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2026 Annual General Meeting – Chairman's Address

Pioneer Credit Limited's Annual General Meeting is being held today at 10 a.m. AWST.

The Chairman's Address follows.

Authorised by:

The Board of Directors

Investor and Media Enquiries

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

About Pioneer Credit

Pioneer Credit is an ASX (ASX: PNC) and FSE (FSE: OPI) listed 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.

Pioneer Credit has established a solid foundation to pursue further growth by leveraging its outstanding industry relationships, compliance record and customer-focused culture. For more details visit www.pioneercredit.com.au

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Chairman's Address to the 2026 Annual General Meeting

Good morning, and welcome to the 2026 Annual General Meeting of Pioneer Credit Limited.

I am honoured to represent the Board today as your Chair.

Before I turn to the year in review, I should explain one departure from our usual AGM format. Ordinarily, our Managing Director, Keith John, would make a separate presentation after the formal business of the meeting. Today, there will be no separate Managing Director's presentation because the Company is involved in several matters at an advanced stage, including one expected to settle tomorrow. Those matters may be significant, but they are not yet at a point where the Company can properly disclose further information. Rather than repeat information or risk creating an incomplete impression, I will therefore provide a more comprehensive address than usual, covering the Company's performance, strategy and outlook. Keith is present and will participate in shareholder questions with me and your Board. We will answer questions as fully as we can, while respecting the Company's continuous disclosure obligations.

We are holding today's meeting by webcast so that shareholders, proxy holders and visitors can participate wherever they are located. Shareholders and corporate representatives can ask questions and submit their votes during the meeting, and I encourage you to participate fully.

FY26 was a defining year for Pioneer.

It was a year in which the operational and strategic foundations established over several years translated into record profitability, record investment in purchased debt portfolios, lower funding costs and a stronger balance sheet. Just as importantly, these outcomes were delivered while Pioneer remained firmly committed to its purpose: to put an end to debt stress.

That purpose is not separate from our commercial strategy. It is central to it. In our industry, sustainable financial performance depends on earning and retaining the trust of customers, vendor partners, regulators, employees, funders and shareholders. Pioneer's customer-first servicing approach, strong compliance culture and disciplined investment process reinforce that trust and, over time, strengthen the economics of the business.

The Board believes FY26 demonstrates that customer care, sound governance and commercial success are not competing objectives. At Pioneer, they are mutually reinforcing.

Financial Performance

Pioneer delivered a substantial improvement in profitability during FY26, as we had committed to our shareholders that we would.

Revenue increased by 7% to approximately $100 million. Statutory net profit after tax increased to $23.1 million, more than three times the FY25 result. Basic earnings per share increased to 14.53 cents and net tangible assets per share increased to 38.95 cents.

These outcomes were not the product of a single event. They reflected the combined effect of disciplined portfolio investment, improved market conditions, careful cost management and a materially better funding profile.

Three features of the result are particularly important.

First, the market for purchased debt portfolios continued to recover. Major banks progressively returned to more established sale programs, the addressable market expanded and Pioneer's preferred position with vendors strengthened. That trend accelerated late in FY26 and has continued into FY27.

Second, management maintained operating discipline while continuing to invest in customer service, compliance, technology and future capability. Cost to Service was 34%, within the guided range of 33% to 35%. This demonstrates that Pioneer can grow its portfolio base without allowing operating costs to rise at the same rate.

Third, the Company materially improved its funding profile. The repricing of the interest credit margins paid on the syndicated facility and medium-term notes is expected to deliver annualised cash savings of approximately $4.5 million. Lower funding costs improve current earnings, but their strategic value is broader: they expand the range of portfolio opportunities that may meet Pioneer's return requirements and provide greater flexibility in the allocation of capital.

Taken together, these outcomes show that Pioneer's earnings improvement is supported by structural changes in the business, not merely by a favourable movement in one financial period. The repricing also reflects the confidence of sophisticated funders in Pioneer's credit performance. Those funders have access to detailed portfolio-level data and would not ordinarily agree to reduce pricing during the term of a facility without evidence that the business and its assets were performing well.

How Pioneer creates value

It is worth explaining more clearly how the Pioneer business creates value over time.

Pioneer acquires portfolios of customer accounts from banks and other financial institutions. Those portfolios are purchased only after detailed analysis of expected customer payments, product characteristics, historical performance, operational requirements, regulatory considerations and the return available for the capital invested. We also assess counterparty risk. Pioneer will not acquire portfolios where we are not satisfied that the vendor's credit standards, conduct and financial position are consistent with responsible long-term partnership, particularly in more difficult lending conditions.

The purchase of a portfolio is therefore not the end of an investment decision. It is the beginning of a long-term servicing task. Value is created through disciplined pricing at acquisition, respectful and effective customer engagement, durable payment arrangements, careful management of hardship and vulnerability, and efficient servicing over many years.

This long-duration model matters. Portfolios acquired in one year generally contribute cash collections and earnings over an extended period. The benefit of good investment compounds as newer portfolios are added to the existing book, provided that acquisition discipline and servicing standards are maintained.

During FY26, Pioneer invested approximately $105 million in purchased debt portfolios, a record for the Company and ahead of the guidance provided at the beginning of the year. A significant portion of that investment occurred late in the financial year and therefore made only a limited contribution to FY26 earnings. Those portfolios now form part of the earnings platform for FY27 and subsequent periods.

At 30 June 2026, the carrying value of Pioneer's portfolio book was approximately $400 million. The importance of that figure is not simply its size. It represents a diversified base of assets from which future customer payments are expected to be generated, supported by the Company's servicing capability and long operating history.

The Board's focus is not on purchasing for the sake of volume. Capital is deployed only where management and the Investment Committee are satisfied that expected returns, customer outcomes, operational capability and strategic alignment meet Pioneer's requirements. In a stronger supply environment, it is particularly important that the Company retains the discipline to decline opportunities that do not meet those standards.

That discipline is also reflected in executive remuneration. Pioneer does not reward its senior leaders merely for completing portfolio purchases or achieving a short-term result. Remuneration is weighted toward long-term outcomes, better aligning management decisions with the multi-year life of the assets and with the interests of shareholders.

A differentiated market position

Pioneer's standing with vendors is one of the Company's most important competitive advantages.

Pioneer is the only purchaser with agreements in place across all four major Australian banks. This position has been built over many years through reliable execution, strong governance, careful treatment of customers and respect for the reputations of vendor partners.

The Company also makes deliberate choices about where it will and will not participate. Pioneer does not acquire payday loan portfolios and does not compete with its vendor partners by originating new consumer credit. We see lenders as partners, not as a sales channel. Our interests are aligned: to achieve appropriate financial outcomes while providing a good customer experience, minimising complaints and protecting the vendor's brand. This removes an important potential conflict and gives vendors confidence that Pioneer is solely focused on appropriately servicing the customers entrusted to it.

These choices can constrain short-term opportunity, but they strengthen the business over the long term. In a market where regulation, data security, customer outcomes and reputational protection are increasingly important, scale alone is not enough. Vendors require a purchaser with capital, operational capability, mature governance and a servicing model that can withstand detailed scrutiny.

The cost and complexity of meeting those standards create meaningful barriers to entry. Pioneer has invested in those capabilities over many years. The result is a business that is difficult to replicate quickly and increasingly well placed as vendors become more selective about the organisations with which they partner.

We do not take this position for granted. Every portfolio acquired and every customer interaction carries responsibility. The strength of Pioneer's market position will continue to depend on consistent execution and on retaining the confidence of every stakeholder.

Customer outcomes are a business strength

During FY26, Pioneer supported approximately 287,000 Australians experiencing debt stress. Our Hardship and Care teams assisted customers experiencing vulnerability and financial difficulty, and the Company waived approximately $1.8 million of debt for customers in significant hardship.

Customer satisfaction continues to be an important measure. Pioneer achieved a Net Promoter Score of +22 on a rolling six-month basis. Given the current economic environment and cost-of-living pressures, this is a pleasing result. For a debt purchaser, a positive Net Promoter Score is significant. It reflects the quality and empathy of our approach, and our understanding of customers' individual circumstances. It also shows that customers can experience a respectful, practical and constructive pathway, even when their circumstances are difficult.

The commercial relevance is equally clear. Better customer engagement supports sustainable payment arrangements. Strong customer outcomes reduce complaints and conduct risk. Consistent servicing protects vendor brands. Those outcomes strengthen Pioneer's ability to retain existing vendor relationships and compete for new portfolio supply.

During the year, the Financial Counsellors' Association of Western Australia independently reviewed Pioneer's hardship and care framework. That external perspective is valuable. It helps the Company test its approach against the experience of those working directly with people in financial difficulty and identify further opportunities for improvement.

The Board expects Pioneer to continue leading rather than merely meeting minimum standards. That expectation is both the right one for customers and a sound long-term commercial strategy.

Scalability, technology and artificial intelligence

Another important feature of Pioneer's outlook is the scalability of its operating platform.

Management has continued to invest in leadership capability, performance disciplines, process simplification, workflow design and technology. These initiatives are intended to support a larger portfolio base without a proportionate increase in cost, while maintaining or improving customer and compliance outcomes.

Artificial intelligence forms part of that work, but the Board's approach is deliberately measured. Pioneer is not adopting technology for novelty or publicity. Each application must have a clear purpose and must be assessed against customer outcomes, regulatory requirements, privacy, cyber security, accuracy and ethical use.

The opportunity is meaningful. Properly governed technology can expand the coverage and consistency of quality assurance, identify customer needs earlier, reduce repetitive administrative work, improve decision support and allow our people to focus more of their time on interactions requiring judgement and care.

The Company's AI Governance Framework, Responsible Use of AI Policy and executive oversight provide the controls within which this capability is being developed. We are already applying AI selectively. Anne supports the first stage of recruitment by conducting consistent, on-demand screening interviews and providing structured information for human review. Belinda assists customers after hours by capturing their needs and arranging timely follow-up. More broadly, our customer-facing AI is intended to make Pioneer easier to access at the times customers choose, including outside standard business hours, while maintaining appropriate identity, compliance, hardship escalation and audit safeguards. Our customer engagement capabilities are being expanded in controlled stages so that customers have more convenient ways to engage with us without reducing the quality of care or removing access to our people when human judgement is required. The objective is not to remove human accountability. It is to use technology to make Pioneer more accessible, consistent, responsive and efficient while preserving the human judgement that is essential to our purpose.

These investments are designed to deliver better service, stronger risk management and further operating leverage as the business grows. Their value will depend on disciplined execution, appropriate controls and continued oversight by management and the Board.

Capital management and Resilience

The Board is conscious that Pioneer operates a capital-intensive business and that balance sheet discipline is fundamental to shareholder value.

The $17 million institutional placement completed after year end strengthened the Company's capital position and increased flexibility to pursue attractive opportunities. Capital will continue to be allocated carefully between portfolio investment, debt reduction, liquidity and other initiatives capable of producing sustainable long-term returns.

Pioneer remains focused on deleveraging.

Group loan-to-value was approximately 93% in July 2024 and is now below 77%. That improvement has been driven substantially by stronger profitability, cash generation and lower funding costs, while the Company continued to invest at record levels. At the same time, Pioneer must retain the capacity to act when high-quality portfolios become available. The appropriate balance is not achieved by adopting an absolute position on debt or growth. It is achieved by considering the quality, timing and expected returns of each opportunity against liquidity, covenant headroom, funding cost and the interests of shareholders.

The Board and management therefore assess capital decisions through the full cycle. This includes the expected life of acquired assets, the pace of cash generation, funding maturity and cost, market supply and downside scenarios. The objective is to preserve resilience while allowing the Company to invest where the expected risk-adjusted return justifies doing so.

The funding improvements achieved in FY26, the equity raised after year end and the growing portfolio base leave Pioneer better placed to manage that balance than it has been for some time.

Governance and Risk

Strong governance remains fundamental to everything Pioneer does.

During FY26, the Board continued to focus on risk management, regulatory compliance, cyber security, privacy, data governance, funding and customer outcomes. David Birrell joined the Board during the year, adding further capital-markets and investment experience.

Pioneer also became the first Australian debt purchaser admitted as a member of the Australian Retail Credit Association. That membership reflects the Company's commitment to responsible credit practices, transparency and constructive industry participation.

Governance is sometimes described as a constraint on growth. The Board sees it differently. In a regulated financial services business, mature governance is an enabler of sustainable growth. It protects customers and shareholders, supports vendor confidence and allows the Company to take considered risks within a clear framework.

We remain alert to the risks inherent in the business, including portfolio performance, funding, regulation, cyber security, data, litigation and execution. The Company's prospects are attractive, but they must be pursued with appropriate caution and accountability.

PwC Litigation

I will also comment briefly on Pioneer's proceedings against its former auditor, PwC.

The claim exceeds $30 million and concerns complex matters. Pioneer's legal advisers remain comfortable with the Company's position and with the progress being made. The Board is conscious that shareholders would like the matter brought to a conclusion, as would we.

However, litigation outcomes and timing are inherently uncertain. The Board will continue to manage the proceedings in what it considers to be the best interests of the Company and all shareholders. We will not compromise the Company's position for the sake of speed, and we will update the market when it is appropriate and permissible to do so.

The claim represents potential additional value, but it is not the foundation of the Board's confidence in Pioneer. That confidence rests on the performance, market position and future cash-generating capacity of the underlying business.

Outlook

Looking forward, the Board remains optimistic, while retaining the discipline appropriate to an ASX-listed financial services company.

Portfolio supply is trending toward levels not seen since before the pandemic. Pioneer enters FY27 with lower funding costs, stronger vendor relationships, a larger portfolio base, enhanced capital flexibility and a servicing platform capable of further scale.

The opportunity is not simply to purchase more. It is to convert Pioneer's trusted market position into carefully selected portfolio growth, to service those portfolios well, and to allow that investment to generate cash collections and earnings over time. It is also to continue improving productivity so that growth in the portfolio base translates into stronger returns rather than a matching increase in operating cost.

The Board's priorities are therefore clear: maintain investment and pricing discipline; continue to reduce Cost to Service through scale, process improvement and technology; strengthen customer experience and hardship capability; preserve prudent funding and capital management; and maintain strong governance, compliance and risk oversight.

Closing

In closing, Pioneer today is a stronger and more capable business than it was several years ago.

It has demonstrated that it can deliver record profitability while maintaining investment discipline. It has a growing portfolio base capable of contributing over multiple periods. It has trusted relationships across Australia's major banks and financial institutions. It has a differentiated service model that supports customer, vendor and shareholder outcomes. It has improving funding economics, increasing operating leverage and a clear opportunity to deploy its capabilities into a recovering market.

None of those strengths removes the need for caution. Pioneer remains exposed to economic conditions, regulation, funding markets, portfolio performance and execution risk. The Board's confidence comes not from assuming those risks will disappear, but from the Company's experience, discipline and capability in managing them.

I thank our shareholders for their continued support and confidence in Pioneer.

I also acknowledge our Managing Director, Keith John, our executive and leadership teams, and every Pioneer employee. Their commitment, professionalism and focus on customers were central to the results achieved in FY26 and to the opportunities now before the Company.

We are proud of what has been achieved, but we remain clear-eyed about the work ahead. The Board will continue to focus on responsible growth, balance sheet strength, customer outcomes and sustainable long-term value for shareholders.

Thank you for your ongoing support of Pioneer Credit Limited.