

ASX release

16 December 2020

Cleansing Prospectus

Pioneer Credit Limited (ASX: PNC) (**'Pioneer'** or the **'Company'**) refers to the Cleansing Prospectus lodged with the ASX on 27 October 2020 and the Supplementary Prospectus to extend the offer period, as lodged on 20 November 2020 issued to allow the Company to remove any on-sale trading restrictions attached to shares issued by the Company (**'Shares'**) upon the exercise of unlisted warrants (**'Warrants'**), or any other Shares, without disclosure under Chapter 6D of the Corporations Act, on or before the Closing Date of 15 December 2020.

Pioneer confirms that it has now been granted relief from the Australian Securities and Investments Commission (**'ASIC'**) to allow the on-sale of Shares following the exercise of the Warrants without disclosure to investors under sections 708A(11) and 713 of the Corporations Act. ASIC declared under section 741(1)(b) of the Corporations Act that a sale offer of Shares issued following the exercise of Warrants by a Shareholder within 12 months of the issue of Shares does not need to be disclosed to investors if certain requirements are met. These requirements include lodging a prospectus for the issue of the Shares and Warrants, which the Company satisfies by the lodgement of the attached Prospectus.

The attached Cleansing Prospectus, for the issue of up to 100 Shares at an issue price of \$0.65 per Share and up to 100 Warrants at an issue price of \$nil per Warrant, was lodged with ASIC on 15 December 2020.

This Cleansing Prospectus is substantially administrative in nature and is not issued to raise capital.

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About Pioneer

Pioneer Credit is an ASX-listed company (ASX: PNC) providing high quality, flexible, financial services support to help everyday Australians out of financial difficulty. Pioneer Credit has the trust of long-term vendor partners to do the right thing and respectfully support customers to achieve their financial independence.

Pioneer Credit has established a solid foundation to pursue further growth by leveraging its outstanding industry relationships, compliance record and customer-focused culture.

www.pioneercredit.com.au



PIONEER CREDIT LIMITED
ABN 44 103 003 505

CLEANSING PROSPECTUS

This Cleansing Prospectus relates to an offer of up to 100 Shares at an issue price of \$0.65 per Share to raise up to \$65 (before expenses) and an offer of up to 100 Warrants at a nil issue price per Warrant, (collectively, the '**Offers**').

This Prospectus has been prepared primarily for the purpose of satisfying the conditions of section 708A(11) of the Corporations Act as modified by ASIC Instrument 20-1136 and to remove any trading restrictions on the sale of Shares issued by the Company on the exercise of Warrants.

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 Warrants offered by this Prospectus should be considered speculative.

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CORPORATE DIRECTORY

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* These entities have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus. Their names are included for information purposes only.

1. SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES

1.1 Important notes

This Prospectus is dated 15 December 2020 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 Warrants may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

The Offers are only available to those who are personally invited to accept the Offers by the Directors. Applications to accept the Offers under this Prospectus can only be submitted on the Application Form which will be provided by the Company to invited investors. The Directors reserve the right to issue Shares and Warrants pursuant to the Offers at their absolute discretion.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and 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. 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.

1.2 Investment advice

This Prospectus does not provide investment advice and has been prepared without taking account of any particular Shareholders' financial objectives, financial situation or particular needs (including financial or taxation issues). Shareholders should seek professional investment advice before subscribing for Shares or Warrants under this Prospectus.

1.3 Risk factors

Potential investors should be aware that subscribing for Shares or Warrants in the Company involves a number of risks. Accordingly, an investment in the Company should be considered speculative. Investors should refer to Section 5 of this Prospectus for further information and should consider consulting their professional advisers before deciding whether to apply for Shares or Warrants 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 Warrants in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

1.5 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.

1.6 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.

1.7 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 or filed with ASIC or ASX are incorporated by reference into this Prospectus.

2. DETAILS OF THE OFFERS

2.1 The Offers

Pursuant to this Prospectus and for the purposes of section 708A(11) of the Corporations Act (see Section 2.6 below), the Company invites investors identified by the Directors to apply for up to 100 Shares at an issue price of \$0.65 per Share, to raise up to \$65 (before expenses) and up to 100 Warrants at a nil issue price per Warrant.

The Offers will only be extended to specific non-related parties on invitation from the Directors. Application Forms will only be provided by the Company to these parties.

The Shares offered under this Prospectus will rank equally with the existing Shares on issue and the Warrants offered under this Prospectus will rank equally with the existing Warrants on issue. A high-level summary of the material rights and liabilities attaching to the Shares and Warrants is set out in Section 4.

2.2 Indicative timetable

Action	Date*
Lodgement of Prospectus with ASIC and ASX	15 December 2020
Opening Date	16 December 2020
Closing Date*	22 December 2020

** 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. The Company also reserves the right not to proceed with the Offers at any time before the issue of Shares or Warrants to invited Applicants.*

2.3 Minimum subscription

There is no minimum subscription.

2.4 Oversubscriptions

No oversubscriptions will be accepted by the Company.

2.5 Background to the Offers

On 16 September 2020, the Company entered into a new \$189,000,000 syndicated facility agreement ('SFA') with a syndicate of members ('**Syndicate Members**') to effect the refinancing of Pioneer's previous senior debt facility and to provide funding for future growth. Financial close under the SFA occurred on 23 September 2020 ('**Financial Close**').

The key terms of the SFA were set out in the Company's ASX investor presentation dated 24 September 2020, and include, among other things, the issue of up to 15,750,626 zero cost detachable Warrants issued to Syndicate Members, ensuring long term alignment of these incoming financiers with the interests of Shareholders.

The Warrants have a nil exercise price, are detachable and expire 4 years after Financial Close. The Warrants were issued in two tranches to Syndicate Members as follows:

- (a) 9,509,737 First Tranche Warrants, issued on 25 September 2020 pursuant to the Company's available placement capacity under ASX Listing Rule 7.1; and
- (b) 6,240,889 Second Tranche Warrants, issued on 23 November 2020 following the receipt of Shareholder approval for their issue at the Company's 2020 annual general meeting.

The Warrants were issued without disclosure.

2.6 Purpose of the Offers

The primary purpose of the Offers and this Prospectus is to remove any on-sale trading restrictions that may have attached to the Shares issued upon the exercise of the Warrants, and any other Shares issued by the Company without disclosure under Chapter 6D of the Corporations Act, on or before the Closing Date.

The Company sought and was granted relief from ASIC to allow the on-sale of Shares following the exercise of Warrants without disclosure to investors under sections 708A(11) and 713 of the Corporations Act. ASIC declared under section 741(1)(b) of the Corporations Act that a sale offer of Shares issued following the exercise of Warrants by a Shareholder within 12 months of the issue of Shares does not need to be disclosed to investors if certain requirements are met. These requirements include lodging a prospectus for the issue of the Offers, which the Company satisfies by lodging this Prospectus.

2.7 Applications

Applications for Shares and Warrants under the Offers must only be made by those persons personally invited to accept the Offers and submitted using the Application Form provided by the Company to invited investors.

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 received personally the Application Form together with a complete and unaltered copy of the Prospectus.

Payment for Shares must be made in full at the issue price of \$0.65 per Share. No amount is payable in respect of the application for Warrants. 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.

The Directors reserve the right to issue Shares or Warrants pursuant to the Offers at their absolute discretion. Accordingly, potential investors should not submit an Application Form unless directed to do so by the Directors.

The Company reserves the right to close the Offers early.

2.8 Not underwritten

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

2.9 ASX listing

Application for Official Quotation by ASX of the Shares 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 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 and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

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

The Warrants will not be listed or quoted on any stock exchange. However the Company will apply for Official Quotation by ASX of any Shares issued on exercise of the Warrants as outlined in this section 4.2(e).

2.10 Issue

The issue of Shares and Warrants offered by this Prospectus will take place as soon as practicable after the Closing Date, subject to the receipt and acceptance of applications. Pending the issue of the Shares, Warrants 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 all 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 Warrants. The Directors reserve the right to reject any application or to allocate any Applicant none or fewer Shares or Warrants than the number applied for. Where the number of Shares or Warrants 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.

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

2.11 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.

2.12 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.

Residents of countries outside Australia should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an application to take up Shares or Warrants on the basis of this Prospectus. The return of a duly completed Application

Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all approvals and consents have been obtained.

2.13 Use of funds raised under the Offers

After paying for the expenses of the Offers of approximately \$15,000, there will be no proceeds from the Offers. The additional expenses of the Offers will be met from the Company's existing cash reserves.

2.14 Enquiries

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

3. EFFECT OF THE OFFERS ON THE COMPANY

3.1 Effect on capital structure

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

	Number
Shares on issue at the date of this Prospectus ¹	65,002,852
New Shares to be issued pursuant to the Offers	100
Total Shares on issue on completion of the Offers²	65,002,952
Unquoted Warrants on issue at the date of this Prospectus expiring on 23 September 2024	14,146,023
New Warrants to be issued pursuant to the Offers ⁴	100
Total Warrants on issue on completion of the Offers	14,146,123

Notes:

1. This includes 1,604,603 Shares issued as at the date of this Cleansing Prospectus following receipt by the Company of exercise notices in relation to the same number of Warrants. The Company has subsequently received an additional exercise notice in relation to 6,604 Warrants however, as at the date of this Cleansing Prospectus Shares have not yet been issued in respect of these Warrants.

2. This assumes the Offer of Shares is fully subscribed. There is no guarantee the Offer of Shares will be fully subscribed or that any Shares will be issued pursuant to the Offers.

3. This does not include any Shares issued as a result of holders exercising any Warrants, Options or Rights that are currently on issue after the date of this Cleansing Prospectus.

4. This assumes the Offer of Warrants is fully subscribed. There is no guarantee the Offer of Warrants will be fully subscribed or that any Warrants will be issued pursuant to the Offers.

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
Performance Rights ¹	Employees - EIP	Unquoted – vesting on 1 July 2021	316,500
	Employees - EIP	Unquoted – vesting on 1 July 2022	203,500
	Employees - EIP	Unquoted – vesting on 1 July 2023	429,000
	Employees - EIP	Unquoted – vesting on 1 July 2024	3,574,000
	Total Performance Rights		4,523,000
Indeterminate Rights ¹	Managing Director - EIP	Unquoted – vesting on 1 July 2021	425,000
	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		875,000
Options	Managing Director - EIP	Unquoted - with an exercise price of \$0.30, expiring on 19 November 2023	5,000,000

Unquoted - with an exercise price of \$0.30, expiring on 19 November 2023 and subject to:	3,000,000
<ul style="list-style-type: none"> The volume weighted average price of the Company's Shares exceeding \$1 for a minimum of 8 consecutive weeks during the exercise period; and The Managing Director being employed by the Company at that time. 	
Total Options	8,000,000

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.

3.2 Potential effect on control

The Offers will not have a material effect on the control of the Company.

3.3 Financial effect of the Offers

The effect of the Offers on the Company's financial position will be minimal. The expenses of the Offers are in excess of the proceeds received and will be met by the Company's existing cash reserves, resulting in the Company's cash reserves decreasing by approximately \$15,000.

A pro forma statement of financial position showing the financial effect of the Offers on the Company's Balance Sheet has not been included in this Prospectus as the issue of up to 100 Shares and 100 Warrants pursuant to this Prospectus will not have a material impact on the Company's financial position.

A consolidated statement of the Company's financial position for the financial year ended 30 June 2020 is included in the Company's 2020 Annual Report which was lodged with ASX on 24 September 2020. The Annual Report is available to Shareholders free from charge on Company's website at [Annual Report](#).

4. RIGHTS AND LIABILITIES ATTACHING TO SHARES AND WARRANTS

The following is a summary of the more significant rights and liabilities attaching to the Shares and Warrants 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 Warrantholders. 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 [Constitution](#). The rights and liabilities attaching to the Warrants are set out in the Warrant Deed Poll. The Warrant Deed Poll sets out the Company's obligations in respect of the issue of the Warrants and the terms of the Warrants. Refer to section 4.2 below for a summary of the material terms of the Warrants.

4.1 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, 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.

4.2 Rights and liabilities attaching to Warrants

(a) Voting rights

Warrants do not carry any voting rights at a general meeting of the Company.

(b) Issue and exercise of Warrants

Each Warrantholder may exercise its Warrants after issue and prior to the expiry date of 23 September 2024 (**Expiry Time**).

On exercise each Warrant entitles the Warrantholder to subscribe for one Share at a nil exercise price.

Warrants are exercisable at any time provided that the Warrants being exercised equals at least 100,000 Warrants or such lesser number of Warrants if the notice of exercise relates to all of the Warrants held by that Warrantholder.

Warrants will not be listed or quoted on any stock exchange.

(c) Register

The Company must maintain a register of Warrantholders and their Warrant holding ('**Register**'). A Warrantholder's entitlement to a Warrant is determined by its entry in the Register.

The Company must, within 10 Business Days of entering a name of a Warrantholder in the Register, issue a statement confirming the number of the Warrants held by that Warrantholder. If a Warrantholder exercises or transfers part of its holding of Warrants, the Company must, within 5 Business Days, issue a new statement for the remaining Warrants.

(d) Transfer of Warrants

A Warrantholder may novate, assign, charge, encumber or grant security interests over any of its Warrants.

Warrants can only be transferred by an instrument of transfer which must be duly signed by or on behalf of the transferee and transferor. The transferor will remain the holder until the name of the transferee is entered in the Register.

The Company need not register a transfer by a Warrantholder (the **Transferor**) of Warrants which on exercise would represent greater than 10% of the issued Shares to any person (**Transferee**), nor recognise the Transferee as a Warrantholder, unless:

- (i) subject to the below, the Transferor has first consulted with the Company in good faith for at least 5 Business Days prior to the proposed transfer date (**Consultation Period**), to facilitate the proposed transfer to a Transferee acceptable to the Company and on terms to the reasonable satisfaction of the Warrantholder; or
- (ii) the Transferee is:
 - (A) acceding to the Syndicated Facility Agreement as a Financier;
 - (B) a new participant or sub-participant in the whole or a part of the commitment of the Transferor under the Syndicated Facility Agreement; or
 - (C) refinancing or substituting the whole or a part of the Transferor's commitment under the Syndicated Facility Agreement.

The Company acknowledges that its consent shall not be required for any proposed transfer by a Transferor, and that despite any failure to reach

agreement on the matters consulted under paragraph 4.2(d)(i), at any time after the expiration of the Consultation Period:

- (i) the Transferor shall be permitted to give effect to the transfer of Warrants to any Transferee and on any terms as may be agreed between the Transferor and the Transferee; and
- (ii) the Company must subject to the receipt of a duly signed instrument of transfer;
 - (A) execute and register such transfer and recognise the Transferee as a Warrantholder; and
 - (B) update the Register in respect of the Transferee.

(e) Warrants converted into Shares

The Company must issue Shares to a Warrantholder within 5 Business Days after a notice of exercise is given by that Warrantholder, subject to the paragraph below. Shares issued as a result of the exercise of the Warrants will be issued as fully paid ordinary shares in the Company and will rank equally in all respects to Shares already on issue.

The Company must give ASX written notice in accordance with section 708(5)(e) of the Corporations Act on the date of issue of the Shares, or if the Company is unable, issue and lodge a Cleansing Prospectus with ASIC in accordance with section 708A(11) of the Corporations and then issue the relevant Shares within 10 Business Days after a notice of exercise is given.

The Company must make an application to have the Shares listed for quotation on the ASX and any other security exchange which the Company's Shares are quoted prior to the delivery of the Shares.

The Company must ensure the Shares issued are not subject to any restrictions, limitations or requirements in excess of those restrictions, limitations or requirements that apply to Shares already on issue on the date the Shares are issued to a Warrantholder.

The Company must enter the name of the Warrantholder in the Company's register of members for the Shares which are issued to that Warrantholder.

The exercise of the Warrants will not affect the rights of a Warrantholder for the balance of Warrants it holds.

(f) Alteration of capital

If the Company proposes to make a bonus issue of Shares, a return of capital of the Company, a security purchase plan, a pro-rata issue or any other proposal to make an issue of Shares, the Company must notify in writing each Warrantholder of its intention to carry out the proposal at least 10 Business Days before either:

- (i) the record date for determining entitlements to such action; or
- (ii) prior to undertaking the proposal,

whichever is applicable to that proposal under the Warrant Deed Poll.

The Warrants do not entitle or otherwise confer any legal or equitable interests for Warrantholders to participate in a proposed issue without first exercising the Warrants in accordance with the Deed Poll and being issued with Shares before the record date for the proposed issue.

If the capital of the Company is reorganised, the rights of Warrantholders will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation. If prior to the Expiry Time and for so long as any Warrants remain on issue, there occurs:

- a consolidation or sub-division of capital of the Company, the number of unexercised Warrants must be consolidated or sub-divided (as the case may be) in the same ratio as the capital of the Company is consolidated or subdivided;
- a pro-rata cancellation of capital of the Company, the number of unexercised Warrants must be reduced in the same ratio as the capital of the Company is cancelled; or
- a reduction of capital of the Company by way of a cancellation of paid up capital that is lost or not represented by available assets where no securities are cancelled, the number of unexercised Warrants must remain unaltered,

in each case, with the intention that any such adjustment will not result in any benefits being conferred on the Warrantholders which are not conferred on holders of issued Shares (in the event of fractional entitlements, rounded up to the nearest whole number).

(g) Variation of rights

Subject to the requirements of the Corporations Act, the Listing Rules and the Constitution, all or any of the rights attached to the Warrants may be altered, abrogated or waived with the express written consent of the Warrantholders (who hold not less than two-thirds of the Warrants on issue).

5. RISKS

The Pioneer Board considers that it is appropriate for Shareholders and Warrantholders 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.

This Section 5 identifies some, but not all, of the major risks associated with an investment in Pioneer and general investment 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.

5.1 Risks associated with Pioneer's business

(a) 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.

(b) 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 24 September 2020, Pioneer announced the refinancing of its existing facility as follows:-

New senior debt package	<ul style="list-style-type: none"> • \$169m term facility • \$20m purchasing facility • 15,750,626 Warrants issued to incoming financiers, ensuring long term alignment with shareholders
Key senior debt terms	<ul style="list-style-type: none"> • Weighted average interest rate: BBSY + 11% p.a. • Commitment fee: 2.5% p.a. on purchasing facility's undrawn commitment • Exit fee: 2.0% p.a. on actual amounts drawn and outstanding • Top-up fee: to an IRR of 14.5%, excluding upfront fees and including value of warrants • Covenants: Interest Coverage, Net Debt / Adjusted EBITDA, Senior LVR and Group LVR (tested from 31 Dec 20) • Maturity: 30 Sep 22, extendable to 1 Jul 23 under agreed conditions

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

(c) Breach of finance facilities

Pioneer refinanced its senior debt during the COVID-19 pandemic and following the termination of a proposed Scheme of Arrangement. The leverage under the new senior finance facility is high when measured against typical ratios and the Company may incur a covenant breach as a result of this high leverage. However, when considered against Pioneer's growing payer's base, liquidations and cashflow generation, the Company expects that leverage will improve over time. There are a number of other obligations under the senior finance facility which the Company could potentially breach.

(d) 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 portfolio 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.

(e) 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.

(f) 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.

(g) 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 ICT 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.

(h) 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.

(i) 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.

(j) 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.

(k) 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 License ('**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 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.

(l) 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.

(m) 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.

(n) 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.

(o) 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.

(p) Dilution risk

The capital structure of the Company will be impacted by the number of Shares and Warrants issued pursuant to the Offers, as summarised in Section 3.1.

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 Warrants, Options and Rights under the Pioneer Equity Incentive Plan.

(q) 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.

(r) 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.

(s) 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.

(t) 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.

(u) 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.

(v) 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.

5.2 General risks

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

(a) Stock market volatility

The market price of the Shares 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 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, acts of terrorism, civil disturbance, political intervention and natural disasters. Pioneer has only a limited ability to insure against some of these risks.

6. ADDITIONAL INFORMATION

6.1 Litigation

An external supplier commenced proceedings against the Company in January 2019 in respect of unpaid invoices in relation to a software service agreement, claiming approximately \$220,000 plus interest. Pioneer counterclaimed for \$591,000 for misleading or deceptive conduct and breach of contract. The Company has received advice that it has reasonable prospects of successfully defending the claim and prosecuting its counter 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.

6.2 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.

6.3 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 in relation to the effect of the issue of securities on a company and the rights attaching to the securities. 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.

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, 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; and
 - (iii) 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 financial report on 24 September 2020 and before the lodgement of this Prospectus with ASIC are set out in the table below.

Date	Headline
8 December 2020	Appendix 2A - Exercise of Warrants
7 December 2020	Appendix 2A - Exercise of Warrants
7 December 2020	Completion of acquisition of shares by Plan Trust
1 December 2020	Change of Director's Interest Notice - KR John
27 November 2020	Appendix 2A - Exercise of Warrants

Date	Headline
23 November 2020	Issue of Warrants and Options
23 November 2020	Proposed issue of Securities - PNC
23 November 2020	Proposed issue of Securities - PNC
20 November 2020	Appendix 2A - Exercise of Warrants
20 November 2020	Cleansing Prospectus - extension of the Closing Date
19 November 2020	Results of 2020 AGM
19 November 2020	Company Update - AGM and Appendix 4C
17 November 2020	Appendix 2A - Exercise of Warrants
10 November 2020	Appendix 2A - Exercise of Warrants
2 November 2020	Investor Presentation to Shaw and Partners
2 November 2020	Appendix 2A - Exercise of Warrants
27 October 2020	Appendix 2A
27 October 2020	Proposed issue of Securities - PNC
27 October 2020	Cleansing Prospectus
26 October 2020	Company Update and Appendix 4C
23 October 2020	Change of Director's Interest Notice - KR John
23 October 2020	Indeterminate and Performance Rights
20 October 2020	Notice of Annual General Meeting
19 October 2020	Issue of Performance Rights
19 October 2020	Proposed Issue of Securities - PNC
13 October 2020	Response to ASX Price Query
2 October 2020	Ceasing to be a substantial holder
1 October 2020	Acquisition of Shares by Equity Incentive Plan Trust
1 October 2020	2020 Annual General Meeting
1 October 2020	Change of Director's Interest Notice - Andrea Hall
30 September 2020	Change of Director's Interest Notice - Michael Smith
25 September 2020	Proposed issue of Securities - PNC
25 September 2020	Appendix 3B
24 September 2020	Reinstatement to Official Quotation
24 September 2020	Appendix 4G and Corporate Governance Statement
24 September 2020	FY20 Investor Presentation
24 September 2020	FY20 results and completes refinance
24 September 2020	FY20 Annual Report

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available free of charge through the Company's website at [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 Warrants in the Company.

6.4 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	\$0.90	20 November 2020
Lowest	\$0.26	1 October 2020
Last	\$0.60	15 December 2020

The Company's securities were suspended from quotation for the period from 4 June 2020 until 24 September 2020.

6.5 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	5,384,124	8.3%

6.6 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.

6.7 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	Medium Term Notes	Options	Warrants
Keith John, Managing Director	5,384,124	875,000	500	8,000,000	83,337
Michael Smith, Non-executive Chairman	845,940	Nil	Nil	Nil	Nil
Ann Robinson, Non-executive Director	15,000	Nil	Nil	Nil	Nil
Andrea Hall, Non-executive Director	97,887	Nil	Nil	Nil	Nil

No Director or any of their associates intends to participate in the Offers.

6.8 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 2020 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 2020 Annual Report which was lodged with ASX on 24 September 2020. The Annual Report is available to Shareholders free from charge on Company's website at [Annual Report](#).

6.9 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.

6.10 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.

6.11 ASIC relief and declaration

The Company has been granted relief from ASIC to permit the on-sale of Shares following the exercise of Warrants without disclosure to investors under the Corporations Act. By a declaration under section 741(1)(b) of the Corporations Act dated 8 December 2020 ASIC Instrument 20-1136 ('**ASIC Declaration**'), ASIC declared that a sale offer of Shares by a Shareholder within 12 months of the Shares being issued does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body;
- (b) the relevant securities were issued by reason of the exercise of the Warrants where the exercise of the Warrants did not involve any further offer;
- (c) a prospectus was lodged with ASIC before the day on which the sale offer is made in respect of:
 - (i) an offer of Warrants issued by the body that are in the same class of securities as the Warrants referred to in paragraph (b); and
 - (ii) an offer of securities that are in the same class as the relevant securities.

The ASIC Declaration means the Company will be able to issue Shares in the future on the exercise of Warrants without the need to issue a cleansing notice or a cleansing prospectus under the Corporations Act.

6.12 Expenses of the Offers

The total expenses of the Offers are estimated to be approximately \$15,000 (excluding GST) and are expected to comprise legal and ASIC fees. The estimated expenses will be paid out of 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 \$10,000 exclusive of GST and disbursements.

6.13 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 Warrants may only be made on the personalised Application Form which will be provided to invitees and 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.

6.14 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.

6.15 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 Warrants, the Company may not be able to accept or process their application.

7. 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.

A handwritten signature in black ink, appearing to be "Keith John".

Keith John
Managing Director

For and on behalf of

PIONEER CREDIT LIMITED

8. GLOSSARY

\$ means an Australian dollar.

Applicant means an investor that applies for Shares or Warrants 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 Warrants.

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 CHESS.

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 2.2 (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.

FFAs means forward flow agreements.

Group means Pioneer and each of its subsidiaries.

Offers means the offer of Shares and Warrants referred to in Section 3.

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 2.2.

Option means an option to acquire a Share.

Prospectus means this prospectus.

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.

Warrantholder means a holder of Warrants.

Warrant Deed Poll means the warrant deed poll dated on or about 15 September 2020.