with respect to the on-sale provisions of section 707 of the Corporations Act is available. Specifically, if the Options and Shares are issued with disclosure under this Prospectus then those Shares and any Shares issued upon the exercise of the Options can be on-sold within 12 months of their issue (even in the case of the Shares issued on exercise of the Options), if the Shares were issued without disclosure or lodgement of a cleansing statement. This is because the Options are issued with disclosure and the exercise of the Options do not involve any further offer.

1.2 No investment advice

This Prospectus is an important document and requires your immediate attention. It should be read in its entirety. This Prospectus does not provide investment advice and has been prepared without taking account of any particular Shareholder's financial objectives, financial situation or particular needs (including financial or taxation issues). If you do not understand any part of this Prospectus, you should consult your accountant, tax adviser, stockbroker, solicitor or other professional adviser.

1.3 Risk factors

Potential investors should be aware that subscribing for Shares and/or Options in the Company involves a number of risks. Accordingly, an investment in the Company should be considered speculative. Some of the risks that should be considered are set out in section 6 of this Prospectus. There may also be risks in addition to those set out in section 6 that should be considered in light of your personal circumstances. Investors should consider consulting their professional advisers before deciding whether to apply for Shares or Options pursuant to this Prospectus.

1.4 Applicants outside Australia

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer of Shares or Options in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus. The Prospectus and Application Form for the Priority Offer will only be available to Eligible Shareholders, Invitees and Key Management Personnel with a registered address in Australia, New Zealand, Singapore or Hong Kong. The Offers are not being extended outside of Australia, New Zealand, Singapore or Hong Kong.

1.5 Important notice to New Zealand Investors

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (FMC Act). The Shares and Options are not being offered or sold in New Zealand (or issued with a view to being offered for sale in New Zealand) other than to a person who:

- (a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- (b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- (c) is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- (d) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- (e) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

If you receive a copy of this Prospectus and are not a person to whom the above categories apply, return this Prospectus to companysecretary@pioneercredit.com.au

immediately. You may not forward or circulate this Prospectus to any other person in New Zealand. No application form from you for Shares and Options will be accepted by the Company or otherwise processed.

1.6 Important notice to Hong Kong Investors

This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) (**CWUMP**), nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (**SFO**). No action has been taken in Hong Kong to authorise or register this Prospectus or to permit the distribution of this Prospectus or any documents issued in connection with it. Accordingly, the Shares and Options have not been and will not be offered or sold in Hong Kong by means of any document other than (i) to 'professional investors' (as defined in the SFO and any rules made under that ordinance) or (ii) in other circumstances which do not result in the document being a 'prospectus' as defined in the CWUMP or which do not constitute an offer to the public within the meaning of the CWUMP or the Companies Ordinance (Cap. 622 of the Laws of Hong Kong).

No advertisement, invitation or document relating to the Shares and Options has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares and Options that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person issued Shares or Options may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

If You (or any person for whom You are acquiring the Shares and Options) are in Hong Kong, You (and any such person) warrant that you are a "professional investor", as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

1.7 Important notice to Singapore Investors

This Prospectus has not been, and will not be, lodged or registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Shares or Options may not be circulated or distributed, nor may Shares or Options be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act 2001 of Singapore (the "**SFA**"), or as otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an 'institutional investor' (as defined in the SFA) or (ii) an 'accredited investor' (as defined in the SFA).

In the event that you are not an investor falling within one of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the new Shares and Options being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire new Shares and Options. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

1.8 Disclaimer

No person is authorised to give information or to make any representation in connection with the Offers described in this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offers. Shareholders should rely only on information in this Prospectus.

1.9 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements.

1.10 No representations other than in this Prospectus

You should rely only on information in this Prospectus. No person is authorised to provide any information or to make any representations in connection with the Offers which are not contained in this Prospectus. Any information or representations not contained in this Prospectus may not be relied upon as having been authorised by the Company in connection with the Offers.

1.11 Past performance information

Information included in this Prospectus concerning the past performance of the Company, including pro forma financial information and information concerning the historical share price of Pioneer, is provided for illustrative purposes only and should not be relied upon as (and is not) an indication of the Company's views on its future financial performance, share price performance or condition.

The historical information included in this Prospectus is, or is based on, information that has previously been released to the market. The historical financial information concerning the Company included in this Prospectus, including the pro-forma balance sheet in Section 4.3, has been prepared and presented in accordance with the recognition and measurement principles of Australian Accounting Standards (as adopted by the Australian Accounting Standards Board), which comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board.

Investors should also be aware that certain financial data included in this Prospectus may be 'non-IFRS financial information' under Regulatory Guide 230 Disclosing non-IFRS financial information published by ASIC. The Company believes this non-IFRS financial information provides useful information to users in measuring the financial performance and condition of the Company. The non-IFRS financial information does not have a standardised meaning prescribed by Australian Accounting Standards and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should it be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information and ratios (if any) included in this Prospectus.

1.12 Website

Any references to documents included on the Company's website at www.pioneercredit.com.au are for convenience only, and none of the documents or other information available on the Company's website are incorporated by reference into this Prospectus.

1.13 Further information

Copies of documents lodged with ASIC can be obtained from, or inspected at, an ASIC office.

In addition, the following information can be obtained from the Company's website: www.pioneercredit.com.au:

- the Company's half-yearly and annual financial reports;
- all continuous disclosure notices lodged by the Company with ASX; and
- all other general information provided by the Company to its Shareholders and investors.

If you have any questions in relation to the Offers you can contact Ms Sue Symmons, Company Secretary, on +61 8 9323 5020.

2. LETTER FROM THE CHAIRMAN

19 April 2022

Dear Investor

On behalf of the Board of Pioneer, I am pleased to offer Eligible Shareholders and Invitees, the opportunity to participate in Pioneer's Priority Offer and, to the extent there is any allocation remaining following the take up by Eligible Shareholders and Invitees under the Priority Offer, the opportunity for the Company's Key Management Personnel under the Company's Equity Incentive Plan to subscribe for Shares and Options on the same terms as the Priority Offer funded by way of a loan. I am also pleased to offer institutional and sophisticated investors who participated in the Placement, the opportunity to participate in the Placement Options Offer.

The purpose of the Management Offer is to incentivise Key Management Personnel and ensure that their interests are aligned with the interests of Shareholders.

The Offers are conditional on the receipt of Shareholder approval. Shareholder approval will be sought at a general meeting that will be held on or about 12 May 2022.

Priority Offer

The Priority Offer provides Eligible Shareholders with an opportunity to apply for Shares at an issue price of \$0.55 per Share with an attaching Option at a nil issue price per Option. Participation is optional.

The Priority Offer follows Pioneer's successful completion of its institutional Placement as announced on 9 March 2022, which raised \$11.35 million (before costs). Shares purchased under the Priority Offer will have an attaching Option and will be priced the same as Shares issued under the Placement, being \$0.55 per Share. Shares will be free of brokerage or transaction costs. Once issued, Shares will rank equally with existing Shares and will have the same voting rights, dividend rights and other entitlements.

Options issued under the Offers will have an exercise price of \$0.80 and an expiry date of 31 March 2025.

The Priority Offer aims to raise up to \$5 million (before costs) and is not underwritten. Depending on the level of demand, Pioneer may in its absolute discretion raise less than \$5 million under the Priority Offer. The proceeds from the Placement, will be used to part-pay for the acquisition of a Performing Arrangement Purchased Debt Portfolio (**Portfolio**) totalling ~\$38.5 million, comprised largely of performing assets. The funds raised under the Priority Offer, will be used for the costs of the Offers and future growth opportunities, namely the acquisition of future debt portfolios. For further information on the acquisition of the Portfolio, please refer to Pioneer's ASX announcement and investor presentation lodged on 9 March 2022.

Management Offer

To the extent there is any allocation remaining following the take up by Eligible Shareholders and Invitees under the Priority Offer prior to the closing date of the Priority Offer, Pioneer will have the discretion to offer the Shares and Options to Key Management Personnel under the Management Offer on the same terms except that the issue price for such Shares will be funded by way of a loan.

Participation in the Priority Offer

To be eligible to participate in the Priority Offer, you must have been a registered holder of Shares at 5:00pm WST on the Record Date (being 25 March 2022) or an Invitee with a registered address in Australia or a registered address in New Zealand, Hong Kong or Singapore and meet the requirements outlined in the Important Notices section of this Prospectus. Shareholders in the United States are not eligible to participate in the Priority Offer.

Details of the Priority Offer, including how to apply, are provided in Section 3.2(a). Please ensure that the Share Registry receives your Application and Application payment by the Closing Date which is expected to be on Wednesday, 13 May 2022.

Questions and further information on the Priority Offer

Please consult your stockbroker, accountant or other professional adviser before making your investment decision.

Placement Option Offer

This Prospectus has also been prepared for the purpose of issuing Options to participants in the Placement. On application under this Prospectus, institutional and sophisticated investors who were issued Shares in the Placement, will be issued with an attaching Option at a nil issue price per Option.

This Prospectus contains detailed information about the Offers and the key risks associated with an investment in Pioneer. I encourage you to read this Prospectus carefully and in full, and to seek your own financial and taxation advice about the Offers before deciding whether to participate.

On behalf of the Board of Pioneer, I thank you for your continued support and encourage Eligible Shareholders to consider participating in the Priority Offer.

Yours sincerely,



Michael Smith
Independent Chairman

3. DETAILS OF THE OFFERS

3.1 Overview

As announced on 9 March 2022, Pioneer is proposing to acquire a Performing Arrangement Purchased Debt Portfolio (**Portfolio**) for \$38.5 million. The portfolio will be part-funded by the \$11.35 million raised under the institutional placement which completed on 16 March 2022 and involved the issue of 20,636,361 Shares at \$0.55 per Share (**Placement**), with an additional ~\$28.5m to be provided under an increased senior debt facility with the Company's funders. For every 1 Share allocated in the Placement, 1 Option will be issued, subject to the receipt of shareholder approval at a General Meeting to be held on 12 May 2022 (**Placement Options Offer**). Subject to meeting ASX quotation requirements, the Company will apply to the ASX for official quotation of the Options.

The Company also announced on 9 March 2022, its intention to offer Eligible Shareholders the opportunity to participate in a capital raising on the same terms as provided to institutional and sophisticated investors under the Placement.

Up to 9,090,909 Shares may be issued under the Priority Offer, together with up to 9,090,909 Options. Up to \$5 million will be raised from the issue of Shares under the Priority Offer (before costs). Based on the number of Shares issued under the Placement, 20,636,361 Options may be issued under the Placement Options Offer. No funds will be raised from the issue of Options under the Placement Options Offer or the Priority Offer. However, on the exercise of all the Options the Company will receive \$23,781,816.

3.2 The Offers and their terms

(a) Priority Offer

Pursuant to this Prospectus the Company invites Eligible Shareholders and Invitees to apply for up to 9,090,909 new Shares at an issue price of \$0.55 per Share with an attaching new Option at a nil issue price per Option to raise up to \$5 million.

The new Shares offered under this Prospectus will rank equally with the existing Shares on issue.

(b) Management Offer

Prior to the close of the Priority Offer, to the extent there is any allocation remaining following the take up by Eligible Shareholders and Invitees under the Priority Offer, Pioneer will have discretion to offer up to 4,545,454 new Shares and 4,545,454 new Options to Pioneer's Key Management Personnel (excluding Non-Executive Directors) under the Company's Equity Incentive Plan on the same terms as the Priority Offer, except that the issue price for such Shares will be funded by way of a loan provided to Key Management Personnel.

The Company's Equity Incentive Plan was last approved by Shareholders on 19 November 2020.

The loan is provided on the following key terms ("**Management Loan**"):

- » interest accrues on the issue price at a rate of 5% per annum and is payable monthly;
- » security will be granted to the Company against the Shares issued under the Management Offer and any Shares issued under the loan will not be able to be traded until the loan is repaid;
- » the loan is repayable in full on the earlier of 5 years or within 30 days of the date the employee ceases to be employed by the Company;
- » all dividends paid on the Shares must be applied towards the loan; and
- » the Company will have full recourse in the event of a default which will include if the employee suffers an insolvency event.

The Directors consider the terms of the above loan to be reasonable in the circumstances and on arm's length commercial terms.

(c) Placement Options Offer

This Prospectus is also prepared for the purposes of issuing new Options to participants in the Placement.

The Placement was extended to institutional and sophisticated investors on invitation from the Directors and consisted of Shares at an issue price of \$0.55 per Share and, subject to shareholder approval, an attaching Option at nil issue price per Option. Those invited to participate were selected clients of MST Financial, interested investors known to the Company and existing substantial shareholders. None of the participants were related parties, members of the Company's Key Management Personnel or advisers to the Company or associates of any of the aforementioned categories of persons.

(d) Further information on Shares and Options issued under Offers

A high-level summary of the material rights and liabilities attaching to the Shares and Options is set out in Section 5.

3.3 Offer Conditions

The Offers are conditional on the receipt of Shareholder approval for the purposes of Listing Rule 7.1 to allow the Company to issue the Shares and Options under this Prospectus. Shareholder approval will be sought at a general meeting that will be held on or about 12 May 2022. The notice of meeting for this meeting was despatched on 11 April 2022.

The Company has sought and obtained a waiver from Listing Rule 7.3.9 to permit any person who is entitled to participate under the Priority Offer (except substantial holders of the Company and advisers to the Company) and who would ordinarily be excluded from voting in favour of the resolution, on the condition that the Company excludes any votes by any underwriter or sub-underwriter of the Priority Offer or Management Offer. Persons who subscribe under the Management Offer, substantial holders of the Company, advisers to the Company and any associates of the aforementioned persons are still subject to a voting exclusion, as set out in the notice of meeting despatched by the Company on or about 11 April 2022.

Shareholder approval will also be sought for the following Directors to participate in the Priority Offer as Invitees and in the case of Mr Keith John to participate in the Management Offer:

Director	Subscription Amount (A\$) (up to) ¹	No. of Shares (up to)	Attaching Options (up to)
Michael Smith (or nominee)	\$40,000	72,727	72,727
Michelle D'almeida (or nominee)	\$20,000	36,363	36,363
Stephen Targett	\$75,000	136,363	136,363
Keith John	\$1,500,000	2,727,273	2,727,273

Notes:

1. Rounded to the nearest dollar.

See section 10 for further details of the allocation policy.

If Shareholder approval is not obtained for the issue of Shares under Priority Offer and Management Offer including for the issue of Shares to Directors, no Shares will be issued under those Offers and the Company will promptly return the application monies received in respect of the Priority Offer without interest.

If Shareholder approval is not obtained for the issue of Options under the Priority Offer and Management Offer including for the issue of Options to Directors, no Options will be issued under those Offers.

If Shareholder approval is not obtained for the issue of Options under the Placement Options Offer, no Options will be issued under that Offer.

If Shareholder approval is not obtained for a Director to participate in the Priority Offer or for Mr Keith John to participate in the Management Offer then that Director will not be issued Shares or Options under the Priority Offer or the Management Offer, in the case of Mr Keith John.

3.4 Indicative timetable

Key dates	Date
Announcement of Offers & Lodgement of Appendix 3B to ASX	9 March 2022
Settlement of Placement	15 March 2022
Issue of new Shares under the Tranche 1 Placement Lodgement of Appendix 2A with ASX	16 March 2022
Priority Offer Record Date	25 March 2022
Lodgement of cleansing prospectus for the Placement	30 March 2022
Lodgement of this Prospectus with ASIC and ASX and Appendix 3B	19 April 2022
Dispatch of Prospectus to Eligible Shareholders, Invitees, Key Management Personnel and Placement participants	19 April 2022

Key dates	Date
Opening Date of Offers	19 April 2022
General Meeting	12 May 2022
Closing Date of Offers at 3:00 pm WST	13 May 2022
Settlement of Offers	18 May 2022
Issue of Shares and Options under the Placement and Priority Offers	19 May 2022
Dispatch of new holding statements	
Lodgement of Appendix 2A with ASX for Shares	
Normal trading of Shares on ASX	20 May 2022
Lodgment of Appendix 2A and Quotation of Listed Options - subject to ASX approval	23 May 2022
Options expire	31 March 2025

** The above dates are indicative only and may change without notice. The Directors reserve the right to vary these dates, including the Closing Date, without notice subject to the Listing Rules. The Company also reserves the right not to proceed with the Offers at any time before the issue of Shares or Options to invited Applicants.*

3.5 Minimum subscription

Applications for Shares under the Priority Offer must be for a minimum of 10,000 Shares (\$5,500) with multiples of 1,000 shares (\$550).

3.6 Oversubscriptions

In the event the Priority Offer is oversubscribed at the Closing Date, the Directors may, in their absolute discretion, scale back applications having regard to the size and duration of the Applicant's shareholding and the best interests of the Company as a whole. The Director's decision on this matter is final.

If the Company rejects or scales-back an application or purported application, the Company will promptly return to the Shareholder the relevant application monies, without interest.

3.7 Applications

(a) Priority Offer and Management Offer

Applications for Shares and Options under the Priority Offer must only be made by Eligible Shareholders registered on the Company's share register on the Record Date of 25 March 2022 or Invitees and submitted using the Application Form provided by the Company. Applications for Shares and Options under the Management Offer may only be made by Key Management Personnel and submitted using the Application Form and Equity Incentive Plan offer letter accompanying this Prospectus and provided by the Company which will contain reference to the Management Loan.

By completing the Application Form, an Applicant will be taken to have declared that all details and statements made by the Applicant are complete and accurate and that the Applicant has personally received the Application Form together with a complete and unaltered copy of the Prospectus. Each Applicant will also be deemed to have given certain representations and warranties to the Company see section 7.16 for further information.

Payment for Shares under the Priority Offer must be made in full at the issue price of \$0.55 per Share. Eligible Shareholders and Invitees who wish to participate in the Priority Offer are encouraged to submit an Application via BPAY®. No amount is payable in respect of the application for Options. When paying by BPAY® Applicants are not required to submit the Application Form but will be taken to have declared that they have personally received the Application Form with a complete and unaltered copy of the Prospectus and will be taken to have made the statements on the Application Form. Otherwise completed Application Forms and accompanying evidence of payment of the application price must be delivered to the address set out on the Application Form by no later than the Closing Date. Payment for Shares under the Management Offer will be made on the terms of the Management Loan.

(b) Who is an Eligible Shareholder

Any person who is an Eligible Shareholder or Invitee may apply for the issue of Shares and Options pursuant to the Priority Offer under this Prospectus. An Eligible Shareholder is a Shareholder in the Company as at the Record Date, being 5:00pm WST on 25 March 2022 with a registered address in Australia, New Zealand, Hong Kong or Singapore and in the case of residents of New Zealand, Hong Kong or Singapore who meets the requirements outlined in the Important Notices section of the Prospectus.

Any Shareholder that is not an Eligible Shareholder or any person who has not been invited to participate in the Priority Offer by the Company is not entitled to participate in the Priority Offer. If you receive this Prospectus but you are not an Eligible Shareholder, please disregard it.

Please also refer to Section 7.16 of this Prospectus which sets out the representations and warranties which accepting Eligible Shareholders and Invitees will be deemed to have given (including confirming that they are an Eligible Shareholder) by completing and submitting their Application Form.

The Company, its respective related bodies corporate and affiliates, and their respective directors, officers, partners, employees and agents disclaim all liability (to the maximum extent permitted by law) in respect of the determination as to whether a person is an Eligible Shareholder or an Ineligible Shareholder.

(c) Placement Options Offer

Applications for Options under the Placement will be issued by the Company to those participants who subscribed and were issued Shares under the Placement. Applicants under the Placement Options Offer should complete and return the Application Form accompanying this Prospectus to the Company before the Closing Date.

No amount is payable in respect of the application for Options.

The Company reserves the right to close the Offers early. No brokerage, stamp duty or other costs are payable by Applicants under the Offers.

3.8 Not underwritten

The Offers are not underwritten and there is no sponsor broking.

3.9 ASX listing

Application for Official Quotation by ASX of the Shares and Options offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus, subject to the receipt and acceptance of applications. If the Shares or Options, as appropriate are not admitted to Official Quotation by ASX before the expiration of 3 months after the date of issue of this Prospectus, or such period as varied by ASIC, the Company will not issue any Shares or Options and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest. If the Options do not meet ASX's quotation requirements and are not listed the Options will be issued as unlisted Options on the same terms.

The fact that ASX may grant Official Quotation to the Shares and Options is not to be taken in any way as an indication of the merits of the Company or the Shares and Options offered for Application.

3.10 Issue and Allocation Policy

The issue of Shares and Options offered by this Prospectus will take place as soon as practicable after the Closing Date, subject to the receipt and acceptance of applications and Shareholder approval. Pending the issue of the Shares, Options or the payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain any interest that accrues on the bank account and each Applicant waives the right to claim interest.

The Directors will determine the recipients of all the Shares and Options having regard to the size and duration of the Applicant's shareholding and the best interests of the Company as a whole. In accordance with the takeover provisions in the Corporations Act, the Company does not intend to issue Shares to an Applicant where it will result in the Applicant holding an interest of 19.99% or more in the issued share capital of the Company. The Company will try to ensure (to the extent possible) that each Eligible Shareholder and Invitee is allocated the amount of Shares, or as close to the amount of Shares they applied for taking into account these overarching factors. However, the Directors reserve the right to reject any application or to allocate any Applicant none or fewer Shares or Options than the number applied for. Where the number of Shares or Options issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date. Interest will not be paid on moneys refunded.

Depending on the level of applications received by the Company from Eligible Shareholders and Invitees (who are not Directors) of the Priority Offer prior to the Closing Date:

- » Non-Executive Directors (subject to the receipt of shareholder approval where applicable) up to the maximum amounts set out in the table in Section 7.7; and/or
- » Key Management Personnel (subject to the receipt of shareholder approval in the case of Mr Keith John)

may be allocated Shares under the Priority Offer, in the case of Non-Executive Directors or, in the case of Key Management Personnel (who are not also Non-Executive Directors) under the Management Offer in accordance with the Company's Equity Incentive Plan.

The Company's decision on the number of Shares or Options to be allocated to an Applicant will be final.

3.11 Defects in Applications

If the Application Form is not completed correctly or if the accompanying payment is the wrong amount, the Company may, in its discretion, still treat the Application Form to be valid. The Company's decision to treat an Application Form as valid, or how to construe, amend or complete it, will be final.

3.12 Applicants outside Australia

The distribution of this Prospectus outside of Australia may be restricted by law.

These Offers do not, and are not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such Offers or to issue this Prospectus. No action has been taken to register or qualify the Prospectus in any jurisdiction outside of Australia.

Any person who is an Eligible Shareholder or Invitee may apply for the issue of Shares and Options pursuant to the Priority Offer under this Prospectus. An Eligible Shareholder is a Shareholder in the Company as at the Record Date, being 5:00pm WST on 25 March 2022 with a registered address in Australia, New Zealand, Hong Kong or Singapore and in the case of residents of New Zealand, Hong Kong or Singapore who meets the requirements outlined in the Important Notices section of the Prospectus.

Residents in New Zealand, Hong Kong and Singapore should have regard to the requirements set out in the Important Notices section of this Prospectus.

3.13 Purpose of the Offers and use of funds raised under the Offers

The purpose of the Priority Offer is to allow the Company's existing shareholders to participate in a capital raising on the same terms as participants under the Placement. The Options will also allow Eligible Shareholders, Invitees, Key Management Personnel and participants in the Placement to participate in any future upside of the Company. The Company considers the Options to be the most appropriate structure for this as Eligible Shareholders, Invitees and participants in the Placement do not need to pay any upfront fee for acquiring the Options. Rather, as option holders they will have the benefit of assessing the performance of the Company before having the right, but not the obligation, to pay the exercise price to acquire Shares.

The purpose of the Management Offer is to incentivise Key Management Personnel and ensure that their interests are aligned with the interests of Shareholders.

The table below sets out the proposed use of funds raised from the Priority Offer and the Management Offer.

Use of Funds	\$
Costs of the Offers	\$120,000
Future growth opportunities, namely the acquisition of future debt portfolios	\$4.88 million
Total	\$5 million

This table is a statement of current intentions. Actual use of funds may differ from the budgeted use of funds as a result of intervening events and new circumstances.

If less than \$5 million is raised under the Priority Offer and Management Offer, the amount attributed to future growth opportunities will be reduced proportionately.

On the exercise of all the Options under the Priority Offer and the Placement Options Offer the Company will receive \$23,781,816. The proceeds received by the Company after any Options are exercised will be used for future growth opportunities namely the acquisition of future debt portfolios. This is a statement of current intentions. Actual use of funds may differ from the budgeted use of funds as a result of intervening events and new circumstances including the exercise of the Options on separate dates.

3.14 Enquiries

Any questions concerning the Offers should be directed to Ms Sue Symmons, Company Secretary, on +61 8 9323 5020.

4. EFFECT OF THE OFFERS ON THE COMPANY

4.1 Effect of the Offers on capital structure

The effect of the Offers on the capital structure of the Company is set out below:

	Number ²
Shares on issue at the date of this Prospectus	103,218,728
New Shares to be issued pursuant to the Offers	9,090,909
Total Shares on issue on completion of the Offers¹	112,309,637
Unquoted options on issue at the date of this Prospectus with an exercise price of \$0.30 expiring on 23 September 2024	8,000,000
New Options to be issued pursuant to the Offers ¹	29,727,270
Total Options on issue on completion of the Offers	37,727,270
Total Shares on issue on Completion of the Offers and exercise of the Options issued under the Offers	150,036,907³

Notes:

1. This assumes Shareholder approvals are obtained and the Priority Offer is fully subscribed. There is no guarantee that Shareholder approval will be obtained or that the Priority Offer will be fully subscribed or that any Shares will be issued pursuant to the Priority Offer.

2. This does not include any Shares issued as a result of holders exercising any options or rights that are currently on issue as at the date of this Prospectus.

3. This assumes Shareholder approvals are obtained and the Priority Offer is fully subscribed and all Options issued under the Priority Offer and the Placement Options Offer are exercised.

The Offers will not have an impact on the Company's other equity securities that are on issue as at the date of this Prospectus, as set out below:

Equity security	Holder	Details	Number
Warrants	Institutional investors	Unquoted – expiring on 25 September 2024	5,566,808
		Total Warrants	5,566,808
Performance Rights ¹	Employees - EIP	Unquoted – vesting on 1 July 2022	201,250
		Unquoted – vesting on 1 July 2023	425,250
	Employees - EIP	Unquoted – vesting on 1 July 2024	315,000
	Employees – EIP	Unquoted – vesting on 23 September 2024	3,100,000
	Total Performance Rights	4,041,500	

Indeterminate Rights ¹	Managing Director - EIP		
	Managing Director - EIP	Unquoted – vesting on 1 July 2022	375,000
	Managing Director - EIP	Unquoted – vesting on 1 July 2023	75,000
Total Indeterminate Rights			450,000

Notes:

1. Performance Rights and Indeterminate Rights are the non-transferable rights to receive Shares on a one for one basis allocated under the Pioneer Equity Incentive Plan ('EIP') last approved by Shareholders on 19 November 2020.

4.2 Potential effect on control

The total number of Shares to be issued under this Prospectus represents approximately 8% of the Company's share capital.

As part of the Company's allocation policy, the Company does not intend to issue Shares to an Applicant where it would result in the Applicant holding an interest of 19.99% or more in the issued share capital of the Company. It is unlikely that any Applicant would have such an interest as a result of the issue of Shares under the Offers, other than the Company's substantial shareholders (see section 7.5). Even then, Mr Keith John's allocation is limited to a maximum of 2,727,273 Shares and 2,727,273 Options, subject to the receipt of Shareholder approval (see section 7.7 for details of Mr John's interest and potential interest in the Company).

4.3 Financial effect of the Offers

Section 4.3 contains a summary of:

- » the reviewed balance sheet as at 31 December 2021;
- » the unaudited unreviewed pro-forma balance sheet as at 31 December 2021;
- » the reviewed statement of profit and loss for the half year ended 31 December 2021; and
- » the unaudited unreviewed pro-forma profit and loss for the half year ended 31 December 2021,

(together **Financial Information**).

The Financial Information has been prepared on the basis of the accounting policies normally adopted by the Company and reflects the changes to its financial position and performance as a result of the Offers.

The pro-forma balance sheet and the pro-forma statement of profit and loss have been prepared assuming the Shares under the Placement, the maximum number of Shares offered under this Priority Offer are issued and the issue and exercise of all Options under the Offers (assuming all 29,727,270 Options are issued).

The effect of the Offers on the Company's financial position will be minimal.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

The unaudited unreviewed pro forma statements of financial position is intended to be illustrative only and it neither reflects the actual position of the Company as at the date of this Prospectus, as at 31 December 2021, nor the conclusion of the Offers. The Financial Information is intended to assist potential investors to assess the reasonableness and likelihood of the assumptions occurring. Potential investors should also be aware that the historical performance, including that indicated by any historical information, is not necessarily indicative of future performance.

References to "pro forma" information are non-IFRS financial information prepared in accordance with ASIC Regulatory Guide 230 (Disclosing non-IFRS financial information). Non-IFRS financial information has not been subject to audit or review.

Profit or Loss (\$'000)	Published 1H22	Proforma 1H22
Liquidations revenue	48,551	48,595
Other income	296	296
Total revenue	48,847	48,891
Expenses	(23,805)	(23,805)
EBITDA	25,086	25,086
PDP amortisation charge and impairment	(20,530)	(20,530)
Depreciation and amortisation	(848)	(848)
Amortisation of lease right of use asset (AASB 16)	(1,264)	(1,264)
EBIT	2,444	2,444
Net interest expense	(25,251)	(25,251)
Net Profit/(Loss) before Tax	(22,807)	(22,807)
Tax (expense) benefit	(53)	(53)
NPAT	(22,860)	(22,860)

Balance Sheet (\$'000)	Published 1H22	Proforma 1H22
Assets		
Cash and cash equivalents	7,600	36,382
Trade and other receivables	1,511	1,511
PDP assets at amortised cost	252,266	252,267
Plant, property and equipment	235	240
Right of use asset	3,666	3,666
Intangible assets	1,252	1,248
Other	3,317	3,315
Total Assets	269,847	298,629
Liabilities		
Trade and other Payables	5,833	5,833
Borrowings	219,359	219,359
Provisions	3,684	3,684
Lease liabilities	5,112	5,112
Total Liabilities	233,988	233,988
Net assets	35,859	64,641

5. RIGHTS AND LIABILITIES ATTACHING TO SHARES AND OPTIONS

The following is a summary of the more significant rights and liabilities attaching to the Shares and Options to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders and Optionholders. To obtain such a statement, persons should seek independent legal advice.

The rights and liabilities attaching to the Shares are set out in the Company's Constitution and are regulated by the Corporations Act, the general law, the ASX Listing Rules and the ASX Settlement Operating Rules. A copy of the Constitution is available on the Company's website at <https://pioneercredit.com.au/corporate/governance>. The rights and liabilities attaching to the Options are set out in section 5.2 below.

5.1 Rights and liabilities attaching to Shares

(a) General meetings

Shareholders are entitled to receive at least 28 days' notice of a general meeting and subject to any preferential or special rights attaching to any Shares that may be issued by the Company in the future, Shareholders are entitled to be present in person, or by proxy, attorney or representative to speak and to vote at general meetings of the Company's Shareholders.

Shareholders are entitled to receive all notices, reports, accounts and other documents required to be furnished to Shareholders under the Constitution and the Corporations Act.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

(b) Voting rights

Subject to the Corporations Act, the ASX Listing Rules, the Constitution and to any rights or restrictions for the time being attached to any shares or class of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by them, or in respect of which they are appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

In accordance with Pioneer's ASX Announcement on 13 February 2020, the Pioneer Board has exercised its discretion to suspend the Pioneer dividend reinvestment plan ('DRP') in accordance with the terms and conditions of the DRP. This means that no Pioneer Shareholder will be issued Shares under the DRP, regardless of if, or when they have elected to participate in the DRP. The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

(d) Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as it considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

(e) Shareholder liability

As the Shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) Transfer of Shares

Shares in the Company may be transferred in any form authorised by the Corporations Act or approved by the Directors and in the manner prescribed by the Constitution, the Corporations Act, the ASX Listing Rules or the ASX Settlement and Operating Rules.

The Directors may, subject to the ASX Listing Rules and the ASX Settlement and Operating Rules, request an ASX approved clearing and settlement facility

to apply a holding lock to prevent any transfer of Shares. The Directors may refuse to register a paper based transfer of a Share in particular circumstances.

(g) Issue of further Shares

The Board control the allotment, issue and grant of options in respect of and disposal of Shares. Subject to restrictions on the allotment of securities under the ASX Listing Rules and the Corporations Act, the Board may allot, grant options or otherwise dispose of Shares on such terms and conditions as it sees fit.

(h) Variation of rights

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to the Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) Alteration of Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

(j) Application of ASX Listing Rules

While the Company is admitted to the Official List of the ASX, despite anything in the Constitution, if the ASX Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the ASX Listing Rules require to be done. If the ASX Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the ASX Listing Rules require a Constitution to contain a provision or not to contain a provision, the Constitution is deemed to contain that provision or not to contain that provision (as the case may be). If a provision of the Constitution is or becomes inconsistent with the ASX Listing Rules, the Constitution is deemed not to contain that provision to the extent of that inconsistency.

5.2 Rights and liabilities attaching to Options

The terms and conditions of the Options are as follows.

(a) Entitlement

The Company will grant the holder 1 Option for every Share subscribed for under the Placement, Management Offer or Priority Offer (**Grant Date**). Each Option entitles the holder to subscribe for one Share at the exercise price specified in clause 5.2(d), during the Option period specified in clause 5.2(c).

(b) Issue price

No amount is payable on the issue of the Options.

(c) Option period

The Options may be exercised in part or in whole after the issue of the Options. If not exercised, the Options automatically expire at 5.00pm (WST) on 31 March 2025.

(d) Exercise price

The exercise price of an Option is \$0.80.

(e) Participation rights, bonus issues, rights issues and reorganisations

(i) Participation

The Optionholder is not entitled to participate in any new issue to existing shareholders of securities in the Company unless they have exercised their Options before the record date for determining entitlements to the new issue of securities and participate as a result of holding Shares.

(ii) Bonus issues

Subject to the ASX Listing Rules, if there is a bonus issue to the holders of Shares, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.

(f) Pro rata issues

(i) Notice

Each Optionholder will be notified by the Company of any proposed pro rata issue of securities to shareholders 5 business days prior to the record date set for that pro rata issue to give the Optionholder the opportunity to exercise the Options in sufficient time to receive, before that record date, Shares issued on the exercise of Options entitling participation in the pro rata issue

(ii) Treatment of Options

Subject to the Listing Rules, if there is a pro rata issue (except a bonus issue) to the holders of Shares, the exercise price of an Option will be reduced according to the following formula:

$$O' = O - \frac{E[P - (S + D)]}{N+1}$$

where:

- O' = the exercise price immediately following the adjustment;
- O = the exercise price immediately prior to the adjustment;
- E = the number of Shares into which one Option is exercisable;
- P = the average market price per Share (weighted by reference to volume) during the 5 trading days ending on the day before the ex rights date or ex entitlements date;
- S = the subscription price for a Share under the pro rata issue;
- D = any dividend due but not yet paid on a Share (except any Share to be issued under the pro rata issue); and
- N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

(g) **Reorganisation**

If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Optionholder (including the number of Options to which the Optionholder is entitled to and the exercise price) is changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

(h) **Calculations and adjustments**

Any calculations or adjustments which are required to be made under clause 5.2(f) of these terms will be made by the Board of the Company and will, in the absence of manifest error, be final, conclusive and binding on the Company and the Optionholder.

(i) **Notice of change**

The Company must within a reasonable period, give to the Optionholder notice of any change under clause 5.2(f) to the exercise price of any Options held by the Optionholder or the number of Shares which the Optionholder is entitled to subscribe for on exercise of an Option.

(j) **Other matters**

- (i) An Option does not entitle the Optionholder to vote on any resolutions proposed by the Company except as otherwise required by law.
- (ii) An Option does not entitle the Optionholder to any dividends.
- (iii) An Option does not entitle the Optionholder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (iv) An Option does not entitle the Optionholder to participate in the surplus profits or assets of the Company upon winding up.

(k) **Method of exercise of Options**

(i) **Method and payment**

To exercise Options, the Optionholder must give the Company or its share registry, at the same time:

- (A) a written exercise notice (in the form approved by the Board from time to time) specifying the number of Options being exercised and Shares to be issued; and
- (B) payment of the exercise price for the Shares the subject of the exercise notice in immediately available funds.

(ii) **Exercise of Options**

- (A) The Optionholder may exercise the Options in part or in whole.
- (B) Options will be deemed to have been exercised on the later of the date the exercise notice is lodged with the Directors and the exercise price for the Shares the subject of the exercise notice is paid to the Company.

(iii) **Issue of Shares**

Within 5 business days after receiving an application for exercise of Options and payment by the Optionholder of the exercise price, the Company must issue the Optionholder the number of Shares specified in the application.

(l) **Ranking of Shares issued on exercise of Options**

All Shares issued on the exercise of Options rank in all respects (including rights relating to dividends) pari passu with the existing Shares at the date of issue.

(m) **Quotation**

- (i) Subject to ASX's quotation requirements including that there is at least 50 holders of Options under these terms and conditions, the Company will apply to the ASX for official quotation of the Options. The Company gives no assurances that such quotation will be granted.
- (ii) The Company will apply to ASX Limited for official quotation of the Shares issued on exercise of Options.

(n) **Transfer**

Subject at all times to the Corporations Act, the Listing Rules and the Company's Constitution, following official quotation of the Options the Options will be freely transferable.

6. RISKS

The Board considers that it is appropriate for Shareholders and Optionholders to be aware that there are a number of risk factors, general and specific to the Group's business, which could materially adversely affect the future operating and financial performance of Pioneer and the value of Shares and Options.

This Section 6 identifies some, but not all, of the major risks associated with an investment in Pioneer, an investment in Options specifically and general risks. This Prospectus should be read in its entirety in order to fully appreciate such matters and the manner in which Pioneer currently operates before any decision is made on whether to invest under this Prospectus.

6.1 Risks associated with Pioneer's business

(a) Russia/Ukraine conflict

Pioneer recognises that the Russia/Ukraine conflict and the various actions by the rest of the world including the imposing of certain sanctions may impact the world economy, the financial services market, Pioneer's operations and the price of the Shares.

(b) Pandemic risk

Pioneer recognises that the impact of a pandemic on its customers is dependent on the nature of the outbreak of the infectious disease.

The Group is committed to treating its customers with respect by recognising their individual circumstances and seeking to ensure that personnel are equipped and informed to deal with each customer's needs during a pandemic situation.

The Company's success in working with its customers over time is based on a number of factors that mitigates default risk with people who have experienced financial difficulty. These include:

- treating them with empathy, understanding and respect;
- offering expert help in getting over financial challenges;
- a high investment in analytics to match effort and engagement method to a customer's financial capability;
- investing only in quality account portfolios from leading financial institutions; and
- Pioneer's people, who are here to help, rather than chase, and who work in a culture of strong values where a premium is placed on customer service and empathy.

The nature and extent of the effects of an outbreak of an infectious disease are uncertain and difficult to predict. Specifically, the impact of the COVID-19 pandemic, and the advice and responses from health and regulatory authorities, is continuously developing. The Directors are continuing to closely monitor the

situation and the impact on the Company's business from both a financial and operational perspective.

(c) Sufficiency of funding

There are presently reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable. On 8 November 2021, Pioneer refinanced its existing debt as follows:-

- Facility Amount up to A\$200.0 million, consisting of:
 - Tranche 1: A\$125.0 million Term Facility (fully drawn at inception)
 - Tranche 2: A\$50.0 million Revolving Facility (partially drawn at inception)
 - Tranche 3: A\$25.0 million Growth Facility (undrawn at inception)
- Initial term of four years expiring November 2025;
- The Facility has a first ranking fixed and floating charge over all the assets of the Group;
- Variable interest rate plus BBSY (minimum 0.25%). The variable interest rate is set by the Advance Rate on the facility. The Advance Rate refers to the aggregate principal amount in respect of all facilities divided by the aggregate book value of the PDPs;

Advance Rate	Margin
<= 60%	7.25% per annum
> 60% and <= 65%	7.75% per annum
> 65% and <= 70%	8.25% per annum
> 70%	8.75% per annum

- The default rate is an additional margin of 4.0% p.a. over the applicable interest rate;
- Establishment fee of 2.5% of facility total;
- Unused line fee of 1.5% per annum (not applicable to the growth facility until first drawdown);
- Funding by Pioneer will be limited to the Borrowing Base. The Borrowing Base is calculated monthly, as PDP value as a percentage to each tranche based on the nature of the underlying receivables;
- The Company has two prepayment options on the Facility:
 - Make whole interest payment applies to tranche 1 of the Facility if it is repaid up to 24 months post financial close; and
 - Early repayment premium of 1% applies to tranche 1 of the Facility if it is repaid in the period 24 to 30 months post financial close.
- The financial covenants are tested monthly and include:
 - compliance with the Borrowing Base;
 - a minimum Interest Cover Ratio of 2.0x to apply;

- no equity is to be released to the shareholders during the term of the Facility; and
- a Group change of control covenant.
- The Collateral Performance Triggers are tested monthly and include but are not limited to:
 - an Actual-to-Expected Collections Ratio for each individual cohort (financial year vintage) being not less than 85%; and
 - Actual-to-Expected Collections Ratio (total) being not less than 75%.

On 24 March 2022, Pioneer amended its Facility Agreement by increasing its Facility Amount by an additional \$40 million under a new Tranche 4, largely on the same terms subject to the following: -

- an Availability Period of up to 2 months from the close of Tranche 4;
- Tranche 4 is to be drawn in up to 3 drawdowns during the Availability Period. Liquidations received from the servicing of the Portfolio will be applied to the Tranche 4 Facility on each Facility Payment Date;
- The Margin is determined with reference to the Loan to Value ("**LTV**") at the start of the interest period. The Margin on Tranche 4 is independent of the margin on Tranche 1 to Tranche 3 of the Facility; and
- LTV is calculated as the outstanding Tranche 4 amount / (Tranche 4 outstanding amount + Equity Support at Tranche 4 drawdown).

Pioneer's ability to raise additional funds will be subject to, among other things, factors beyond the control of Pioneer and the Directors, including cyclical factors affecting the economy and share markets generally. The Directors can give no assurance that future funds can be raised by Pioneer on favourable terms, if at all.

(d) Breach of finance facility covenant

A breach of a covenant under the Company's facility agreement could potentially result in its financiers calling the debt, if not remedied within the agreed timeframe.

The Company's forecasts of the Group's liquidity reserve and compliance with debt covenants based on expected cash flow are continuously managed and monitored. Cash flow and covenant compliance is forecast on a day-to-day basis.

(e) Availability and pricing of debt portfolios

In order to continue its profitable growth, Pioneer needs to be able to purchase debt portfolios at appropriate prices and manage the accounts comprising the portfolios to maximise recovery on those accounts. The availability of debt portfolios at appropriate prices is affected by a number of factors, some of which are outside Pioneer's control, including:

- the level of credit being extended to consumers, and the percentage of such credit in arrears;

- the level of unemployment and rate of consumer savings which can have a major impact on the level of credit in arrears. Credit arrears are a function of a borrower's ability to pay, which is often related to a borrower's ability to generate an income through employment, as well as access to any savings in the event of unemployment or financial stress;
- the appetite of corporate institutions to outsource arrears management can be affected by a number of matters, including but not limited to, a change in economic outlook, a change in laws or regulations, a change in accounting policies or practices, the consolidation of creditors, increased reliance on debt collection agencies or increased sophistication in internal collection efforts; and
- negative publicity or reputational damage to the receivables management industry as a whole which may be caused by debt collection techniques employed by sector participants that are not in line with the expectations of the general community or cause, among other things, distress in the general community through unfair treatment, harassment or any other number of unfair practices. These practices may become publicised and result in Pioneer's vendor partners restricting, or ceasing to sell debt portfolios.

Accordingly, risks for Pioneer include:

- insufficient debt portfolios becoming available for purchase. A number of factors can impact the number and suitability of debt portfolios available for purchase including but not limited to economic conditions which result in Pioneer's vendor partners or potential new debt sellers having insufficient (or any) under-performing debt portfolios to sell; and
- increased competition in the purchased debt portfolio market which could result in competitors offering higher prices for debt portfolios. This could result in lower margins for Pioneer, if Pioneer has to increase its portfolio acquisition costs.

(f) Purchase of debt portfolios

When Pioneer acquires debt portfolios from its vendor partners, it assumes the risk that the accounts within the portfolios will not be repaid in full or at all. However, a number of steps are undertaken by Pioneer before proceeding with an acquisition, in order to minimise this risk. These include the following:

- Pioneer seeks to purchase only debt portfolios that comprise the type of accounts that it understands well and has the competency and experience to conduct due diligence on, price appropriately, and recover an amount that is at least in line with its expectations at the time of purchase;
- Currently, Pioneer focuses on certain types of debt portfolios that it considers to be its core competencies. The majority of Pioneer's purchases are personal loan and credit card portfolios. Pioneer also purchases consumer leases, consumer rental agreements and transactional accounts. Pioneer may enter into new types of portfolio

purchases subject to being satisfied with the conduct of due diligence on the portfolios targeted; and

- Pioneer has to date purchased accounts from reputable financial institutions, including Australia's major banks and has not purchased accounts held by customers that it understands were regarded as credit impaired or "non-conforming" applicants at the time of applying for the loan from the original vendor partner.

(g) Existing debt portfolios and recovery of accounts

Pioneer purchases debt portfolios which often consist of a substantial number of accounts without contact details and for which the seller of the portfolio has made numerous attempts to collect. Such accounts may subsequently be deemed uncollectable and written off. Pioneer's strategy for maximising its customer payments over time is to minimise discounts offered for early payment and encourage customers who cannot meet the payment schedule under their existing loan agreement to enter into a new arrangement, known as a payment arrangement. Not all customers with a payment arrangement pay on time, all of the time, or at all. In addition, some customers will not enter into a payment arrangement. Therefore, it may take a significant amount of time to recover on accounts and there is no guarantee that Pioneer will recover any or all of the accounts comprising a debt portfolio.

Changes in macroeconomic factors such as an increase in interest rates and cost of living may impact on recovery of accounts. In addition, Pioneer may not be able to identify macroeconomic trends or make changes in its purchasing strategies in a timely manner.

While Pioneer expects its existing debt portfolios to provide customer payments in the future, there can be no guarantee customer payments will be consistent with historical performance or will meet forecast rates. The statistical models and analytical tools that Pioneer uses in its business to assess and analyse debt portfolios may prove to be inaccurate and Pioneer may not achieve anticipated customer payments which could lead to valuation impairments on portfolios.

If the assumptions used by Pioneer in its models are incorrect or if some of the accounts in a debt portfolio behave differently from the way Pioneer expects, this could result in a loss of value in a portfolio after purchase and a continuing deterioration in value over time as actual revenue can deviate significantly from the revenue estimates produced by Pioneer's pricing model as accounts age.

If the value of Pioneer's debt portfolios deteriorates, or Pioneer is unable to collect sufficient amounts on its portfolios, it may not be able to take advantage of opportunities for further portfolio purchases as they arise. Ultimately, all portfolios have a finite life and must be replaced with new portfolios.

(h) Technology

Pioneer is heavily reliant on technology to manage its day to day operations. Should an event or series of events result in the loss of access to primary and business critical information and communication technology systems, data processing capabilities and/or network connectivity, for an extended period it would affect Pioneer's ability to operate in the normal course of business and

result in significant financial risk in terms of loss of ability to liquidate portfolios and report on revenues and manage working capital and cashflow.

(i) Staffing

Pioneer's success depends on identifying, hiring, training and retaining skilled personnel and senior management. Pioneer needs to retain its existing trained workforce and attract new personnel as it grows. Competition for such personnel is keen and there can be no assurance that Pioneer will always be successful in attracting and retaining such personnel.

If a significant number of staff were to leave Pioneer, within a short period of time, Pioneer may suffer operational difficulties.

(j) Reliance on key personnel

Pioneer is substantially reliant on the expertise and abilities of its key personnel in overseeing the day-to-day operations of its business. There can be no assurance given that there will be no detrimental impact on Pioneer if one or more of these employees cease their employment with Pioneer.

(k) Loss of key relationships

A significant decrease in the volume of debt portfolios available for purchase from any significant vendor partner on acceptable terms would force Pioneer to seek alternative sources of portfolios to purchase. In addition to the factors that impact the supply of debt portfolios generally, vendor partners with whom Pioneer has strategic relationships may not continue to sell debt portfolios to Pioneer on desirable terms or in acceptable quantities, and Pioneer may not be able to replace such portfolios with portfolios from other debt vendors. A debt vendor's decision to sell a debt portfolio to Pioneer is based on various factors, including the price and terms offered and the quality of Pioneer's reputation, scale, track record of completed transactions and compliance history.

The loss of a key relationship with a vendor partner could jeopardise Pioneer's existing relationships with other vendor partners or its ability to establish new relationships with other vendor partners. Pioneer may be unable to find alternative sources from which to purchase debt portfolios and, even if such purchases could be successfully replaced, the search could take time or the portfolio could be of lower quality or higher cost, any of which could materially and adversely affect Pioneer's business, financial condition and results of operations.

The loss of a significant key relationship, or the loss of a number of key relationships at the same time, could prevent or restrict Pioneer's ability to purchase debt portfolios at current or forecast levels. This could impact profitability materially.

(l) Regulatory and legislative risks

Pioneer operates in an industry with a strict legal and regulatory framework. Any failure by Pioneer to comply with its Australian Credit Licence ('**ACL**') and applicable laws and regulations relating to the purchase of debt portfolios, collection on the accounts it acquires, the broader consumer credit industry and *National Consumer Credit Protection Act 2009 (Cth)* matters could result in the

suspension, termination or impairment of Pioneer's ACL or the termination of certain forward flow agreements ('FFAs') and therefore could adversely affect Pioneer's reputation, its business and/or result in substantial losses.

Changes in the regulatory environment relating to the credit industry generally could have an effect on Pioneer's future business, operations and financial performance. Pioneer is not currently aware of any specific material changes in relevant regulations or policy which are likely to materially adversely affect Pioneer or its business.

Pioneer must ensure that there are no breaches of its ACL, the *National Consumer Credit Protection Act 2009* (Cth), the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth), the *Privacy Act 1988* (Cth), the National Consumer Credit Protection Regulations 2010 and the National Credit Code or other relevant existing legislation in relation to its practices. Further compliance is also required to relevant sections of the Corporations Act.

Breaches of legislation or licence conditions or adverse changes in government policy can have significant consequences for Pioneer. Potential consequences include:

- civil and/or criminal penalties;
- significantly increased compliance costs;
- variation or imposition of additional licence conditions or loss or suspension of licences;
- temporary or permanent banning orders being made;
- being forced to change business practices;
- termination of certain FFAs;
- litigation action being taken against Pioneer;
- imposition of enforceable undertakings or fines;
- reputational damage or reduction of the desirability of the Pioneer brand; and
- adverse effects on Pioneer's ability to retain existing business and attract new business.

Pioneer is aware of the importance of regulatory compliance and potential adverse publicity associated with any actual or alleged non-compliance. Regular staff training, close supervision and its call review process assists with ensuring that a culture of regulatory compliance is maintained by Pioneer. Pioneer has compliance systems to identify and rectify actual or potential instances of non-compliance. These compliance systems include compliance and cultural review of employee calls to customers, regular employee counselling and training in relation to actual and potential breaches and senior management involvement in relation to any actual or potential non-compliance. This also assists in ensuring rapid resolution of any customer complaints and disputes.

Pioneer devotes significant resources to regulatory compliance. There is a risk that any new or changed legislation or regulations could require Pioneer to increase its spending on regulatory compliance and/or change its business practices. This could adversely affect Pioneer's profitability. There is a risk that such regulations could also make it uneconomic for Pioneer to continue to operate in places that it currently does business.

Pioneer complies with the requirements of the Corporations Act and the ASX with respect to financial and key management personnel remuneration reporting. Changes in legislation including Australian Accounting Standards and / or their application to accounting policy may result in unanticipated outcomes which could materially and adversely affect Pioneer's business, financial condition and results of operations.

(m) Funding to purchase new debt portfolios

Pioneer's business depends on its ability to purchase debt portfolios at appropriate prices and then recover on the accounts in those portfolios.

Pioneer funds debt purchases by a combination of equity capital, debt and cash generated through revenue from operations. The ability of Pioneer to obtain this funding is dependent on Pioneer's performance and prospects as well as other factors outside the control of Pioneer including but not limited to general economic conditions and stock market conditions.

(n) Forward flow agreements

Pioneer purchases a significant amount of its debt portfolios under FFAs. The FFAs to which Pioneer is a party typically contain:

- termination clauses that allow the FFA to be terminated by the vendor partner in certain limited circumstances; and
- provisions which require Pioneer to "re-assign" particular accounts in specified circumstances.

As a result, Pioneer may be required to "re-assign" an account to a vendor partner on which it was successfully recovering which could lead to a decrease in revenue and profitability.

In a market of increased competition, Pioneer may be required to purchase debt portfolios at increased prices or alternatively reduce the number of portfolios it acquires if Pioneer is unable to fund a price increase at the then volume of purchase.

Pioneer generally contemplates future fluctuations in the value of the debt portfolios that it purchases through FFAs, but the statistical models and analytical tools that Pioneer uses in its business to assess and analyse debt portfolios may prove to be inaccurate. This could materially and adversely affect Pioneer's business, financial condition and results of operations.

(o) Future acquisitions

Pioneer may selectively pursue acquisitions to complement its organic growth. However, there can be no assurance that Pioneer will be able to identify suitable

acquisition candidates at acceptable prices or complete and integrate acquisitions successfully. The successful implementation of acquisitions will depend on a range of factors. Even if successfully executed and integrated, there is no guarantee of future performance of those acquisitions. In addition, Pioneer's future acquisitions may subject Pioneer to unanticipated risks or liabilities or disrupt operations and divert management's attention and resources from Pioneer's day-to-day operations.

To the extent that acquisitions are not completed, are not successfully integrated with Pioneer's existing business or do not perform in line with expectations, the financial performance of Pioneer could be adversely impacted.

(p) Management of financial growth

The ability of Pioneer to achieve financial performance is dependent on a number of factors, not all of which are within the control of Pioneer.

In the future, Pioneer may require additional capital, whether by equity or debt, to explore and/or develop further business opportunities. There can be no assurance that Pioneer will be able to raise such capital on favourable terms, if at all.

The inability to raise additional capital, if required, may have a detrimental impact on Pioneer's financial performance and the ability of Pioneer to expand its business.

(q) Dilution risk

The capital structure of the Company will be impacted by the number of Shares and Options issued pursuant to the Offers, as summarised in Section 4.1.

Future capital raisings and issues of securities by the Company may also dilute the percentage ownership of the Company of existing Shareholders. Such capital raisings may be undertaken to pursue further business opportunities or to repay part or all of the Company's debt.

Shareholders' percentage ownership of the Company will also be diluted upon the exercise by the respective holders of the Company's convertible securities that are currently on issue and that may be issued in the future. This may include the Company's options and options and rights under the Pioneer Equity Incentive Plan.

(r) Increased competition

Pioneer faces competition from new and existing purchasers of debt portfolios. Pioneer's current competitors and any new competitors may have or may in the future develop substantially greater or better financial, technical, personnel or other resources such as more effective pricing and collection models, more efficient operating structures, greater adaptability to changing market needs and more established relationships in the debt purchase industry.

Pioneer may be unable to compete with businesses that offer higher prices for debt portfolios and other businesses may develop other competitive advantages that Pioneer cannot match. This may reduce Pioneer's access to, and success in, purchasing new debt portfolios.

There can be no guarantee that the structure of and competition within the market that Pioneer competes will not change in a manner adverse to the interests of Pioneer.

In addition, there can be no guarantee that Pioneer's efforts to maintain or increase its market share will be successful or that any new ventures proposed will be achieved.

(s) Access to and use of data

Pioneer relies on data provided by multiple credit reference agencies, servicing partners and other sources. If any third party sources were to stop providing this data for any reason, including a change in laws or regulations, or if they were to considerably raise the price of their services, Pioneer's business could be materially and adversely affected.

If competitors are able to develop or procure similar or more effective systems or methods to develop and process data, or if Pioneer becomes unable to continue to acquire, aggregate or use such information and data in the manner or to the extent in which it is currently permitted, Pioneer may lose a competitive advantage and Pioneer's business, prospects, financial condition and results of operations could be materially and adversely affected.

(t) Economic factors

General economic conditions, such as interest rates, inflation, household disposable income, taxation, employment levels, consumer and business sentiment and market volatility may adversely impact Pioneer's activities, as well as its ability to fund those activities. There can be no guarantee that the current economic environment and receivables management sector conditions will remain the same and there is a risk that material adverse changes to general economic or industry conditions may have a material adverse impact on the financial performance of Pioneer, as a consequence of reduced customer or inability to service their obligations, leading to a loss of revenues. Changes in government monetary and regulatory policies could also affect Pioneer's business.

(u) Reputational risk

Pioneer's failure to protect its reputation could have a material adverse effect on Pioneer including its brand and profitability. Pioneer's brand could be jeopardised if it fails to maintain quality services or if Pioneer, or the third parties with whom it does business, fail to comply with regulations or accepted business practices (including ethical, social, product, labour and environmental standards, or related political considerations). If damage were to occur to Pioneer's reputation, the demand for Pioneer's services may be reduced and/or Pioneer's services may be boycotted. This will likely have an adverse effect on revenue margins, profitability and Pioneer's operations.

(v) Litigation

Other than as set out in this Prospectus, Pioneer is not currently involved in any material litigation, arbitration or government prosecution matters. There is a risk that Pioneer may in the future have disputes with its customers, regulators or other third parties (including payment disputes) and this may have an adverse

impact on Pioneer's growth prospects, operating results and financial performance.

(w) Unforeseen expenses

Pioneer may be subject to significant unforeseen expenses or actions. This may include unplanned operating expenses, future legal actions or expenses in relation to future unforeseen events.

Pioneer expects that it will have adequate working capital to carry out its stated objectives however, there is the risk that additional funds may be required to fund such unforeseen expenses and Pioneer's future objectives.

6.2 Risks associated with Options

(a) Factors affecting the value and price of Options

There are a number of factors that may impact the value of Options. These and other factors may also affect the price at which Options may trade on the ASX. These factors include:

- the market price of Shares and the volatility of that price;
- the timing and amount of any dividends to be paid on Shares;
- the time remaining before Option expiry;
- corporate events which aren't compensated for by adjustments; and
- liquidity of Options.

(b) Market price and volatility of Shares

As at the date of this Prospectus, the Options are "out-of-the-money", that is, the exercise price of the Options is greater than the market price for Shares. No guarantee can be given that the price of Shares will be greater than the exercise price at any time prior to the expiry of the Options. Expectations of volatility in the price of Shares may impact the value and market price of the Options if quoted on ASX as the level of price volatility may impact the likelihood and degree to which the price of Shares exceeds the exercise price of Options.

(c) Timing and amount of future dividends

While Pioneer has historically paid dividends to shareholders it has not done so since 26 April 2019. The amount of any future dividends will be determined by the Board of Pioneer having regard to its operating results and financial position. The future payment of dividends may reduce the value of Pioneer's Shares and thereby reduce the value of Options as generally share prices may drop on the ex-dividend date.

Additionally, as set out in the Option Terms, Options do not carry any dividend entitlement until they are exercised and the Optionholder becomes the registered holder of Shares.

If Options are exercised and Shares are issued after the record date for a dividend, such Shares will have no entitlement to that dividend.

No assurances can be given in relation to the payment of future dividends, or the potential for the Company to issue them as franked dividends. Future determinations as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon the availability of profits, the operating results and financial condition of the Company, future capital requirements, covenants in relation to financial agreements, general business and financial conditions, restrictions under the terms of issue for the Notes and other factors considered relevant by the Directors. No assurances can be given in relation to the level of franking of future dividends. Franking capacity will depend upon the amount of Australian tax paid in the future, the existing balance of franking credits and other factors.

(d) Time remaining before Option expiry

The time remaining within the Option period may impact the likelihood and degree to which the price of Shares exceeds the exercise price of Options.

(e) Corporate events

Pioneer may undertake additional offerings of securities in the future. Any increase in the number of issued Shares or securities offering the rights to Shares and the possibility of sales of such securities may depress the price of Shares already on issue and of the Options. In addition, as a result of any issue of Shares, the voting power and proportionate economic interest of the Company's existing Shareholders (and, indirectly, of Optionholders) may be diluted. The terms of the Options provide for an adjustment to the exercise price in relation to only a limited class of future offerings of securities.

An Option carries no right to participate in new issues of securities without exercising the Option.

(f) Option liquidity risk

The market for Options may not be liquid.

Although Pioneer intends to apply to ASX for official quotation of the Options there is no guarantee that:

- quotation will occur;
- if quotation occurs a liquid market will develop or that quotation will be maintained; or
- if a liquid market develops that it will continue for the life of the Options.

If liquidity is low, there is a risk that, if you wish to sell your Options prior to the expiry date, you may not be able to do so at a price acceptable to you, or at all.

If Options are exercised, there is no guarantee that Shares issued on exercise of those Options will trade above the exercise price paid for those Shares.

6.3 General risks

Most of the general risks discussed below are outside the control of Pioneer and the Board and cannot be mitigated.

(a) Stock market volatility

The market price of the Shares and Options may rise or fall depending upon a range of factors beyond Pioneer's control and which are unrelated to Pioneer's operational performance. The price of the Shares and Options listed on ASX may also be affected by a range of factors including Pioneer's financial performance and by changes in the business environment.

The Shares carry no guarantee in respect of profitability, dividends, return on capital, or the price at which they may trade on the ASX.

There are a number of national and international market factors that may affect the price of the Shares, including movements on international stock markets, economic conditions and general economic outlook, interest rates and exchange rates, inflation rates, commodity supply and demand, government taxation and royalties, legislation, monetary and other policy changes and general investors' perceptions. Neither Pioneer nor the Pioneer Directors have control over these factors.

(b) General economic conditions

The general economic climate may affect the performance of Pioneer. These factors include the general level of international and domestic economic activity, inflation and interest rates. These factors are beyond the control of Pioneer and the Pioneer Directors and their impact cannot be predicted.

(c) Changes in laws and government policy

Changes in laws and government policies (including changes to Pioneer's industry), both domestically and internationally, may adversely affect the financial performance or the current and proposed operations of Pioneer.

(d) Insurance risks

Although Pioneer maintains insurance, no assurance can be given that adequate insurance will continue to be available to Pioneer in the future on commercially acceptable terms.

(e) Government actions and other events

The impact of actions by domestic and international governments may affect Pioneer's activities, including in relation to its infrastructure, compliance with environmental regulations, export, taxation and royalties.

Events may occur within or outside Australia that could impact on the world economy, the financial services market, Pioneer's operations and the price of the Shares. These events include war, geopolitical incidents, acts of terrorism, civil disturbance, political intervention and natural disasters. Pioneer has only a limited ability to insure against some of these risks.

7. ADDITIONAL INFORMATION

7.1 Litigation

Proceedings were commenced against the Company in February 2022 for an alleged breach of agreement in relation to corporate advice allegedly provided, claiming up to \$300,000. Pioneer disputes this and is defending the claim.

Given the nature of the Company's business, the Company and other members of the Group are often involved in relatively minor debt recovery legal proceedings.

Other than as set out in this Prospectus, to the Directors' knowledge, there is no other litigation, arbitration or proceedings pending against or involving the Company as at the date of this Prospectus.

7.2 Material contracts

The Company has not entered into any material contracts other than those which have been the subject of ASX announcements or referred to in this Prospectus.

7.3 Continuous Disclosure Obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Prospectus is a "transaction specific prospectus". In general terms a "transaction specific prospectus" is only required to contain information that:

- (a) has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
- (b) investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the body; and
 - (ii) the rights and liabilities attaching to the securities being offered.

The prospectus must contain this information only to the extent to which it is reasonable for investors and their professional advisors to expect to find such information in the prospectus.

It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. It has been prepared in accordance with section 713 of the Corporations Act and ASIC

Corporations (*Offers of Convertibles*) Instrument 2016/83. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company will make further announcements in respect of any matters in accordance with its disclosure obligations as and when material developments occur.

The Company, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with ASIC;
 - (ii) any half-year financial report lodged by the Company with ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with ASIC;
 - (iii) Company Constitution; and
 - (iv) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with ASIC.

Copies of all documents lodged with ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual report on 31 August 2021 and before the lodgement of this Prospectus with ASIC are set out in the table below.

Date	Headline
11 April 2022	Priority Shareholder Offer – Prospectus Timetable
11 April 2022	Notice of General Meeting
4 April 2022	Application for quotation of securities - PNC
30 March 2022	Proposed issue of securities - PNC
30 March 2022	Cleansing Prospectus
28 March 2022	Change of Director's Interest Notice - KR John
28 March 2022	Application for quotation of securities - PNC
18 March 2022	Change in substantial holding
18 March 2022	Change in substantial holding - Nomura Holdings Inc.
17 March 2022	Appendix 3Y, Form 604 – Keith John
16 March 2022	Completion of Placement
16 March 2022	Application for Quotation of Securities – PNC
15 March 2022	Priority Shareholder Offer – Change of Record Date
9 March 2022	Acquisition of Shares by Equity Incentive Plan
9 March 2022	Placement and Priority Shareholder Offer – Option
9 March 2022	Proposed issue of Securities - PNC
9 March 2022	\$11.35m equity issue and \$38.5m PDP investment
7 March 2022	Trading Halt
28 February 2022	1H22 Results Presentation - 'Primed for Growth'
28 February 2022	Turnaround half positions Pioneer as 'Primed for Growth'
28 February 2022	Appendix 4D and Half-year Report
18 February 2022	Completion of Acquisition of Shares
20 January 2022	Appendix 3Y, Form 604 - Keith John
20 January 2022	Notification under s708A(5)(e) of the Corporations Act
20 January 2022	Application for quotation of securities - PNC
24 December 2021	App 3Y - Change of Director's Interest Notice - KR John
24 December 2021	Notification under s 708A(5)e of the Corporations Act
24 December 2021	Application for quotation of securities - PNC
23 December 2021	Application for quotation of securities - PNC
21 December 2021	Final Approval of \$5.4m Equity Issue and Results of
16 December 2021	Application for quotation of securities - PNC
8 December 2021	Performing Arrangements with customers surpass
30 November 2021	Appointment of Chief Information Officer
19 November 2021	General Meeting of Shareholders

8 November 2021	Jobkeeper Payment Notification
8 November 2021	Form 603 - Notice of Initial Substantial Holder
8 November 2021	Notification under s708A(5)(e) of the Corporations Act
8 November 2021	Application for quotation of securities - PNC
8 November 2021	Pioneer completes on Senior Finance Facility
2 November 2021	Becoming a substantial holder
2 November 2021	Application for quotation of securities - PNC
1 November 2021	Results of Annual General Meeting
1 November 2021	Senior Facility Refinance and Equity Issue Presentation
1 November 2021	AGM Chairman's Address
1 November 2021	Proposed issue of securities - PNC
1 November 2021	Proposed issue of securities - PNC
1 November 2021	Pioneer executes new Senior Finance Facility
29 October 2021	Trading Halt
22 October 2021	Noteholders approve changes to Note terms
14 October 2021	Pioneer Credit Limited - Refinancing Update
1 October 2021	AGM / Refinancing
31 August 2021	Appendix 4G and Corporate Governance Statement
31 August 2021	FY21 Results Presentation
31 August 2021	Pioneer Credit Limited reports uplift in EBITDA to \$54.4m
31 August 2021	Appendix 4E and Annual Report FYE 30 June 2021

The announcements are also available free of charge through the Company's website at www.pioneercredit.com.au/corporate/asx-announcements.

As at the date of this Prospectus, there is no other information that has not been disclosed under the continuous disclosure requirements of the ASX Listing Rules and which the Board considers investors would reasonably require in order to assess the Company's assets and liabilities, financial position and prospects and the rights and liabilities attaching to the Shares and Options in the Company.

7.4 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX. The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

	Price (A\$)	Date
Highest	\$0.60	10 February 2022
Lowest	\$0.48	28 March 2022
Last	\$0.49	14 April 2022

7.5 Substantial Shareholders

Those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue as at the date of this Prospectus are set out below:

Shareholder	Number held	% of issued Shares
Keith John	8,515,661	8.23%
James Simpson	14,590,776	14.14%
Nomura Holdings Inc	5,206,354	5.04%

7.6 Interests of Directors

Other than as set out below or elsewhere in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offers.

7.7 Security Holdings

Directors are not required under the Company's Constitution to hold any Shares to be eligible to act as a director of the Company. The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below:

Name and position	Shares	Indeterminate Rights	Options	% of Shares as at the date of this Prospectus ¹
Keith John, Managing Director	8,515,661	450,000	8,000,000	8.23%
Michael Smith, Non-executive Chairman	845,940	Nil	Nil	0.82%
Andrea Hall, Non-executive Director	97,887	Nil	Nil	0.09%
Peter Hall, Non-executive Director	Nil	Nil	Nil	Nil
Stephen Targett, Non-executive Director	Nil	Nil	Nil	Nil
Michelle d'Almeida, Non-executive Director	Nil	Nil	Nil	Nil

Note:

1. This does not include any Shares issued under the Priority Offer or Shares issued as a result of holders exercising any Options issued under the Offers or options or rights that are currently on issue as at the date of this Prospectus.

The following Directors intend to participate in the Priority Offer subject to the receipt of Shareholder Approval (or in the case of Keith John under the Management Offer) and to the extent there is any allocation remaining following the take up by Eligible Shareholders and other Invitees under the Priority Offer prior to the Closing Date.

Name and position	Maximum amount of Shares subscribed for under the Priority Offer	Maximum amount of Options subscribed for under the Priority Offer	Maximum % of Shares as at the Completion of the Offers ¹	Maximum % of Shares as at the Completion of the Offers and exercise of the Options ²
Keith John, Managing Director	2,727,273	2,727,273	10.01%	9.31%
Michael Smith, Non-executive Chairman	72,727	72,727	0.82%	0.7%
Stephen Targett, Non-executive Director	136,363	136,363	0.12%	0.19%
Michelle d'Almeida, Non-executive Director	36,363	36,363	0.03%	0.05%

Note

1. This does not include any Shares issued as a result of holders exercising any Options issued under the Offers or options or rights that are currently on issue as at the date of this Prospectus.
2. This does not include any Shares issued as a result of holders exercising any options or rights that are currently on issue as at the date of this Prospectus.

7.8 Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is determined by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

Shareholders should refer to the Company's Remuneration Report for the financial year ended 30 June 2021 for full details of the remuneration of the Company's executive and non-executive Directors.

The Company's Remuneration Report is set out on pages 14 to 27 of the Company's 2021 Annual Report which was lodged with ASX on 31 August 2021. The Annual Report is available to Shareholders free from charge on Company's website at www.pioneercredit.com.au/corporate/asx-announcements.

7.9 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:

- (i) its formation or promotion; or
 - (ii) the Offers; or
- (f) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offers.

7.10 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as proposed directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

Each Consenting Party:

- (a) has given and has not, before the lodgement of this Prospectus with ASIC withdrawn its written consent to be named in this Prospectus in the form and context in which it is named;
- (b) has not (other than as specified below), and its affiliates, officers and employees have not, made any statement in this Prospectus or any statement on which a statement made in the Prospectus is based; and
- (c) does not cause, permit or authorise the issue or lodgement, submission, dispatch or provision of this Prospectus.

Description	Consenting party	Consent
Legal adviser	K&L Gates	Consent to be named
Share Registry	Link Market Services Limited	Consent to be named

7.11 Expenses of the Offers

The total expenses of the Offers are estimated to be approximately \$120,000 (excluding GST) and are expected to comprise legal, share registry, ASIC and ASX fees. The estimated expenses will be paid out of the proceeds received from the Priority Offer or if shareholder approval is not received the Company's existing cash reserves.

K&L Gates has acted as legal adviser to the Company in relation to the Offers. In respect of this work, the Company will pay K&L Gates approximately \$60,000 exclusive of GST and disbursements.

7.12 Electronic Prospectus

This Prospectus is available in electronic format via the ASX website, www.asx.com.au and via the Company's website at www.pioneercredit.com.au. Persons having received this Prospectus in electronic form may, during the offer period, obtain a paper copy of this Prospectus free of charge by contacting the Company.

Applications for new Shares and new Options may only be made on the personalised Application Form which will be provided to Eligible Shareholders, Invitees, Key Management Personnel and participants in the Placement which will be accompanied by the complete and unaltered electronic version of this Prospectus.

The Corporations Act prohibits any person from passing on to another person a personalised Application Form unless it is attached to or accompanied by a hard copy of this Prospectus or by the complete and unaltered electronic version of this Prospectus. The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

7.13 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company participates in CHES, for those investors who are CHES sponsored. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

7.14 Privacy statement

If an Applicant completes an Application Form, the Applicant will be providing personal information to the Company. The Company collects, holds and will use that information

to assess the Application, service the Applicant's needs as a Shareholder and to facilitate distribution payments and corporate communications to the Applicant as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for the Applicant's securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

Applicants can access, correct and update the personal information that the Company holds about them. If an Applicant wishes to do so, they may contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. Applicants should note that if they do not provide the information required on the Application Form for Shares and Options, the Company may not be able to accept or process their application.

7.15 Notice to nominees and custodians

The Priority Offer is only being made to Eligible Shareholders and Invitees. Nominees and custodians who hold Shares as nominees or custodians should note that the Priority Offer is not available to:

- beneficiaries on whose behalf they hold Shares who would not satisfy the criteria for an Eligible Shareholder; and
- Shareholders who are not eligible under all applicable securities laws to receive an offer under the Priority Offer.

The Company is not required to determine whether or not any registered holder is acting as a nominee or custodian or the identity or residence of any beneficial owner of Shares.

Where any holder is acting as a nominee or custodian for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Priority Offer is compatible with applicable foreign laws. The Company is not able to advise on foreign laws. Custodians and nominees should be aware that, in submitting an Application Form, you are deemed to have made certain representations to the Company, further details of which are set out in Section 7.16.

7.16 Representations by acceptance in respect of the Offers

By completing and submitting an Application Form, you will be deemed to have represented to the Company that you (and any person for whom you are acting):

- (a) are an Eligible Shareholder, Invitee, Key Management Personnel or in relation to the Placement Options Offer you were a participant in the Placement;
- (b) have read and understood this Prospectus and the Application Form in their entirety;
- (c) agree to be bound by the terms of the Offers (as applicable), the provisions of this Prospectus and the Constitution;

- (d) authorise the Company to register you as the holder(s) of Shares and/or Options allotted to you;
- (e) declare that all details and statements in your Application Form are complete and accurate;
- (f) declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the Application Form;
- (g) acknowledge that once the Company receives your Application Form, you may not withdraw your Application except as allowed by law;
- (h) agree to apply for and be issued up to the number of Shares and/or Options specified in the Application Form;
- (i) authorise the Company, Link and their respective officers or agents to do anything on your behalf necessary for the Options to be issued to you, including to act on instructions of Link upon using the contact details set out in your Application Form;
- (j) acknowledge that the information contained in this Prospectus and your Application Form is not investment advice nor a recommendation that the Options are suitable for you given your investment objectives, financial situation or particular needs;
- (k) acknowledge the statement of risks included in Section 6 of this Prospectus, and that investments in the Options and Shares are subject to risk;
- (l) acknowledge that none of the Company, its related bodies corporate and affiliates and its Directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of the Company, the Options or the Shares;
- (m) acknowledge that the Offers are subject to the receipt of Shareholder approval;
- (n) agree to provide any requested substantiation of your eligibility to participate in the Offers;
- (o) authorise the Company to correct any errors in your Application Form or other form provided by you;
- (p) represent and warrant (for the benefit of the Company and its related bodies corporate and affiliates) that you did not receive an invitation to participate in the Offers either directly or through a nominee, are otherwise eligible to participate in either or both of the Priority Offer, Management Offer or the Placement Options Offer (as applicable);
- (q) represent and warrant that the law of any place does not prohibit you from being given this Prospectus and the Application Form, nor does it prohibit you from making an Application under an Offer and that you are otherwise eligible to participate in the relevant Offer;
- (r) you are not in the United States and are not acting for the account or benefit of a person in the United States;

- (s) you understand and acknowledge that the Options and the Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States. Accordingly, the Options and the Shares may not be offered or sold to persons in the United States, except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws;
- (t) represent and warrant that you have not, and will not, send this Prospectus, the Application Form or any other materials relating to the Offers to any person in the United States or any other country outside Australia;
- (u) if in the future you decide to sell or otherwise transfer the Options or the Shares, you will only do so in transactions where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, in the United States; and
- (v) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Application Form is:
 - (i) resident in Australia; or
 - (ii) New Zealand, Hong Kong or Singapore and complies with the requirements noted in the important notices section of this Prospectus.

8. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not, before the lodgement of this Prospectus with ASIC withdrawn its written consent.



Keith John
Managing Director

For and on behalf of

PIONEER CREDIT LIMITED

9. GLOSSARY

\$ means an Australian dollar.

Applicant means an investor that applies for Shares and/or Options under the Offers using an Application Form pursuant to this Prospectus.

Application Form means the application form relating to the offer of Shares and the offer of Options.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the official listing rules of ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESSE.

Board means the board of Directors as constituted from time to time.

Closing Date means the closing date of the Offers as set out in the indicative timetable in the Section 3.4 (subject to the Company reserving the right to extend the Closing Date or close the Offer early).

Company or **Pioneer** means Pioneer Credit Limited (ABN 44 103 003 505).

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company at the date of this Prospectus.

Eligible Shareholder means a Shareholder registered on the Company's share registry on 5:00 pm WST on the Record Date of 25 March 2022 with an address in Australia or in New Zealand, Hong Kong or Singapore provided the requirements in the important notices section of this Prospectus have been met.

Equity Incentive Plan means the Company's Equity Incentive Plan approved by Shareholders on 19 November 2020.

FFAs means forward flow agreements.

Group means Pioneer and each of its subsidiaries.

Invitees means persons invited to participate in the Priority Offer which, subject to the receipt of Shareholder approval, may include certain Directors.

Key Management Personnel has the same meaning as that defined under accounting standard AASB 124.

Management Loan has the meaning given to that term in section 3.2(b).

Management Offer means the offer to Key Management Personnel under the Company's Equity Incentive Plan to subscribe for a total of up to 4,545,454 Shares and 4,545,454 Options, out of the Shares and Options allocated under the Priority Offer (to the extent there is any allocation remaining following the take up by Eligible Shareholders and Invitees) on the same terms as the Priority Offer except that the issue price for such Shares will be funded under a Management Loan.

Offers means the Priority Offer, Management Offer and the Placement Options Offer referred to in Section 2.

Official Quotation means official quotation by ASX in accordance with the ASX Listing Rules.

Opening Date means the opening date of the Offers as set out in the indicative timetable in the Section 3.4.

Optionholder means a registered holder of Options.

Options means each of the Options issued by the Company to acquire a fully paid Share in the Company pursuant to the Placement Option Offer or Priority Offer.

Placement means the institutional placement of 20,636,361 Shares at \$0.55 per Share as described in Section 3.1.

Placement Options Offer means the offer of 20,636,361 Options with an exercise price of \$0.80 and expiry date of 31 March 2025 on a one for one basis for every Share subscribed for by participants in the Placement.

Portfolio has the meaning given to that term in Section 3.1.

Priority Offer means the offer of up to 9,090,909 new Shares at an issue price of \$0.55 per Share to Eligible Shareholders and Invitees to raise up to \$5 million (before costs) with up to 9,090,909 attaching Options with an exercise price of \$0.80 and expiry date of 31 March 2025 on a one for one basis at a nil issue price per Option.

Prospectus means this prospectus.

Record Date means 5:00 pm WST on 25 March 2022.

Section means a section of this Prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of Shares.

Warrants means each of the warrants issued by the Company to acquire a fully paid Share in the Company pursuant to the Warrant Deed Poll dated on or about 15 September 2020.