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22 October 2025
ASX Announcement

ARC Europe Acquisition & Completion of Placement

Australian technology and debt collection provider Credit Clear Limited (ASX: CCR) ("**Credit Clear**" or "the **Company**") is pleased to announce it has entered into a binding agreement to purchase 100% of the issued share capital in ARC Europe Ltd ("**ARC"**), a UK-based debt collection agency ("**Acquisition**"). Additionally, the Company has successfully received binding commitments for an Institutional Placement ("**Placement**") of $20.75 million to support future growth initiatives, with Chair Paul Dwyer subscribing to $8.0 million in the Placement, which will be issued subject to shareholder approval.

Key Highlights:

- **Credit Clear has entered into a binding agreement to acquire ARC Europe, a UK-based debt collection agency**
- **ARC to be acquired at a price of A$10.9 million through a combination of cash and shares in Credit Clear, implying a 7.2x FY25 EV/EBITDA (unaudited) multiple**
- **ARC expected to be earnings and EPS accretive in its first year of ownership**
- **Compelling strategic rationale adding immediate scale, leveraging ARC's UK customer base to overlay Credit Clear's digital platform within ARC's traditional debt collections**
- **The combination of Credit Clear and ARC is expected to drive operational efficiencies, accelerate growth, and unlock cross-sell opportunities**
- **Acquisition materially expands total addressable market with the expansion of CCR's geographic footprint**
- **Successful completion of a $20.75 million Placement at $0.25 per share, to support future growth opportunities across Australia and the UK**
- **Chair, Paul Dwyer to materially increase his shareholding by subscribing for $8 million in the Placement (subject to shareholder approval)**

ARC Europe

Credit Clear has entered into a Sale and Purchase Agreement to acquire 100% of the issued share capital in ARC Europe, a well-established, UK-based debt collection agency.

Established in 2001, ARC has trusted partnerships across Financial Services, Health & Leisure, Insurance, and Utility sectors. ARC's long-standing customer base in the UK, with access to European markets, provides a strong foundation for Credit Clear's geographic expansion.

ARC generated FY25 revenue of $8.8 million and EBITDA of $1.24 million. The Acquisition is expected to be earnings accretive in the first year of ownership with significant opportunity to replicate Credit Clear's past success with the 2022 ARMA acquisition, by overlaying its digital

solution to drive operating leverage, client growth and up-sell opportunities via its digital collections offering.

Credit Clear expects the Acquisition of ARC to deliver operational efficiencies and accelerate growth whilst providing the ability to cross-sell Credit Clear's digital offering to ARC customers. Additionally, Credit Clear intends to unlock further value by growing its share of wallet with existing clients, specifically large telecommunications and utilities clients with operations in the UK and access to European markets.

ARC's co-founders intend to continue in their existing roles to assist with the successful integration of ARC and Credit Clear.

Acquisition terms

The acquisition price is £5.25 million (A$10.9 million)[1] which will be paid as follows:

- £3.3 million ($6.8 million) payable in cash;
- £0.85 million ($1.8 million) payable in cash, on account of estimated net assets;
- £1.1 million ($2.3 million) in shares in Credit Clear (to be subject to voluntary escrow deed for a 12-month period) ("**Share Consideration**")
- A deferred earn-out payable by way of the issue of shares in Credit Clear (**Earn-Out Shares**) to all ARC shareholders, subject to ARC achieving incremental EBITDA growth for the two years following the completion date.
- Earn-out Period: the 24-month period commencing on the completion date.
- The amount of the Earn-Out will be calculated as follows:
  - 5 times incremental increase in EBITDA in Year 1; and
  - Any further incremental increase in EBITDA in Year 2; at the same multiple.

The upfront cash amount of £4.15 million ($8.6 million) ("**Cash Consideration**") will be funded from proceeds of the Placement.

The Share Consideration will be calculated by dividing £1.1 million ($2.3 million) by the 5-day VWAP ending immediately prior to completion of the Acquisition and will be issued under the Company's available 15% placement capacity under Listing Rule 7.1 ("**LR 7.1 Placement Capacity**").

The amount payable for the Earn-out Period will be calculated following Year 1 and Year 2, with the number of Earn-Out Shares being determined by dividing the amount payable for the Earn-Out by the 5-day VWAP prior to completion of the Acquisition. The Earn-Out Shares will be subject to Shareholder approval for the purposes of ASX Listing Rule 7.1.

Completion of the Acquisition remains subject to approval from the UK Financial Conduct Authority (**FCA**), which is a UK regulatory requirement. This FCA approval is anticipated to be received within 60 days, with completion to occur immediately thereafter.

[1] [1] 2.07 AUD/ 1 GBP

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Placement

Credit Clear has completed a two-tranche Placement to institutional and sophisticated investors to raise $20.75 million. Proceeds from the Placement will be used to replenish and provide balance sheet flexibility, to fund the upfront acquisition consideration payable as well as fund future growth opportunities.

The Placement Shares will be issued at $0.25 per Placement Share ("**Issue Price**"), which represents:

- a 7.4% discount to the last close price of $0.2700 on 17 October 2025; and
- a 2.5% discount to the 5-day VWAP ending on 17 October 2025, of $0.2565.

Approximately 51,000,000 new fully paid ordinary shares (**Tranche 1 Shares**) will be issued in line with the timetable set out below, within Credit Clear's existing LR7.1 Placement Capacity. The Placement was well supported by new and existing institutional investors.

Credit Clear's Chair, Paul Dwyer, has subscribed for 32,000,000 new fully paid ordinary shares (being a subscription of $8.0 million) in the Placement, which will be issued under the second tranche of the Placement (**Tranche 2**) (together, the "**Offer**"), subject to shareholder approval pursuant to Listing Rule 10.11.

The issue of 32,000,000 shares to Mr Dwyer will increase his shareholding from 2.3% to approximately 8.2%, positioning him as the second-largest shareholder behind Thorney Investment Group. Mr. Dwyer's increased investment underscores his confidence in Credit Clear's ambitious expansion strategy into the UK and European markets through targeted acquisitions.

Shaw and Partners and Morgans Financial acted as Joint Lead Managers to the Offer.

The Share Consideration and Tranche 1 of the Placement will be issued within the Company's available LR7.1 Placement Capacity.

The issue of Placement Shares to Mr. Dwyer under Tranche 2 of the Placement will be subject to shareholder approval to be sought at a general meeting of shareholders that is expected to be held in early December 2025. The details of the general meeting will be released in a notice to shareholders and the ASX in due course.

Acquisition strategy

The Company has previously advised that it is actively pursuing inorganic opportunities as part of its growth strategy. The proceeds from the Placement are intended to support these efforts. Further to ARC, several acquisition opportunities are currently in the early stages of assessment; however, there is no certainty that those discussions will result in a transaction.

With its strategic focus now across the UK and Australia, the Company wishes to retain a flexible balance sheet to capitalise on opportunities as they arise. The Company remains disciplined in its evaluation process, prioritising opportunities that will expand its market position and deliver long-term value to shareholders.

Credit Clear CEO and MD, Andrew Smith, said:

"The ARC acquisition mirrors our successful Australian growth model, demonstrated by the Acquisition of Arma Group nearly four years ago. By integrating ARC Europe's operations with

Credit Clear's market-leading technology platform, we aim to enhance efficiency via the scalability of our digital-first model and drive superior outcomes in the UK and European collections markets. We welcome the significant investment step up and conviction of our Chair, Paul Dwyer and the institutional support for our strategy, and we look forward to delivering value for all shareholders."

Indicative timetable

An indicative timetable for the completion of the Acquisition and the Placement is set out below:

Event	Date
Trading halt lifted and announcement of completion of Placement	Wednesday, 22 October 2025
Settlement of Tranche 1 of Placement	Monday, 27 October 2025
Allotment, quotation and trading of Placement Shares under Tranche 1 of Placement	Tuesday, 28 October 2025
General Meeting to approve Tranche 2 of Placement	Around early December 2025
Settlement of Tranche 2 of Placement	Around early December 2025
Allotment of Tranche 2 of Placement, quotation and trading of Placement Shares under Tranche 2 of Placement	Around early December 2025
Completion of the Acquisition	Around 20 December 2025

The following dates are an indicative guide only and may be subject to change.

This ASX announcement was authorised for release by the Board of Credit Clear Limited.

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About Credit Clear

Credit Clear Limited is an Australian technology company that has developed a digital collections and communication platform that helps organisations drive smarter, faster, and more efficient financial outcomes by changing the way customers manage their re-payments through a user experience that the market demands in a digital age, powered by award winning artificial intelligence.

Credit Clear manages customer accounts across a range of industries including transport, financial services, insurance, government, and utilities. The Company is based in Australia headquartered in Sydney and offices in Melbourne, Brisbane, Adelaide, and Perth.

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