



For personal use only

# Appendix 4D and Half-Year Report

For the half-year ended 31 December 2024



# Contents

<b>Appendix 4D – Results for announcement to the market .....</b>	<b>3</b>
<i>Corporate Directory .....</i>	<i>4</i>
<i>About Pioneer .....</i>	<i>5</i>
<b>Directors' Report .....</b>	<b>6</b>
<i>Directors .....</i>	<i>6</i>
<i>Principal activities .....</i>	<i>6</i>
<i>Corporate governance .....</i>	<i>8</i>
<b>Auditor's Independence Declaration .....</b>	<b>10</b>
<b>Financial Statements .....</b>	<b>11</b>
<i>Consolidated statement of financial position .....</i>	<i>12</i>
<i>Consolidated statement of profit or loss and other comprehensive income .....</i>	<i>12</i>
<i>Consolidated statement of changes in equity.....</i>	<i>14</i>
<i>Consolidated statement of cash flows.....</i>	<i>15</i>
<i>Notes to the consolidated financial statements.....</i>	<i>15</i>
<i>Directors' Declaration .....</i>	<i>25</i>
<i>Independent Auditor's Review Report to Members .....</i>	<i>26</i>

## General information

The financial statements cover Pioneer Credit Limited as a consolidated entity consisting of Pioneer Credit Limited and the entities it controlled at the end of, or during the half-year. The financial statements are presented in Australian dollars, which is Pioneer Credit Limited's functional and presentation currency.

Pioneer Credit Limited is a listed public company limited by shares, incorporated, and domiciled in Australia. Its registered office and principal place of business is:

Level 6  
108 St Georges Terrace  
Perth WA 6000

This interim financial report does not include all the notes of the type normally included in an annual financial report.

Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2024 and any public announcements made by Pioneer Credit Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Pioneer Credit Limited shares are listed on the Australian Securities Exchange (ASX:PNC).

## Appendix 4D – Results for announcement to the market

Pioneer Credit Limited ABN 44 103 003 505

For the half-year ended 31 December 2024.

The previous corresponding period is the half-year ended 31 December 2023. The Pioneer Credit Limited Group comprises Pioneer Credit Limited (ABN 44 103 003 505) and its controlled subsidiaries.

Key results (\$'000)	1HY25 compared with 1HY24			
Revenue from ordinary activities <sup>1</sup>	up	2.9%	to	47,699
Profit from ordinary activities after tax attributable to members	up	1,655	to	1,687
Net profit for the period attributable to members	up	1,655	to	1,687

<sup>1</sup> Revenue from ordinary activities excludes interest income on bank deposits and loans to management.

Full commentary on the figures presented above, the results for the period, and other significant information is contained in the half year presentation, media release and financial statements that accompany this Appendix 4D.

### Dividends per ordinary share / distributions

There is no provision for an interim dividend in respect of the half-year ended 31 December 2024.

### Key ratios

	31 December 2024	31 December 2023
Net tangible assets per fully paid ordinary share	21.13	38.43

### Audit qualification or review

The financial statements were subject to a review by Pioneer’s auditors and the review report is attached as part of the interim report.

### Signed



Keith John  
Managing Director  
Perth  
27 February 2025

Corporate Directory

Directors	Mr Stephen Targett (Chairman) Mr Keith John (Managing Director) Ms Pauline Gately Mr Andrew Whitechurch (commenced 2 September 2024) Ms Suzan Pervan (resigned effective 3 October 2024) Mr Peter Hall (resigned effective 30 August 2024)
Company Secretary	Ms Susan Symmons
Principal Registered Office	Level 6 108 St Georges Terrace Perth WA 6000
Share Registrar	MUFG Corporate Markets (AU) Level 12 250 St Georges Terrace Perth WA 6000
Auditor	RSM Australia Partners Exchange Tower Level 32/2 The Esplanade Perth WA 6000
Solicitors	K&L Gates Level 32 44 St Georges Terrace Perth WA 6000
Bankers	Nomura Australia Level 41 1 Farrer Place Sydney NSW 2000
Stock Exchange Listings	Pioneer Credit Limited shares are listed on the Australian Securities Exchange (ASX:PNC).
Website	<a href="http://www.pioneercredit.com.au">www.pioneercredit.com.au</a>

## About Pioneer

Pioneer Credit Limited ('Pioneer') is an ASX listed (ASX: PNC) provider of quality, flexible, financial services support which assists everyday Australians to overcome financial challenges and resolve their outstanding debts. Trusted by its long-term partners, the Company is committed to acting with integrity and supporting customers respectfully as they work towards financial independence.

With more than 246,000 customers throughout Australia our focus is on providing exceptional levels of service, and a broad range of solutions, to help customers achieve their financial goals.

Pioneer specialises in acquiring and servicing retail debt portfolios which consist of individuals with outstanding financial obligations. Our Team works with our customers over time to assist them meet their obligations and progress toward financial recovery.

We work with Australia's major banks and financial institutions, building success through our long-lasting relationships. While the Company has experienced significant growth, it remains agile and responsive in adapting to meet our clients' evolving business requirements.

Our key focus is on providing commercial solutions to our financial sector partners. We recognise that our approach to servicing acquired portfolios directly reflects on both Pioneer and our partners, and we are committed to upholding their reputation.

### A focus on customer service

We continually invest in the ongoing training and development of our staff to ensure the Company provides a consistent customer service-oriented approach to customer engagement. We also monitor all customer contact to ensure we deliver an industry-leading service to our partners.

### Strong corporate culture

Pioneer has a strong corporate culture built around three Pioneer Principles. These are a well-defined set of values that our people work and live by which are embedded throughout the organisation and underpin every interaction we have with our customers and stakeholders.

## Directors' Report

The Board of Directors present their report on the Consolidated Entity ('the Group' or 'the Company') consisting of Pioneer Credit Limited ('Pioneer') and the entities it controlled at or during the half-year ended 31 December 2024.

### Directors

The following people were Directors of Pioneer Credit Limited during the half-year and at the date of this report, unless otherwise stated:

- Mr Stephen Targett (Chairman)
- Mr Keith John (Managing Director)
- Ms Pauline Gately
- Mr Andrew Whitechurch (commenced 2 September 2024)
- Ms Suzan Pervan (resigned effective 3 October 2024)
- Mr Peter Hall (resigned effective 30 August 2024)

### Principal activities

Pioneer acquires portfolios of customers experiencing financial difficulty from quality vendors, such as big Australian banks. By building a genuine relationship with each customer, we support them to pay their debt using an empathetic, ethical, human approach.

Customers are acquired in tranches called Purchased Debt Portfolios ('PDPs'), and our business model relies on generating returns through our differentiated customer service approach and by carefully managing our cost to service ('CTS'). We are disciplined in our investment, relying on our extensive industry expertise, vendor relationships and considerable data analytics capability to acquire portfolios we can service appropriately.

Returns generated from servicing PDP's are invested back into Pioneer, to strengthen the Company's position as a preferred option for employees, vendor partners and investors.

Our strategic objectives are clearly defined, ensuring a consistent understanding of business performance:

- Our ability to generate positive and sustainable customer outcomes is measured through cash collections and the growth of our Performing Arrangement ('PA') portfolio;
- The efficiency of our business is measured through CTS;
- Purchasing discipline and capability is measured through Return on Investment ('ROI');
- Employee satisfaction is measured by employee Net Promoter Score ('eNPS').

### Significant changes in the state of affairs

During 1HY25, the Company closed the refinancing of its senior debt facilities of \$272.5m with a tenor to December 2028 and a materially lower margin. These facilities include growth capacity of \$50m to fund portfolio investment beyond the free cash generating ability of the Company.

As part of the broader refinancing of the Group, the Company's Medium Term Notes ('MTNs') of \$55.5m were restructured and the tenor extended to June 2029.

The Group has the ability to reduce the margin of its senior debt facilities in the future, and the potential to redeem and repay its MTNs at short notice.

The refinancing significantly reduces the cost of funds for the Company, enabling it to restart its growth journey at an accelerated pace, ultimately driving further profits and creating shareholder value.

### 1HY25 Performance review

Pioneer strengthened its operational position in FY24, setting the foundation for what is expected to be a sustained period of profitability.

Across operations, significant progress has been made on its Core System Replacement programme which will modernise and re-platform our operational systems. This re-platforming will drive substantial efficiencies throughout the business. We expect these efficiencies to increase over time. Additionally, this upgrade will enable us to leverage the benefits of artificial intelligence more effectively.

Consistent with recent periods, the demand from vendors to partner with Pioneer has exceeded our capacity to absorb the volume of customer accounts available for acquisition, while maintaining our differentiated offering. This supply dynamic has continued to improve in Pioneer's favour during 1HY25 as other participants in the market have pulled back from investing in PDPs with the restriction of credit to some, and a significant competitor entering Administration. Pioneer continues to be in the enviable position of being able to be selective in choosing where to invest its capital, enabling excellent returns on our PDP investments, which we expect to make a larger contribution to earnings in the years ahead.

Our strong focus on governance, operational risk and compliance is also a critical driver of our ongoing ability to grow PDP investment. This focus underpins a servicing strategy that is highly regarded by leading financial institutions. As the financial services sector continues to increase its focus on positive customer outcomes, Pioneer upgraded its PDP investment during the period from \$80m to \$90m. There is a significant opportunity for Pioneer to further increase this investment beyond the guidance provided to date, and the Board continues to assess opportunities so that we can deploy capital in the most productive manner.

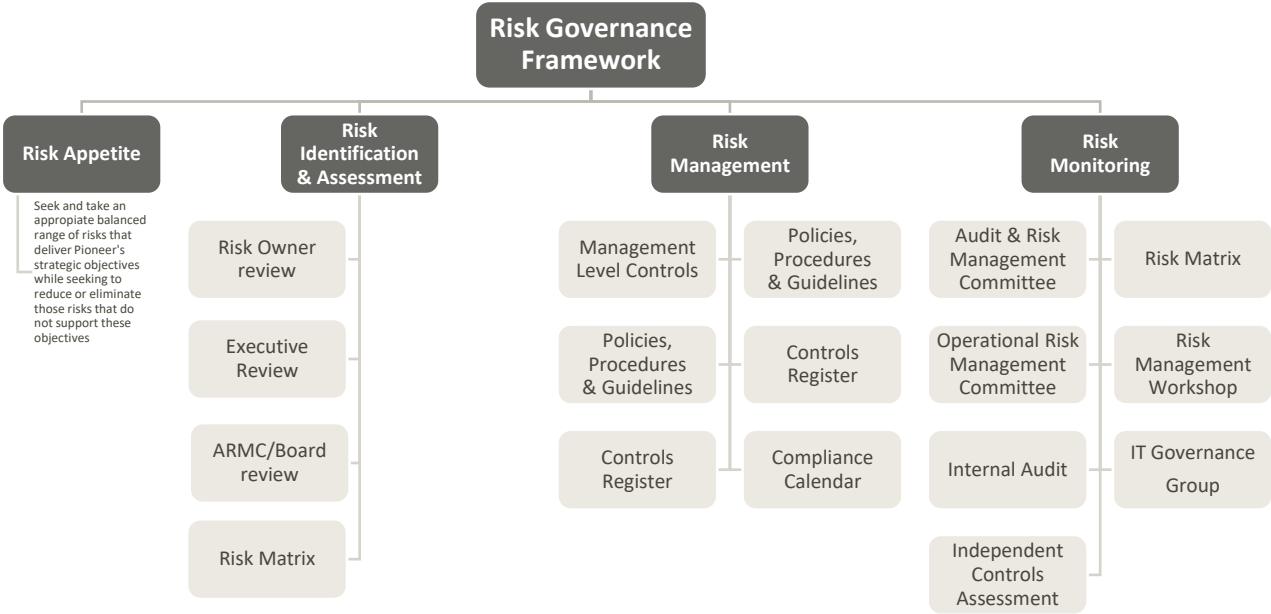


Risk

The risk appetite of Pioneer is to seek and take an appropriate and balanced range of risks that deliver Pioneer’s strategic objectives while seeking to reduce or eliminate those risks that do not support these objectives, where it is cost effective to do so.

In managing Pioneer’s risk exposure and in promoting a consistent manner in which activities and processes are being undertaken across the Company, the following are in place to facilitate this alignment:

- Policies, Procedures & Guidelines
- Management Level Controls
- Controls Register
- Compliance Obligations Register
- Compliance Calendar
- Risk Monitoring
- Internal Audit



Corporate governance

Pioneer is a good corporate citizen, committed to sound corporate governance practices that see each of our customers, employees, vendors, shareholders, and other stakeholders treated with empathy, respect, and transparency. We take these responsibilities, and our accountability, seriously. Pioneer continues to adopt all ASX Corporate Governance Council Guidelines and Recommendations.

Our corporate governance framework is established to ensure effective engagement with all our stakeholders. This framework is underpinned by our Pioneer Principles, which are a set of values that we work and live by. The Pioneer Principles are embedded throughout the Company and underpin every interaction we have with our customers and stakeholders. They assist us in producing an inclusive and empowering culture.

## Regulation and compliance

Pioneer operates in a highly regulated environment.

Our regulatory landscape includes Australian Securities Exchange ('ASX'), Australian Securities and Investments Commission ('ASIC'), Australian Competition and Consumer Commission and Australian Financial Complaints Authority, among a broad range of other regulators.

We are of course, not without fault, and our policy and response to mistakes remain very certain. That is, where we are at fault or error, we will call that out without question, and we will honestly and expeditiously remedy that fault to return our customer, or any other impacted party, to at least the position they were in prior. We care deeply for people, and we work hard to demonstrate that daily.

## Environmental regulation

The Company is not affected by any significant environmental regulations.

## Rounding of amounts

The Company is of a kind referred to in *ASIC Corporations Instrument 2016/191*, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

## Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after the Directors' Report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Keith John  
Managing Director

Perth

27 February 2025

# Auditor’s Independence Declaration



RSM Australia Partners  
Level 32 Exchange Tower, 2 The Esplanade Perth WA 6000  
GPO Box R1253 Perth WA 6844  
T +61 (0) 8 9261 9100  
www.rsm.com.au

## AUDITOR’S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Pioneer Credit Limited and its controlled entities for the half-year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

MATTHEW BEEVERS  
Partner

RSM AUSTRALIA

Perth  
Date: 27 February 2025

## THE POWER OF BEING UNDERSTOOD ASSURANCE | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.  
RSM Australia Partners ABN 36 965 185 036  
Liability limited by a scheme approved under Professional Standards Legislation



Financial Statements

Contents	
Consolidated statement of financial position	12
Consolidated statement of profit or loss and other comprehensive income	13
Consolidated statement of changes in equity	14
Consolidated statement of cash flows	15
Notes to the consolidated financial statements	16

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2024 and any public announcements made by Pioneer Credit Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Pioneer Credit Limited is a Company limited by shares, incorporated, and domiciled in Australia. Its registered office is:  
Level 6, 108 St Georges Terrace, Perth, WA 6000

Pioneer Credit Limited shares are listed on the Australian Securities Exchange (ASX)

## Consolidated statement of financial position

The consolidated statement of financial position should be read in conjunction with the accompanying notes.

		31 Dec 2024	30 Jun 2024
	Note	\$'000	\$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	9	645	4,149
Trade and other receivables		6,114	4,331
Other current assets		992	1,496
Current tax asset		5	3
Purchased debt portfolio	10	109,769	114,058
<b>Total current assets</b>		<b>117,525</b>	<b>124,037</b>
<b>Non-current assets</b>			
Property, plant and equipment		460	524
Intangible assets		778	786
Right of use assets	11	5,785	6,420
Other non-current assets		6,039	5,924
Deferred tax assets		21,167	21,367
Purchased debt portfolio	10	218,942	208,878
<b>Total non-current assets</b>		<b>253,171</b>	<b>243,899</b>
<b>Total assets</b>		<b>370,696</b>	<b>367,936</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables and liabilities	12	14,487	25,656
Provisions		2,172	2,234
Lease liabilities	11	1,351	1,277
Borrowings	13	15,506	254,270
<b>Total current liabilities</b>		<b>33,516</b>	<b>283,437</b>
<b>Non-current liabilities</b>			
Provisions		969	1,047
Lease liabilities	11	6,251	6,911
Borrowings	13	274,210	32,347
<b>Total non-current liabilities</b>		<b>281,430</b>	<b>40,305</b>
<b>Total liabilities</b>		<b>314,946</b>	<b>323,742</b>
<b>Net assets</b>		<b>55,750</b>	<b>44,194</b>
<b>EQUITY</b>			
Contributed equity	14	130,950	117,664
Reserves		814	7,178
Accumulated losses		(76,014)	(80,648)
<b>Capital and reserves attributable to owners of Pioneer Credit Ltd</b>		<b>55,750</b>	<b>44,194</b>
<b>Total equity</b>		<b>55,750</b>	<b>44,194</b>

## Consolidated statement of profit or loss and other comprehensive income

The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Half-year ended		31 Dec 2024	31 Dec 2023
Continuing operations	Note	\$'000	\$'000
Interest income at amortised cost		43,872	41,209
Net impairment gain on PDPs		3,820	242
Other income	4	219	5,074
		<b>47,911</b>	<b>46,525</b>
Employee expenses	5	(17,284)	(18,227)
Finance expenses	6	(20,202)	(19,657)
Direct liquidation expenses		(1,386)	(1,998)
Information technology and communications		(2,411)	(1,964)
Depreciation and amortisation	7	(755)	(988)
Consultancy and professional fees		(2,230)	(1,919)
Other expenses	8	(1,756)	(1,735)
Profit before income tax		1,887	37
Income tax expense		(200)	(5)
<b>Profit after income tax expense for the half-year</b>		<b>1,687</b>	<b>32</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation (loss)/gain		(9)	12
Other comprehensive income for the half-year, net of tax		(9)	12
<b>Total comprehensive profit for the half-year</b>		<b>1,678</b>	<b>44</b>
<b>Total comprehensive income for the half-year attributable to:</b>			
<b>Owners of Pioneer Credit Limited</b>		<b>1,678</b>	<b>44</b>
Earnings per share			
Basic (cents per share)		1.19	0.03
Diluted (cents per share)		0.92	0.02

## Consolidated statement of changes in equity

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

		Contributed Equity	Share Based Payment Reserve	Other Reserves	Retained Earnings	Total Equity
	Note	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2023</b>		<b>103,755</b>	<b>7,494</b>	<b>2,571</b>	<b>(71,888)</b>	<b>41,932</b>
Profit after income tax for the half-year		-	-	-	32	32
Other comprehensive income for the half-year net of tax		-	-	12	-	12
Transactions with owners in their capacity as owners:						
Exercise of options		1,500	-	-	-	1,500
Share based payments		-	425	-	-	425
Share plan shares vested		2,635	(2,635)	-	-	-
		<b>4,135</b>	<b>(2,210)</b>	<b>-</b>	<b>-</b>	<b>1,925</b>
<b>Balance at 31 December 2023</b>		<b>107,890</b>	<b>5,284</b>	<b>2,583</b>	<b>(71,856)</b>	<b>43,901</b>
<b>Balance at 1 July 2024</b>		<b>117,664</b>	<b>4,830</b>	<b>2,348</b>	<b>(80,648)</b>	<b>44,194</b>
Profit after income tax for the year		-	-	-	1,687	1,687
Other comprehensive income for the half-year net of tax		-	-	(9)	-	(9)
Transactions with owners in their capacity as owners:						
Issue of shares		9,389	-	-	-	9,389
Share based payments		-	703	-	-	703
Share plan shares vested		1,507	(1,507)	-	-	-
Share plan shares lapsed		-	(30)	-	-	(30)
Treasury shares acquired		(184)	-	-	-	(184)
Warrants converted		2,574	-	(2,574)	-	-
Warrants expired		-	-	(102)	102	-
Transfer from reserve		-	(2,845)	-	2,845	-
		<b>13,286</b>	<b>(3,679)</b>	<b>(2,676)</b>	<b>2,947</b>	<b>9,878</b>
<b>Balance at 31 December 2024</b>		<b>130,950</b>	<b>1,151</b>	<b>(337)</b>	<b>(76,014)</b>	<b>55,750</b>

## Consolidated statement of cash flows

The consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Half-year ended		31 Dec 2024	31 Dec 2023
	Note	\$'000	\$'000
<b>Cash flows from operating activities</b>			
Receipts from liquidations of PDPs and services (inclusive of GST)		69,686	71,728
Payments to suppliers and employees (inclusive of GST)		(30,699)	(28,701)
Interest received		112	147
Interest paid		(15,236)	(17,560)
Income taxes paid		(1)	(3)
<b>Cash flows from operating activities before changes in operating assets</b>		<b>23,862</b>	<b>25,611</b>
Acquisitions of PDPs		(33,682)	(42,151)
<b>Net cash outflow used in operating activities</b>		<b>(9,820)</b>	<b>(16,540)</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(22)	(41)
Payments for intangible assets		(19)	(415)
<b>Net cash outflow used in investing activities</b>		<b>(41)</b>	<b>(456)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		247,965	22,263
Repayment of borrowings		(242,838)	(3,612)
Payments for financing transaction costs		(7,108)	-
Proceeds from issue of ordinary shares net of issue costs		9,389	-
Lease payments		(867)	(841)
Payments for Treasury shares		(184)	-
<b>Net cash flow from financing activities</b>		<b>6,357</b>	<b>17,810</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(3,504)</b>	<b>814</b>
Cash and cash equivalents at the beginning of the financial year		4,149	8,410
<b>Cash and cash equivalents at the end of the financial year</b>	9	<b>645</b>	<b>9,224</b>



## Notes to the consolidated financial statements

1.	Reporting entity.....	17
2.	Basis of preparation .....	17
3.	Going concern .....	17
4.	Other income .....	18
5.	Employee expenses .....	18
6.	Finance expenses .....	18
7.	Depreciation and amortisation .....	19
8.	Other expenses .....	19
9.	Cash and cash equivalents .....	19
10.	Purchased debt portfolios .....	19
11.	Right-of-use assets and lease liabilities .....	20
12.	Trade and other payables and liabilities.....	20
13.	Borrowings .....	21
14.	Issued capital.....	23
15.	Share based payment reserve.....	23
16.	Events occurring after the reporting period.....	23
17.	Contingent assets and liabilities .....	23
18.	Related party transactions .....	23
19.	Group structure - Significant investments in subsidiaries .....	24

## 1. Reporting entity

The Consolidated Financial Statements for the half-year ended 31 December 2024 comprise Pioneer Credit Limited (the 'Company'), which is a 'for-profit entity', and a Company domiciled in Australia and its subsidiaries (collectively, referred to as the 'Group') and the Group's interest in associates and jointly controlled entities. The Group's principal activities over the financial year were acquiring and servicing Purchased Debt Portfolio's ('PDPs'). The Company's principal place of business is Level 6, 108 St Georges Terrace, Perth, Western Australia.

## 2. Basis of preparation

### a) Material accounting policy information

These general-purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 'Interim Financial Reporting'.

These general-purpose financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, these financial statements are to be read in conjunction with the Annual Report for the year ended 30 June 2024 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

### b) New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

## 3. Going concern

The financial statements have been prepared on a going concern basis which assumes the realisation of assets and the settlement of liabilities in the ordinary course of business.

For the six-month period to 31 December 2024, the Group reported a net profit of \$1.69m (31 December 2023: \$0.03m), has net current assets of \$84.0m (30 June 2024: net current liabilities \$159m due to refinance). The Group incurred net cash outflows from operating activities of \$9.8m (31 December 2023: \$16.5m) and has \$46m of unused credit facilities (30 June 2024: \$nil).

The Directors believe that it is appropriate to continue to adopt the going concern basis of preparation as per the detailed cash flow forecast prepared by Management. The cash flow forecast indicates that the Group expects to have sufficient working capital and other funds available to continue for at least the next twelve-month period ending 28 February 2026, including satisfying financial covenants and other compliance obligations relating to its Syndicated Debt Facility ('Facility') and Medium-Term Notes ('MTNs'), and other

borrowing facilities. Key assumptions used to derive the detailed cash flow forecast remain unchanged from 30 June 2024.

The Facility and MTNs contain covenants which are closely linked to the carrying value of the PDPs and are highly sensitive to the level and timing of PDP acquisitions, cash collections, and sales. Should a breach of a finance covenant or undertaking appear likely to occur, the Group has options available to ensure compliance, beyond increasing cash collections of PDPs. These include but are not limited to; Seeking a waiver of any likely breach from the financiers; Raising funds through an equity raise; and Sales of non-core assets or part of its PDP portfolio. In the event that a breach of a covenant is not waived by the financiers or prevented through one or a combination of the above options, an event of default would occur, and the financiers could declare all or part of the Group's facilities to be due and payable on demand.

Whilst Directors recognise that the key assumptions underpinning the cash flow forecast are subject to future events, some of which are beyond the direct control of the Group, Directors have assessed the cash flow forecast and believe that it is appropriate that the Group continues to prepare its financial report on the going concern basis.

#### 4. Other income

Half-year ended	31 Dec 2024	31 Dec 2023
	\$'000	\$'000
Fees for services	6	386
Interest Income	212	150
Other <sup>1</sup>	1	4,538
	<b>219</b>	<b>5,074</b>

1 Other in 2023 was predominantly one-off compensation payments made by Pioneers' vendors.

#### 5. Employee expenses

Half-year ended	31 Dec 2024	31 Dec 2023
	\$'000	\$'000
Wages and salaries	13,483	14,473
Superannuation	1,367	1,419
Share based payment expense (note 15)	673	425
Other employee expenses	1,761	1,910
	<b>17,284</b>	<b>18,227</b>

#### 6. Finance expenses

Half-year ended	31 Dec 2024	31 Dec 2023
	\$'000	\$'000
Bank fees and borrowing expenses	1,758	536
Interest and charges paid/payable for financial liabilities	18,167	18,804
Lease liability	277	317
	<b>20,202</b>	<b>19,657</b>

## 7. Depreciation and amortisation

Half-year ended	31 Dec 2024	31 Dec 2023
	\$'000	\$'000
Depreciation	86	155
Amortisation	27	215
Right-of-use asset amortisation	642	618
	<b>755</b>	<b>988</b>

## 8. Other expenses

Half-year ended	31 Dec 2024	31 Dec 2023
	\$'000	\$'000
Occupancy costs	517	467
Administration expenses	922	982
Travel and entertainment	286	289
Expected credit loss provision	31	(3)
	<b>1,756</b>	<b>1,735</b>

## 9. Cash and cash equivalents

	31 Dec 2024	30 Jun 2024
	\$'000	\$'000
Cash at bank	645	4,149
	<b>645</b>	<b>4,149</b>

## 10. Purchased debt portfolios

	31 Dec 2024	30 Jun 2024
	\$'000	\$'000
Current	109,769	114,058
Non-current	218,942	208,878
	<b>328,711</b>	<b>322,936</b>

PDPs are recognised at fair value at the date of purchase and are subsequently measured at amortised cost by applying the Credit Adjusted Expected Interest Rate ('EIR') with the lifetime expected credit losses incorporated into the calculation at inception. This EIR is the rate that exactly discounts the estimated future cash receipts of the PDP to the fair value at initial recognition (i.e., the price paid to acquire the portfolio). All changes in lifetime expected credit losses after the assets' initial recognition are recognised as an impairment (gain or loss).

Interest on PDPs tranches is accrued using the EIR on each portfolio and recognised as interest income at amortised cost on the consolidated statement of profit or loss and other comprehensive income.

**Movement on PDPs at amortised cost is as follows:**

Half-year ended	31 Dec 2024	31 Dec 2023
	\$'000	\$'000
Balance at 1 July	322,936	304,283
Debt portfolios acquired	29,640	61,296
Cash collections of PDPs	(71,557)	(66,379)
Interest income accrued	43,872	41,209
Net impairment gain	3,820	242
<b>Balance at 31 December</b>	<b>328,711</b>	<b>340,651</b>

The uncertain macroeconomic environment and its potential impact on the operational performance of the Company has the potential to affect forecast future cash flows and possibly impair the carrying value of the PDP portfolio.

In determining suitable timeframes for modelling these potential impacts, forward-looking economic assumptions are considered. These include forecasts of the unemployment rate, CPI, annual wage growth and the RBA cash rate.

If total forecast cash flow projections utilised in determining the value of the portfolio were to change by  $\pm 5\%$ , the carrying value of PDPs at 31 December 2024 of \$328.7m would change by \$14.9m in a downside scenario and \$15.1m in an upside scenario. An increase or decrease in the carrying value of PDPs, is recognised in the statement of profit or loss at that point in time as an impairment gain or loss.

**11. Right-of-use assets and lease liabilities**

**a) Right-of-use assets**

	\$'000
Balance at 1 July 2024	6,420
Revaluation of lease asset on modification	7
Amortisation	(642)
<b>Balance at 31 December 2024</b>	<b>5,785</b>

**b) Lease liabilities**

	31 Dec 2024	30 Jun 2024
	\$'000	\$'000
Current	1,351	1,277
Non-current	6,251	6,911
	<b>7,602</b>	<b>8,188</b>

c) Maturity analysis – undiscounted lease commitments

	\$'000
Within one year	1,833
One to five years	6,990
	<b>8,823</b>

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to exercise, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

12. Trade and other payables and liabilities

	31 Dec 2024	30 Jun 2024
	\$'000	\$'000
Trade and other payables	4,328	3,761
PDPs payable	7,477	11,567
Other liabilities	2,682	10,328
	<b>14,487</b>	<b>25,656</b>

13. Borrowings

	31 Dec 2024			30 Jun 2024		
	Current	Non-current	Total	Current	Non-current	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Syndicate Facilities	-	221,151	221,151	-	-	-
Senior Debt Facilities	-	-	-	213,453	-	213,453
Medium Term Notes	-	53,059	53,059	21,467	31,592	53,059
Fund 1 Facility	11,028	-	11,028	17,493	755	18,248
Interest payable	4,390	-	4,390	1,460	-	1,460
Other loans	88	-	88	397	-	397
	<b>15,506</b>	<b>274,210</b>	<b>289,716</b>	<b>254,270</b>	<b>32,347</b>	<b>286,617</b>

Changes in borrowings arising from the financial activities of the Group:

	\$'000
At 1 July 2024	286,617
Net cash flow	2,010
Non-cash flow	1,089
<b>At 31 December 2024</b>	<b>289,716</b>

### Assets pledged as security – Syndicate Facilities

Security has been pledged over all the assets and undertakings of each of Pioneer Credit Ltd, Pioneer Credit Solutions Pty Ltd, Sphere Legal Pty Ltd, Pioneer Credit (Philippines) Pty Ltd, Pioneer Credit Connect Pty Ltd, Pioneer Credit Broking Services Pty Ltd, Credit Place Pty Ltd and Switchmyloan Pty Ltd, with each providing unlimited cross guarantees and indemnities. The property provided as security to the Syndicated facility providers amounts to \$302,965,989 as at 31 December 2024.

### Assets pledged as security – Fund 1 Facility

Security has been pledged over all the assets and undertakings of each of Pioneer Credit (Fund 1) Pty Ltd. The property provided as security to Nomura Security amounts to \$25,745,011 as at 31 December 2024.

### Assets pledged as security – MTNs

No assets have been pledged as security for the MTN facility.

### Available borrowing facilities

Unrestricted access was available at the reporting date of the following borrowing facilities:

	31 Dec 2024			30 Jun 2024		
	Used	Unused	Total	Used	Unused	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Syndicate Facilities	226,500	46,000	272,500	-	-	-
Senior Debt Facilities	-	-	-	213,551	-	213,551
Medium Term Notes	55,500	-	55,500	55,500	-	55,500
Fund 1 Facility	11,683	-	11,683	19,195	-	19,195
Other loans	88	-	88	397	-	397
	<b>293,771</b>	<b>46,000</b>	<b>339,771</b>	<b>288,643</b>	<b>-</b>	<b>288,643</b>

### New financing arrangements – Medium-Term Notes and Syndicate Facilities

On 3 July 2024, the Group concluded the Exchange Offer of the \$55.5m MTNs on issue, with a revised maturity date of 29 December 2029 and a margin of 10.5%. \$21.467m of the Noteholders did not accept the terms of the Exchange Offer and were redeemed in the period.

On 26 July 2024, the Group completed Financial Close of a new four-year \$272.5m Syndicate Facilities, replacing the \$213.4m (excl. interest) Senior Debt Facilities in place at 30 June 2024. The Syndicate Facilities comprise of two cash advance facilities of \$222.5m and \$50m, both incurring interest at the Bank Bill Swap Rate (BBSW) plus 5.5%.

#### 14. Issued capital

	31 Dec 2024		30 Jun 2024	
	Shares	\$'000	Shares	\$'000
Ordinary shares – fully paid excl. treasury shares	160,018,323	130,950	134,272,097	117,664

	Shares	\$'000
At 1 July 2024	134,272,097	117,664
Vesting of shares	3,380,000	1,507
Warrants converted	5,416,881	2,574
Issue of shares	17,241,479	9,389
Treasury shares acquired	(292,134)	(184)
<b>At 31 December 2024</b>	<b>160,018,323</b>	<b>130,950</b>

#### 15. Share based payment reserve

The following table shows a breakdown of the Share Based Payments Reserve and the movements in this reserve during the reporting period. The share-based payments' reserve is used to recognise the grant date and? fair value of options and rights issued but not exercised, over the vesting period.

	31 Dec 2024	30 Jun 2024
	\$'000	\$'000
Opening Balance	4,830	7,494
Share based payments and executive share plan	703	1,549
Transfer from reserve <sup>1</sup>	(2,845)	-
Forfeiture of shares under plan	(30)	(1,279)
Options exercised	-	(2,325)
Performance rights issued	(1,507)	(609)
<b>Closing Balance</b>	<b>1,151</b>	<b>4,830</b>

<sup>1</sup> During 1HY25, \$2.8m was transferred from the share-based payment reserve to retained earnings in respect of differences between the share based payment expense incurred and the cost of shares acquired to satisfy employee plans; consistent with the Group's accounting policy.

#### 16. Events occurring after the reporting period

No matter or circumstance has occurred after the period-end that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the situation of the Group or economic entity in subsequent financial years.

#### 17. Contingent assets and liabilities

The Group had no contingent assets or liabilities as at 31 December 2024.

#### 18. Related party transactions

On 13 August 2024, Pioneer Credit Limited issued a loan of \$150,000 to Keith John. The loan was issued on an arm's length basis, subject to interest at 8.77%. The loan was fully repaid on 1 October 2024.



## 19. Group structure - Significant investments in subsidiaries

The consolidated financial statements incorporate the assets, liabilities, and results of the following subsidiaries:

Name of entity	Country of incorporation	Class of shares	Equity holding %	
			31 Dec 24	30 Jun 24
Pioneer Credit Solutions Pty Ltd	Australia	Ordinary	100	100
Sphere Legal Pty Ltd	Australia	Ordinary	100	100
Pioneer Credit (Philippines) Pty Ltd	Australia	Ordinary	100	100
Pioneer Credit Broking Services Pty Ltd	Australia	Ordinary	100	100
Switchmyloan Pty Ltd	Australia	Ordinary	100	100
Credit Place Pty Ltd	Australia	Ordinary	100	100
Pioneer Credit Solutions (NZ) Limited	New Zealand	Ordinary	100	100
Pioneer Credit Connect Pty Ltd	Australia	Ordinary	100	100
Pioneer Credit Limited Equity Incentive Plan Trust	Australia	N/A	100	100
Pioneer Credit Fund 1 Pty Ltd	Australia	Ordinary	100	100
Pioneer Credit (SPV) Pty Ltd	Australia	Ordinary	100	100
Pioneer Credit Connect (Fund 1) Pty Ltd <sup>1</sup>	Australia	Ordinary	N/A	100
Pioneer Credit Acquisition Services (UK) Limited <sup>1</sup>	United Kingdom	Ordinary	N/A	100
Pioneer Credit Connect (Personal Loans) Pty Ltd <sup>1</sup>	Australia	Ordinary	N/A	100

<sup>1</sup> Pioneer Credit Connect (Fund 1) Pty Limited, Pioneer Credit Acquisition Services (UK) Limited and Pioneer Credit Connect (Personal Loans) Pty Ltd were liquidated and deregistered during 1HY25.

## Directors' Declaration

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Keith John

Managing Director

Perth

27 February 2025

## Independent Auditor's Review Report to Members



RSM Australia Partners

Level 32 Exchange Tower, 2 The Esplanade Perth WA 6000  
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100

[www.rsm.com.au](http://www.rsm.com.au)

### INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Pioneer Credit Limited

#### Report on the Half-Year Financial Report

##### Conclusion

We have reviewed the accompanying half-year financial report of Pioneer Credit Limited, which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of material accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Pioneer Credit Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting and Corporations Regulations 2001*.

##### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Pioneer Credit Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

THE POWER OF BEING UNDERSTOOD  
ASSURANCE | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.  
RSM Australia Partners ABN 36 965 185 036  
Liability limited by a scheme approved under Professional Standards Legislation



#### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility for the Review of the Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



MATTHEW BEEVERS  
Partner



RSM AUSTRALIA

Perth, Western Australia  
Date: 27 February 2025



**Thank You.**

