ASX ANNOUNCEMENT

25 February 2022

PACIFIC CURRENT GROUP HALF YEAR RESULTS

Six months ended 31 December 2021

SYDNEY (25 February 2022) - Pacific Current Group ("PAC" or "Company") (ASX: PAC) is pleased to report the Company's interim results for the six months ended 31 December 2021.

HIGHLIGHTS

- Underlying NPAT grew 26% to A$14.6m.
- 21% growth in underlying revenues, driven by increased performance fees and commission revenues.
- Fully franked interim dividend of A$0.15 per share, up 50% from 1H21.
- FUM grew 16% to A$165b. Excluding new investment in Banner Oak, FUM grew 11%.
- GQG listed on ASX, resulting in proceeds of A$59m and a remaining stake valued at A$210m as at 31 December.
- Revenue growth achieved despite recognizing only 4 months of GQG contributions in results due to change in earnings recognition from accrual to cash.
- Invested US$35m in private real estate manager, Banner Oak Capital Partners on 31 December.

OPERATIONAL RESULTS

PAC's Underlying NPAT attributable to members for the half year grew 26% from A$11.6m to A$14.6m. This growth was fueled by a significant increase in performance fees, leading to a 21% increase in underlying revenues. Underlying expenses were flat versus the prior comparable period.

Performance fees from Victory Park increased substantially during the period, in part due to contributions from several Special Purpose Acquisition Companies (SPACs) the firm sponsored. Victory Park was the largest contributor to PAC revenues during the period and posted the strongest FUM growth rate in the portfolio.

FUM grew 16% in 1H22. Excluding the new investment in Banner Oak, FUM grew 11%. In late August 2021, PAC forecasted that its portfolio companies, excluding GQG, would receive A$3b to A$8b of gross new commitments by the end of FY23. This target was subsequently revised upward to A$5b to A$8b. After six months, PAC's non-GQG boutiques have received A$2.2b of gross new commitments.

Though underlying revenues grew significantly, management fee revenues were flat. Revenues would have been notably higher were it not for an accounting method change that resulted in PAC modifying how it recognizes GQG earnings. Post-GQG's IPO, PAC will no longer recognize GQG earnings on an accrual basis, but rather on a cash basis in the period when dividends are received. This change is a timing item that will have an impact on reported earnings only in FY22.

Specifically, for its 1H22 results PAC recognized GQG-related earnings for the four months leading up to the 28 October listing of GQG. In 2H22 PAC will recognize the interim dividend GQG declares for the last two months of CY2021 and the dividend GQG is expected to declare for the quarter ending 31 March. In aggregate, in FY22 PAC will "miss out" on recognizing two months of GQG earnings in 1H22 and one month in 2H22. In FY23, PAC will begin recognizing six months of GQG earnings in every half-year reporting period. The change in accounting method for GQG has no meaningful impact on when PAC receives cash from GQG.

The statutory result for the first half was a loss of A$16.6m. This loss stems from how the change in the carrying value of GQG is treated. Subsequent to GQG's IPO, changes in value of PAC's GQG holding (i.e., the change in the GQG stock price (ASX: GQG)) now run through PAC's income statement. The post-listing decline in GQG's stock price led to the statutory loss. Going forward, future changes in the value of GQG may have a significant impact on PAC's statutory results.

DIVIDEND

PAC declared a fully franked interim dividend of A$0.15 per share, up 50% from 1H21, reflecting PAC's stated intention to reduce the skewing in dividends between the two halves.

PORTFOLIO COMPANY HIGHLIGHTS

The listing of GQG on the ASX was the most significant development in PAC's portfolio during 1H22, which yielded PAC significant cash proceeds. These proceeds have already been redeployed through PAC's US$35m investment in Banner Oak Capital Partners, a leading private equity real estate firm based in Dallas, Texas.

From an earnings perspective, Victory Park was the standout in 1H22. The firm posted large gains in incentive fees and secured a large amount of new FUM. PAC expects the firm's business momentum to continue into FY23. EAM also secured large new commitments, primarily from a prominent Australian institutional investor.

Earlier stage investments in IFP and Astarte detracted from results, but both firms are making solid progress and should deliver improved results in FY23.

OUTLOOK

PAC management expects continued solid growth in FY22, with the potential for acceleration in growth in FY23 for the following reasons:

- In FY22, PAC will receive 9 months of earnings from GQG, while in FY23 it will receive 12 months of earnings.
- PAC's investment in Banner Oak was made 31 December 2021 and will contribute six months of earnings in FY22 and 12 months in FY23.
- PAC expects fundraising progress in 2H22 from key private capital boutiques to have a significant impact on FY23.
- Earlier stage investments are expected to produce improved results as they move to profitability.
- Management fee revenues will grow for some private capital strategies, as recently acquired FUM is invested.

According to PAC CEO Paul Greenwood, "We are excited with how our portfolio weathered the pandemic as well as the improving growth prospects we see emerging across the portfolio." Mr. Greenwood added, "Even though equity markets are off to a weak start in 2022, this should not have a big impact on PAC because of our broad diversification. Our largest exposure to equity markets comes from GQG, a firm that has historically produced its best relative performance when equity markets are weak."

CONFERENCE CALL

Pacific Current Group would like to invite you to join our conference call to be held at **11:00am (AEDT) on Friday, 25 February 2022**.

The presenters will be Paul Greenwood, MD & CEO and CIO and Ashley Killick, CFO.

INVESTOR CONFERENCE CALL DETAILS

The call will be held via webcast or conference call dial-in. Please use the links below to register ahead of the event.

Webcast (listen mode only):
https://webcast.openbriefing.com/8534/
(An online archive of the webcast event will be available approximately four hours after the webcast)

Teleconference (Pre-Registration required for Q&A Participation):
http://apac.directeventreg.com/registration/event/4571728

AUTHORISED FOR LODGEMENT BY:
Paul Greenwood
Managing Director & Chief Executive Officer and Chief Investment Officer

-ENDS-

CONTACT

For Investor & Media enquiries:

- Paul Greenwood - Managing Director & CEO and CIO
  E: pgreenwood@paccurrent.com
  T: (+1) 253 617 7815

ABOUT PACIFIC CURRENT GROUP

Pacific Current Group Limited is a multi-boutique asset management firm dedicated to providing exceptional value to shareholders, investors, and partners. We apply our strategic resources, including capital, institutional distribution capabilities and operational expertise to help our partners excel. As at 25 February 2022, Pacific Current Group has investments in 16 boutique asset managers globally.

PACIFIC CURRENT GROUP

FIRST HALF 2022 RESULTS

PRESENTERS:
Paul Greenwood, Managing Director & CEO and CIO
Ashley Killick, CFO

February 2022

Disclaimer

The information in this presentation is general information about Pacific Current Group ('Pacific Current' or 'PAC') and is current only at the date of this presentation. In particular, this presentation:

- is not an offer or recommendation to purchase or subscribe for securities in Pacific Current, nor is it an invitation to any person to acquire securities in Pacific Current;
- is not personal advice and does not take into account the potential and current individual investment objectives or the financial situation of investors; and
- contains information in summary form and does not purport to be complete.

Note that the relationship between FUM and the economic benefits received by Pacific Current can vary dramatically based on each boutique's fee levels, PAC's ownership stakes, and the specific economic features of each relationship. Accordingly, management cautions against simple extrapolation based on FUM updates/trends.

Certain statements in this presentation may constitute 'forward-looking statements.' Forward-looking statements are neither promises nor guarantees and involve known and unknown risks, uncertainties and other factors which may cause actual results to vary materially from any projection, future results or performance expressed or implied by such forward-looking statements.

A Strategy for Strong and Sustainable Earnings Growth

Pacific Current Group (PAC) is a global investor in investment management firms, with stakes in 16 investment firms across the US, Europe, Asia and Australia.

PAC's boutiques offer a diverse range of investment products across multiple asset classes, delivering sustainable and growing management fees and significant potential for performance fee income. This diversification reduces PAC's reliance on equity market returns to drive revenues and profits.

PAC is focused on actively managing its portfolio, which includes identifying and investing in best of class investment opportunities around the globe, as well as periodically selling assets.

Performance and Growth

- Private capital strategies generally performed well
- Public equity managers had solid performance, with the exception of Blackcrane
- FUM grew 16% during 1H22 to A$165b (11% excluding new investment in Banner Oak). Victory Park had the highest growth rate, while GQG expanded FUM the most

1H22 Highlights

- Underlying Revenue increased 21% to A$24.9m
- Underlying NPAT grew 26% to A$14.6m
- Dividend increased from A$0.10 to A$0.15 per share to reduce skew toward 2H
- Listing of GQG on ASX in one of year's largest IPOs
- Invested US$35m in Banner Oak Capital Partners

Looking Ahead

- PAC expects solid revenue growth in FY22 and double digit increases in FY23 from the current portfolio
- Broad FUM growth over the next 12-18 months
- Multiple new investments expected in CY22

1H22 Underlying Results – Strong growth in net profit

Four core drivers: management fees, performance fees, commissions, & corporate overheads

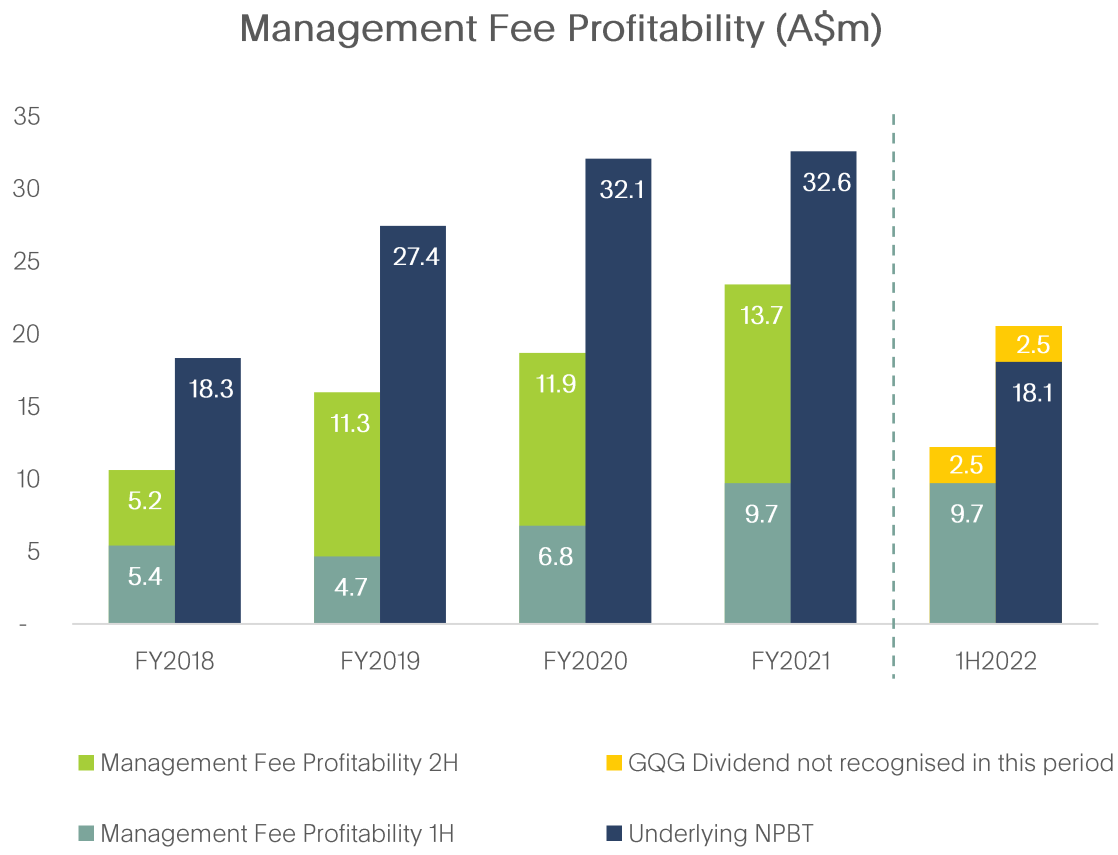
	1H21 (A$m)	1H22 (A$m)	1H21 (US$m)	1H22 (US$m)	Comments
Boutique Contributions					
Management fees	16.6	16.5	12.0	12.1	Management fee revenues remain stable, though only reflect 4 months of contributions from GQG. PAC estimates management fee revenues would have been approximately A$2.5m higher if full 6 months of contributions could be recognized.
Performance fees	2.3	6.3	1.7	4.6	Significant increase in Victory Park performance fees
Corporate Revenues					
Commissions and Retainers	1.4	2.0	1.0	1.5	Solid commissions, primarily related to new placements at Victory Park
Other income	0.2	0.1	0.1	0.1	
Total Revenues	**20.6**	**24.9**	**14.9**	**18.2**	21% increase in revenues, would have been approx. 33% with full 6 months of GQG earnings
Corporate Overheads	(6.9)	(6.9)	(5.0)	(5.0)	
Underlying NPBT	**13.7**	**18.1**	**9.9**	**13.2**	
Underlying NPAT	**11.6**	**14.6**	**8.4**	**10.7**	

Underlying EPS	23 cents	29 cents	17 cents	21 cents	EPS increased 24%
Dividends Per Share	10 cents	15 cents	-	-	50% increase part of effort to reduce skewing toward 2H

Note: Underlying results illustrated in table above are unaudited and non-IFRS financial measures used by PAC to manage its business.

Management Fee Profitability

The majority of PAC's profits are derived from management fee related revenues



- PAC emphasizes management fee related revenues over performance fees. This reduces earnings volatility and helps deliver high quality, sustainable earnings to shareholders.
- Management Fee Profitability (management fee revenues less underlying operating expenses) was steady in dollar terms because PAC only recognized 4 months of GQG contributions. It would have grown more than 25% if PAC recognized full 6 months of GQG earnings.
- Increase in revenues and earnings driven by higher performance fee income, mainly from Victory Park.
- Management fee profitability expected to grow from recent investments (e.g. Banner Oak), organic growth, future investments, and the ability to recognize full 12 months of GQG contributions, beginning in FY23.

Notes:
- Some boutiques hold marketable securities on their balance sheets, which can impact management fee revenues when marked to market.
- GQG dividend not recognized in this period is based on estimates and payout ranges as identified in the GQG prospectus.

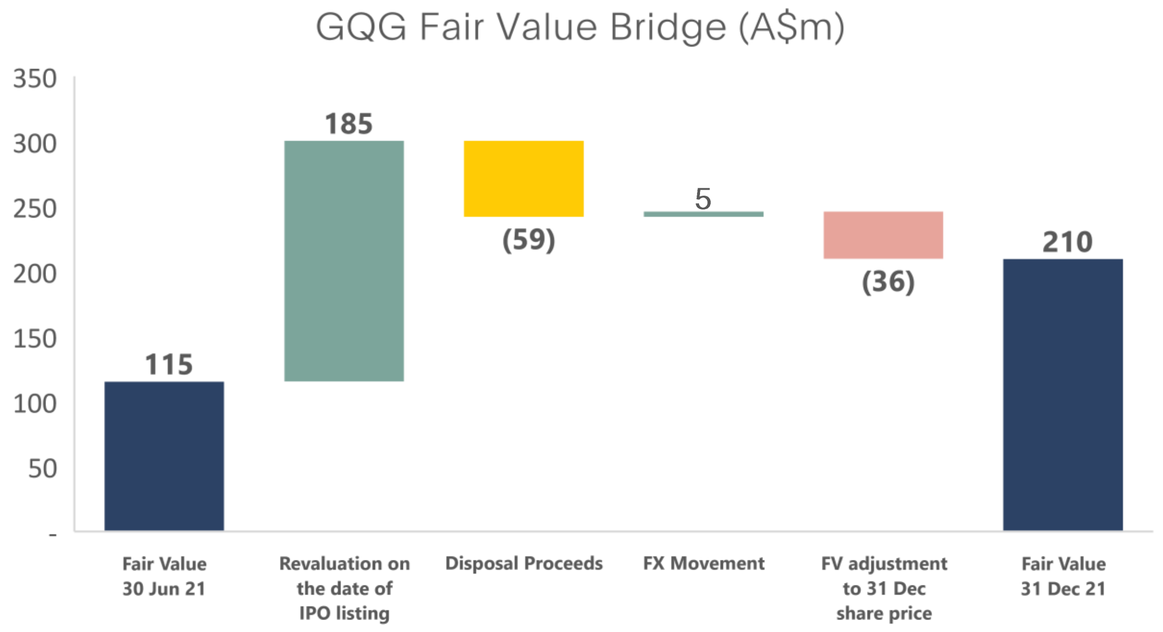
GQG - ASX listing changes how earnings & market value are recognized

Earnings Recognition

- Pre-IPO PAC owned a preferred security in GQG and recognized the receivable as earnings in the period for which it was accrued
- Post-IPO PAC owns common equity and must recognize dividend payments in the period they are received
- This change is a timing item that impacts PAC's reported earnings in FY22. PAC will miss out on two months of GQG earnings in 1H22 of approximately A$2.5m (US$1.8m) and 1 month in 2H22.
- Beyond FY22, PAC will recognize 6-months of GQG dividends for every half year

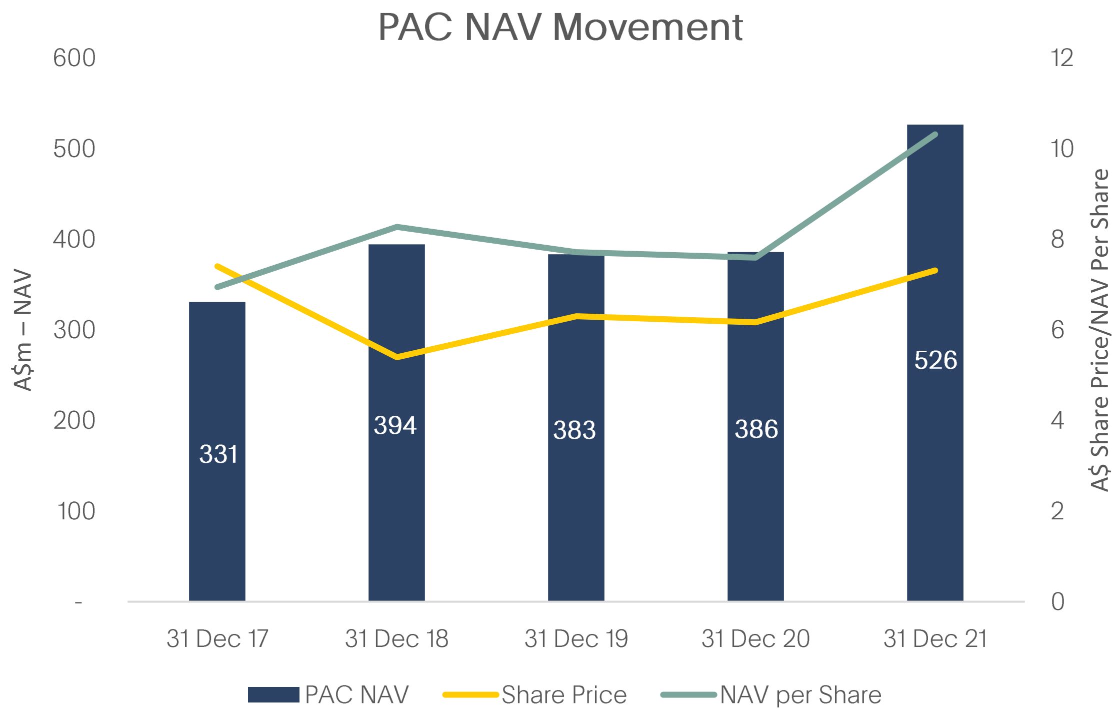
Mark to Market

- Pre-IPO changes in value of GQG went through PAC's equity reserves
- Post-IPO changes in value of GQG will go through PAC's income statement
- The mark up in value at the time of listing, from A$115m to A$300m went through PAC's equity reserves, but the decline in GQG post listing of A$36m went through income statement, adversely impacting statutory results



NAV Movement

PAC NAV compared to PAC Share Price



- PAC's Net Asset Value (NAV) represents all balance sheet assets net of liabilities. The NAV of $526m as at 31 December 2021 represents the net assets attributable to members of PAC.
- PAC must use multiple accounting treatments for its investments. As a result, some assets are written up and down as their values change, while others are held at investment cost and can only be written down as value is impaired.
- For investments held at cost, internal fair value estimates currently exceed their book carrying value by approximately A$40m or A$0.78 per share.
- Step up in PAC NAV as at 31 December 2018 as PAC realized the fair value on the disposal of Aperio.
- The increase in NAV as at 31 December 2021 reflected the fair value increment resulting from the IPO of GQG.
- Since December 2017, PAC share price has traded at a discount; currently around 29.1% to NAV or 34.1% to PAC's internal fair value estimates.


PORTFOLIO UPDATE

1H22 Portfolio Highlights

Solid progress across the portfolio and strong momentum going into 2H22

1H22

Astarte

- A newer investment that, while not contributing to earnings yet, made strong progress in its business. PAC expects improved financial results in FY23 and beyond.

Banner Oak

- New US$35m investment made 31 December in private real estate manager.

Blackcrane

- Significant underperformance in 2021 led to client loss post 31 December.

EAM

- Significant new inflows into Global Small Cap strategy from prominent Australian institutional investor.

GQG

- Listed on the ASX in October, in one of the largest IPOs of the year. As a result of IPO, PAC received A$59m in proceeds and converted its preferred security into common stock. PAC currently owns 4% of GQG.

IFP

- Some unanticipated expenses hurt 1H22 results, but strong revenue growth and partial restructure should result in improved results in 2H22 and beyond.

Victory Park

- VPC biggest contributor to PAC's earnings in 1H22. Benefitted from increased incentive fees, in part due to VPC sponsored SPACs. Firm also acquired substantial new commitments from clients. Business momentum is expected to continue in 2H22.

Portfolio Company Performance Update

Strong finish to 2021 sets stage for 2H22 and FY23

» Most private capital strategies* produced results consistent with expectations making capital raising prospects generally strong in 2H22 and FY23.

» EAM and GQG finished 2021 strong, and generally outperformed the relative benchmarks. Blackcrane gave back 2020's outperformance with significant underperformance. Below is the number of out/underperforming products for each active manager

Boutique	1 Year	3 Years	5 Years	ITD
Blackcrane Capital	○○	●○	○○	○○
EAM Global	●●○○	●●●●	●●●	●●●●
GQG Partners	●●●○○	●●●○○	●●●●●	●●●●●

● Strategy outperformed manager-preferred benchmark

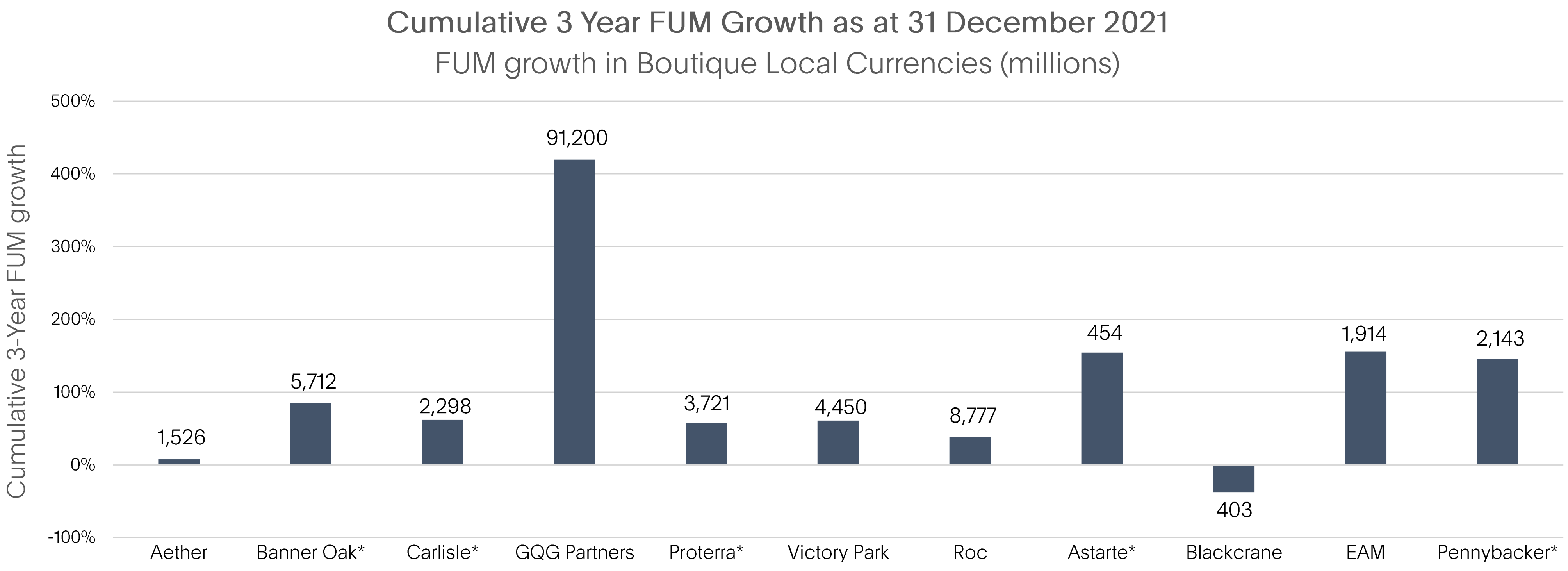
○ Strategy underperformed manager-preferred benchmark

Each dot in the table represents one strategy. Performance based on a gross-of-fees annualised returns.

*Performance is generally unavailable to be shared externally for private capital strategies

FUM Growth by Portfolio Company

Though GQG dominates the statistics, growth has generally been strong and broad



* PAC's investment in some affiliates occurred within the last 3 years, and thus not all growth occurred after PAC's investment. Managers with no FUM are not listed, nor are managers that don't have traditional funds under management revenue models. Proterra, Pennybacker and Banner Oak FUM growth is calculated based on figures one quarter in arrears.

PAC Boutiques (as at 31 December 2021)

Revenue Share

Tier 1

Carlisle Management
16% / 40%*
FUM - US$2.3bn
Life settlements
2019 investment
Luxembourg

Proterra Investment Partners
8% / 16%*
FUM - US$3.7bn
Private equity and private credit, natural resources
2019 investment
USA

Tier 2

Northern Lights Alternative Advisors
Pref. Equity / 23%*
-
Placement agent
2014 investment
UK

EAM Global Investors
Pref. Equity / 18.8%
FUM - US$1.9bn
Global, international, & EM small cap equity
2014 investment
USA

Profit Share

Tier 1

Aether Investment Partners, LLC
100%
FUM - US$1.5bn
Private equity, real assets
2008 investment
USA

GQG Partners
4%
FUM - US$91.2bn
Global, international, & EM equity
2016 investment
USA

Tier 2

Astarte Capital Partners
39% / 44.5%*
FUM – US$0.5bn
Private equity, real assets
2021 investment
UK

Blackcrane Capital
25%
FUM - US$0.4bn
International and global equity
2014 investment
USA

ROC Partners
30%
FUM - A$8.8bn
Private equity, Asia-Pacific
2014 investment
Australia

Strategic Capital Investors
60%
-
Hedge fund seeding and acceleration
2015 investment
UK

Banner Oak Capital Partners
35%*
FUM - US$5.7bn
Private real estate
2021 investment
USA

Victory Park Capital
24.9%
FUM - US$4.5bn
Private credit
2018 investment
USA

CAMG LLP Capital & Asset Management Group
38.8%
-
Private and listed infrastructure
2018 investment
UK

Independent Financial Partners
24.9%
-
Hybrid RIA platform
2019 investment
USA

Pennybacker Capital
16.5%*
FUM - US$2.1bn
Private real estate
2019 investment
USA

Nereus
50%
-
Private equity, renewable energy
2008 investment
India

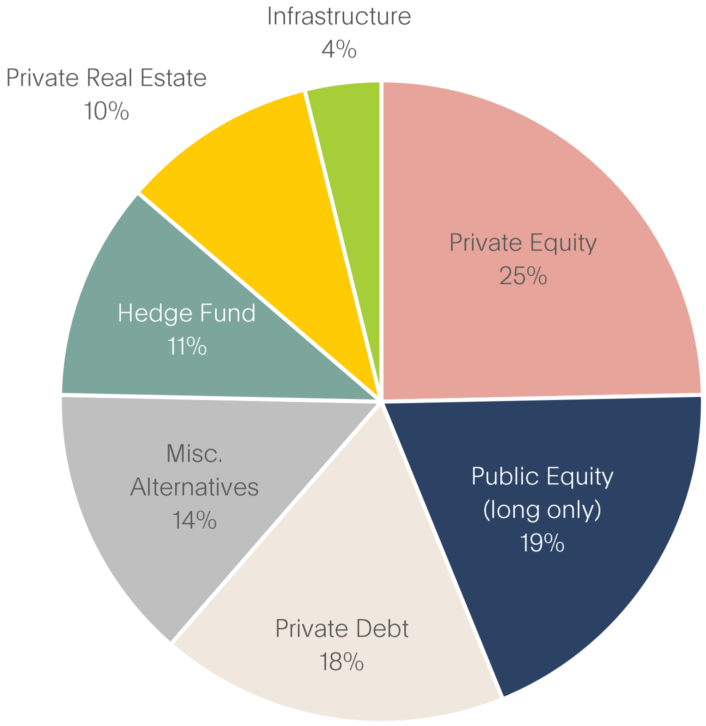
*Notes: FUM for Proterra, Banner Oak, and Pennybacker represent FUM from one quarter in arrears; Carlisle: 16% revenue share with 40% in the event of sale/liquidation; Proterra: 8% of management fees and 16% of the value of firm's management fees; Pennybacker: 16.5% of net income and 2.5% of all carried interest from new funds; Astarte: 39% of ASOP Profit Share LP and 44.5% of Astarte Capital Partners LLP.


OUTLOOK

Investment Opportunities

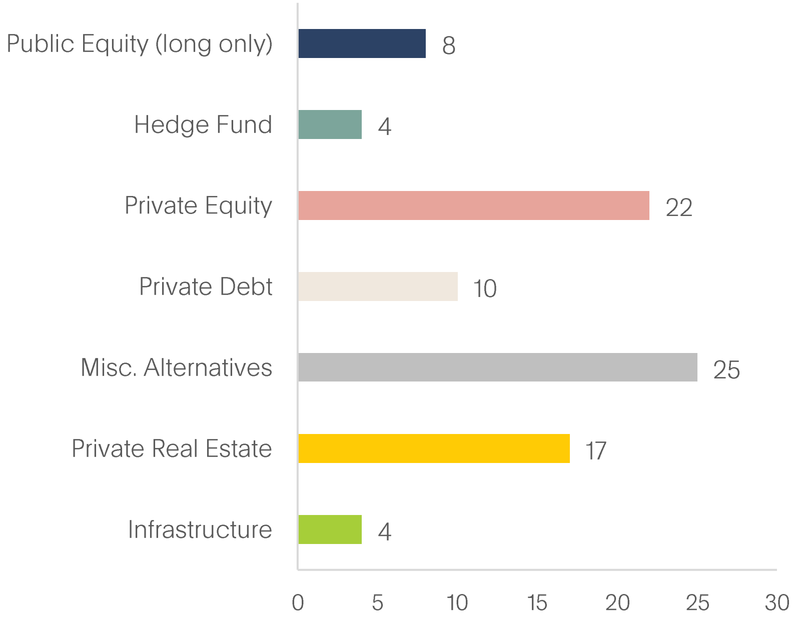
Continued momentum in PAC deal flow into 2022

Opportunities by Asset Class



- More than 180 opportunities reviewed in the last 12 months
- 2022 deal flow expected to be highest ever with more than 70 investments reviewed in first two months
- Currently, the 10 highest interest investments represent opportunities in six different countries
- Increasingly focused on "special situations" and less competitive market segments

Average Deal Size by Asset Class (US$m)



Outlook

PAC continues its progress toward building a resilient business, capable of steady and predictable growth

Operational Outlook

- PAC expects strong new client allocations into portfolio companies in 2H22 to set stage for higher potential revenue and profit growth in FY23
- Excluding GQG, PAC expects its boutiques to receive A$5b - A$8b of gross inflows/new commitments through FY23. As at 31 December 2021, PAC boutiques ex-GQG have received A$2.2B
- PAC expects to access additional sources of investment capital in FY22 and/or manage dedicated external pools of capital to fund attractive pipeline of opportunities
- Continue to see valuations for alternative asset managers grow, though PAC continues to find high quality investments without relaxing its valuation disciplines

Financial Outlook

- PAC expects current portfolio to generate solid growth in FY22 and anticipates double digit increases in FY23 supported by:
  - Annualization of investment in Banner Oak
  - The recognition of 12 months of earnings for GQG
  - Revenue growth from specific fund raising milestones, expected to be met in 2H22
  - Early stage investments becoming profitable
- Historically, GQG contributions were skewed toward second half. Now expected to be spread evenly across the year
- Expect modest increases in expenses, primarily due to increased travel and commission expenses

Note: Outlook assumes flat equity markets and no change in currency. Growth expectations are based primarily but not exclusively on PAC or boutique knowledge of specific prospects that appear likely to allocate to boutiques over the next 18 - 24 months. New allocations to boutiques cannot be known with certainty, nor can the timing of any allocations be precisely forecasted. Additionally, PAC revenues and earnings can be influenced by some marketable securities held on boutique balance sheets, which can impact results in ways that cannot be readily predicted.

APPENDICES

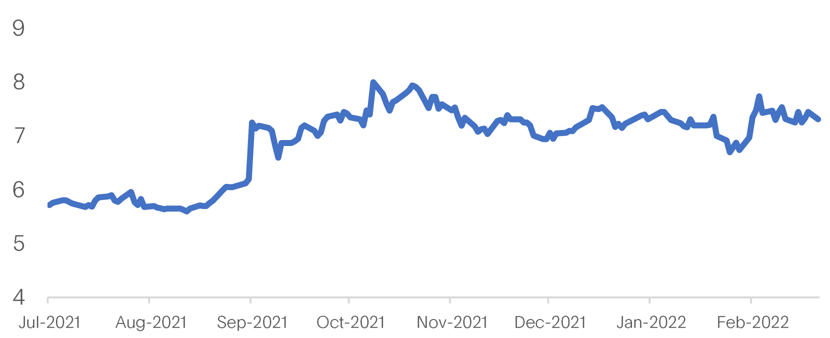
PACIFIC CURRENT OVERVIEW

Pacific Current is an ASX-listed, global, multi-boutique asset management business, which leverages its experience and resources to identify exceptional asset managers and help them grow.

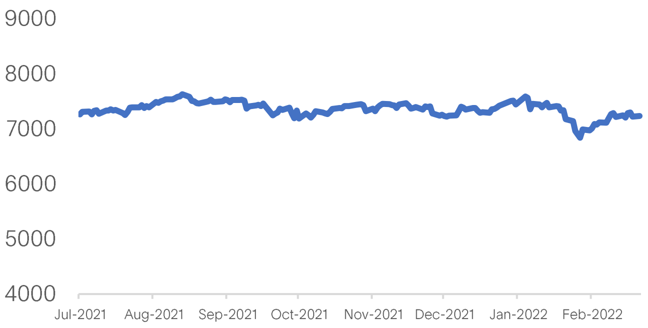
MARKET INFORMATION *

Shares on Issue	51,037,552
Market Cap (31 Dec 21)	$380.2M
52-Week High	$8.21
52-Week Low	$5.03
Average Volume	103,318

PAC SHARE PRICE MOVEMENT



ASX 200 MOVEMENT



FINANCIAL INFORMATION 1H22

Underlying Trailing P/E*	14.2x
Underlying EPS 1H22	29 cents
Dividends per share 1H22	15 cents
Gearing	-
Underlying Revenue	A$24.9 million
Underlying NPAT	A$14.6 million

DIRECTORS AND EXECUTIVES

Mr Antony Robinson	Chairman
Mr Paul Greenwood	Managing Director
Mr Jeremiah Chafkin	Non Exec Director
Ms Melda Donnelly	Non Exec Director
Mr Gilles Guérin	Non Exec Director
Mr Peter Kennedy	Non Exec Director

COMPANY INFORMATION

Incorporation	24 September 2004
IPO	24 September 2004
Offices	Melbourne, Sydney, Denver, Tacoma
PAC Corporate staff	20

* Information current as at close of business on 21 February 2022. Trailing P/E is calculated using FY21 earnings and share price as at 21 February 2022.

Statutory Profit or Loss

A$000s	1H21	1H22
Revenue from operations	12,398	8,605
Distributions and dividend income	11,093	10,288
Other income	154	85
Changes in fair value	7,591	(33,433)
Loss on sale of investment	(2,250)	-
	28,986	**(14,455)**
Employment expenses	(8,767)	(6,460)
Impairment expenses	-	(2,400)
Administration and general expenses	(5,070)	(4,769)
Depreciation and amortisation expenses	(1,837)	(1,606)
Interest expenses	(63)	(26)
	(15,737)	**(15,261)**
Share of net profits of associates and joint venture	1,916	7,419
Profit/(Loss) Before Tax	**15,165**	**(22,297)**
Income tax (expense)/benefit	(3,623)	5,933
Profit/(Loss) After Tax	**11,542**	**(16,364)**
Non-controlling interests	83	(189)
Profit/(Loss) After Tax attributable to the PAC members	**11,625**	**(16,553)**

- Results include the revenues and expenses of operating subsidiaries (i.e., Seizert (until 30 November 2020 sale date), Aether, and SCI)
- Notable for 1H22:
  - Comparative results are impacted by deconsolidation of Seizert post disposal of PAC's interest in 1H21
  - Loss from changes in fair value reflects GQG share price movement post IPO (initial uplift went through equity reserves) partly offset by gains in fair value movements of EAM, Proterra and Carlisle
  - Impairment expense reflects write-down of Blackcrane and CAMG
  - Share of associates higher due to VPC and Pennybacker results
- Notable for 1H21:
  - Disposal of Seizert resulted in a loss on sale of investment

Statutory to Underlying Reconciliation

A$000s	1H21	1H22
Reported NPBT/(NLBT)	**15,165**	**(22,297)**
Non-cash items		
Amortisation expenses	3,008	3,040
Fair value adjustment of financial assets	(7,717)	32,709
Fair value adjustment of financial liabilities	126	724
Impairment of investments	-	2,400
Share-based payment expenses	300	229
Non-recurring items		
Provision for estimated Nereus liability	-	335
Legal, consulting, deal and break fee expenses	590	870
Net foreign exchange loss	(57)	63
Loss on sale of subsidiary	2,250	-
Underlying NPBT	**13,665**	**18,073**
Income tax (expense)/benefit	(2,170)	(3,290)
Share of non-controlling interests	83	(189)
Underlying NPAT attributable to members of the parent	**11,578**	**14,594**

- Differences between Statutory & Underlying impacted by extraordinary/non-cash items
- Notable for 1H22:
  - Impairment of investments relates to Blackcrane and CAMG
  - The decreased value of investment held at FVTPL reflects movement in GQG share price (fair value) between listing date and 31 Dec 21, partially offset by increases in value for EAM, Proterra and Carlisle
  - Provision for Nereus liability is due to FX movement
  - Legal, consulting and deal expenses – these are related primarily to investment diligence
- Notable for 1H21:
  - The increased value of investments held at FVTPL (Proterra and Carlisle) is recorded in P&L as fair value adjustment of financial assets
  - Loss on sale of subsidiary reflects sale of Seizert

Note: Underlying NPBT and NPAT are unaudited and non-IFRS financial measures used by PAC to manage its business.

Underlying Profit Drivers

000s		1H21 (A$)	1H22 (A$)	1H21 (US$)	1H22 (US$)
Revenues		**1,620**	**2,133**	**1,171**	**1,561**
Expenses	Employment	3,793	3,924	2,741	2,870
	Marketing/commissions	89	144	64	105
	Travel/entertainment	(1)	124	(1)	91
	Advisory, tax and accounting	920	587	665	429
	Legal and consulting	438	559	316	409
	Insurance	318	326	230	238
	Depreciation	316	165	229	120
	Other	1,074	1,024	777	753
	Total	**6,947**	**6,853**	**5,021**	**5,015**
Profit before tax and share of boutiques		**(5,327)**	**(4,720)**	**(3,850)**	**(3,454)**
Boutique Contributions		18,992	22,793	13,723	16,675
Underlying pro forma NPBT		**13,665**	**18,073**	**9,873**	**13,221**
Underlying pro forma NPAT		**11,578**	**14,594**	**8,365**	**10,676**

» Corporate revenues increased due to commission income, offset partially by reduced commission expense payments

» Pandemic induced reduction in travel and marketing expenses in 1H21 picked up in 1H22

» Boutique Contributions higher as significantly higher contributions from VPC and Pennybacker in 1H22

Notes:
- Underlying NPBT and NPAT are unaudited and non-IFRS financial measures used by PAC to manage its business. The prior year comparatives are adjusted to ensure consistency.
- US$ amounts are calculated using the average fx rates for the respective financial year (1H21: 1 A$ = 0.7226 US$, 1H22: 1 A$ = 0.7316 US$)

Underlying Functional P&L Summary

A$000s	1H22				1H21
	Investment	Sales	Group	Total	
Revenues					
Boutique Contributions					
Management Fees	16,486	-	-	16,486	16,643
Performance Fees	6,308	-	-	6,308	2,349
	22,793	**-**	**-**	**22,793**	**18,992**
Commissions and Retainers	-	2,005	-	2,005	1,446
Interest Income	-	-	85	85	153
Other Revenue	-	-	43	43	20
Underlying Revenue	**22,793**	**2,005**	**128**	**24,926**	**20,611**
Expenses					
Employment	1,159	1,405	1,360	3,924	3,794
Marketing/commissions	-	142	2	144	87
Legal and consulting	88	180	291	559	438
Advisory, tax and accounting	17	26	544	587	920
Other	58	174	1,407	1,639	1,708
Underlying Expenses	**1,322**	**1,927**	**3,604**	**6,853**	**6,947**
Underlying NPBT	**21,471**	**78**	**(3,476)**	**18,073**	**13,665**

» Revenues and Expenses broken out by functional area to shed light on profitability of different business segments

» Investment, Sales, and Group expenses reflect costs for those functional areas, including compensation expenses

» Performance fees are biased to 31 December crystallization

» Historically, the management fees were biased toward six-months ended 30 June. With the recent listing of GQG on ASX and subsequent change in accounting treatment of GQG from accrual to cash accounting, this trend will be less prominent going forward

» Increased revenue from distribution activities related to revenues from VPC

Statutory Balance Sheet

Book Value (A$000s)	30 June 21	31 December 21
Cash	28,298	29,210
Other Current Assets	21,982	11,096
Non-Current Assets		
Investments in associates and joint ventures	132,058	196,179
Intangible assets	52,705	52,974
Other financial assets	221,774	323,724
Other assets	1,698	3,200
Total Assets	**458,515**	**616,383**
Current Liabilities	17,495	25,940
Non-Current Liabilities		
Deferred tax liability	27,904	52,794
Provisions	71	75
Lease Liabilities	378	881
Financial Liabilities	9,857	10,434
Total Liabilities	**55,705**	**90,124**
Net Assets	**402,810**	**526,259**
Non controlling interests	432	54
Net Assets attributable to PAC shareholders	**402,378**	**526,205**
Net Assets per share ($)	**7.92**	**10.31**

- Reflects the consolidation of corporate admin and operating subsidiaries (i.e., Aether and SCI)
- The increase in the cash balance arises from the accumulation of dividends from boutiques and the proceeds from Seizert disposal
- Carrying values have been tested and adjusted for:
  - Other financial assets - GQG, Carlisle, Proterra & EAM
  - Investments in associates and JVs – impairment of Blackcrane and CAMG
- Increase in current liabilities and decrease in other current assets is primarily attributable to the tax liabilities associated with the sale of 1% stake GQG
- The increase in deferred tax liability reflects the increase in valuation of fair value assets, mainly GQG
- The deferred consideration associated with previous acquisitions are included in Financial Liabilities
- The long-term rental obligation under AASB 16 are included in Lease Liabilities

Alternate Balance Sheet

Book Value (A$000s)	30 June 21	31 December 21
Cash	21,032	23,463
Other Current Assets	20,368	9,350
Current Liabilities	(14,828)	(12,509)
PAC's Investable Cash	**26,572**	**20,304**
Investment in Boutiques		
Subsidiaries	57,464	54,504
Associates & Joint Ventures	132,058	188,562
FVTPL	93,284	309,743
FVTOCI	128,884	14,289
Other Non-Current Assets	2,094	3,414
Deferred Tax Liability	(27,904)	(52,794)
Other Non-Current Liabilities	(10,074)	(11,817)
Net Assets	**402,378**	**526,205**

» Reflects deconsolidation of operating subsidiaries (i.e., Aether and SCI) to present PAC on a "look through" basis

» Investable cash balance assumes that all current assets and liabilities have been realised at balance date, ignoring underlying cash that will be earned over the next 12 months as these current assets and liabilities are realized

» The acquisition of Banner Oak was the primary contributor in the increase in the value of associates & joint ventures

» FVTPL assets are materially higher as GQG IPO resulted in a large increase recorded in book value. GQG was transferred from FVTOCI to FVTPL due to accounting treatment change as a result of the IPO.

» Deferred tax liability higher as it corresponds to the increased value of GQG

Note: Presentation of Alternate Balance Sheet is an unaudited and a non-IFRS financial measure used by PAC to manage its business. Prior year classification is changed to enhance comparability.

Statutory Cash Flow

A$000s	1H21	1H22
Operating cash flow		
Net receipts from customers/suppliers/financiers	(1,848)	(3,404)
Dividends received	15,761	13,029
Income tax (paid)/received	(1,017)	314
Investing cash flow		
Net proceeds on sale of associate/subsidiary	2,271	58,579
Increased/new investments	(1,240)	(54,815)
Other	1,007	1,673
Financing cash flow		
Share issue	1,974	-
Dividends paid to PAC shareholders	(8,250)	(11,729)
Other	(1,134)	(3,448)
Net increase (decrease) in cash	**7,524**	**199**

- Includes the cash flows of operating subsidiaries (i.e., Seizert (until 30 November 2020 sale date), Aether, and SCI)
- Notable in 1H22:
  - Increased investments in IFP and CAMG totalled A$6.4m and investment in Banner Oak was A$47.8m
  - The sale of 1% stake in GQG provided the Group with additional cash, largely offset by new investment in Banner Oak
- Notable in 1H21:
  - The sale of Seizert provided the Group with additional cash
  - The issue of shares through the underwriting of the DRP increased share capital
  - increased investments in IFP and CAMG totalling A$1.2m

Note: Presentation of Statutory cash flow is a summarised version of the statement included in the full year report.

Alternate Cash Flow

A$000s	1H21	1H22
Underlying NPBT	**13,665**	**18,073**
Accounting earnings from boutiques	(14,655)	(19,377)
Dividends from boutiques	15,761	13,029
Net interest income	(35)	(60)
Depreciation and amortisation	475	236
Changes in operating assets and liabilities	(221)	(1,117)
Other	783	104
Underlying pre-tax cash earnings		
Legal, consulting, deal and break fee expenses	(590)	(870)
Net foreign exchange loss (including Nereus liability fx movement)	(1,270)	(393)
Pre-tax cash earnings		
Income tax paid	(1,017)	314
Cash provided by operating activities	**12,896**	**9,939**

- Reconciles the Underlying NPBT to cash generated from operating activities.
- Dividends reported in the P&L reflect income from the Fair Value Boutiques (such as GQG, EAM, Carlisle and Proterra) while dividends cash received reflects those dividends and the dividends received from the associates.

Note: Presentation of Alternative Cash Flow is an unaudited and a non-IFRS financial measure used by PAC to manage its business.

Key Definitions

- **Underlying Results/Earnings:** Unaudited and non-IFRS financial measures used by PAC management to reflect the recurring elements of PAC's business.
- **Boutique Contributions:** PAC's economic entitlement from portfolio company/boutique investments including Management Fees and performance fees.
- **Management Fees:** PAC's allocable share of boutique profits (excluding performance fee revenue and after deducting operating expenses of the boutique) or revenues (where PAC has revenue share arrangement).
- **Management Fee Profitability:** Management Fees (see above) less PAC's underlying operating expenses (excluding commission expenses).
- **Revenue Share:** Boutique investments where PAC is entitled to a percentage of boutique's top-line revenues (largely made up of management fees and performance fees). This equity structure removes fluctuations related to the boutique's cost base over time. For these boutiques, in the instance where there is a liquidity event, PAC is entitled to a certain percentage of proceeds from such events.
- **Profit Share:** Boutique investments where PAC is entitled to percentage of boutique's bottom-line profit. Note: for the underlying earnings presentation, PAC reclassifies all subsidiary accounting into boutique Profit Share.
- **Open-end funds:** Funds under management that are not committed for an agreed period. These funds can be redeemed by an investor on relatively short notice, which subsequently impacts the management fees paid to the portfolio manager.
- **Closed-end funds:** Funds under management where the investor has committed capital for a fixed period. The fixed period is notable as the manager collects management fees throughout the duration of the fixed period.
- **Tier-1 Boutiques:** Asset managers that PAC expects to produce at least an average of A$4m of annual earnings for PAC over the next three years. Although there is no guarantee any Tier-1 boutique will meet this threshold, this categorisation is intended to provide insight into which boutiques are expected to be the most economically impactful to Pacific Current Group.
- **Tier-2 Boutiques:** Boutiques that PAC expects will contribute less than A$4m of annual earnings for PAC.
- **A$ & US$:** A$ refers to Australian Dollar (reporting currency of PAC), US$ refers to United States Dollar.
- **Local currency:** Functional currency of the boutique.

Key Concepts

- Operating Leverage:
  - Investment management organizations generally have high operating leverage, whereby additional fee-paying assets can be managed and additional management fee revenues earned while not seeing a large corresponding increase in expenses. PAC benefits from operating leverage on two levels. First, operating leverage at the portfolio company level results in greater management fee revenues with limited increase in operating costs to most managers. Second, operating leverage at the PAC corporate level can be captured as PAC deploys more capital with minimal increase in corporate expenses.

- Placement fees
  - Private capital managers typically pay commissions to placement agents (firms that raise capital for investment managers) that represent the annual management fee multiplied by the committed capital (i.e., $100m committed capital *1.5% mgt fee = $1.5m commission). This commission is generally paid in equal installments over 2 to 3 years; however, it must be expensed by the manager at the time the commitments are received and not when they are paid.
  - Long only / Traditional investment managers generally pay commissions that are a declining percentage of annual revenues (for example, 20% of year 1 revenue, 10% of year 2 revenue, and 5% for year 3) get paid commissions over several years. These commissions are not recognized at the time of commitment but rather after they are paid.

- Revenue recognition:
  - Private equity, private infrastructure, and private real estate managers normally charge fees on committed capital. Thus, new FUM becomes revenue immediately after the legal commitment is received, even though it may take several years to invest the committed capital.
  - Private credit strategies generally generate management fees on the capital that is invested (i.e., not on committed capital). It will typically take 2 to 3 years for the fund to be fully invested and earn the full fee on the total committed capital.