



ASX ANNOUNCEMENT

Melbourne, 25 February 2025

PACIFIC CURRENT GROUP HALF YEAR RESULTS

Six months ended 31 December 2024

Pacific Current Group Limited (ASX:**PAC**, "**Pacific Current**") is pleased to report the Company's interim results and key achievements for the six months ended 31 December 2024:

- Off-market, equal access share buy-back of up to A\$300m (**Buy-Back**) in progress and expected to close on 7 March 2025. Buy-Back price set at A\$12 per share
- Statutory net profit after tax (**NPAT**) of A\$100.3m (1H24: A\$11.7m) largely driven by fair value uplifts and gains on disposals
- Underlying NPAT of A\$15.3m (1H24: A\$16.7m) positively impacted by significant cost savings of around 37%
- Completed asset sales with exits from Banner Oak Capital Partners (**Banner Oak**), Carlisle Management Company (**Carlisle**), and Victory Park Capital (**VPC**) (partial sale), providing significant liquidity and realization of fair value uplift
- Boutique contributions lower as asset sales and exits took place in CY2024. The decrease was partially offset by higher interest income as PAC now holds a substantial cash balance
- Underlying earnings per share (**EPS**) of A\$0.29 Vs. A\$0.32 in 1H24
- 1H25 unfranked dividend of A\$0.15 per share (1H24: A\$0.15 unfranked)
- PAC's internal fair value estimate of net asset value (**NAV**) A\$14.32 per share (A\$13.96 when adjusted for price volatility of Abacus bonds using a 3-month VWAP) exceeds statutory NAV by A\$0.48 per share

OPERATIONAL PERFORMANCE

PAC recognized a statutory profit for the year of A\$100.3m (1H24: A\$11.7m) reflecting the realized gain on publicly traded financial assets held by PAC because of the VPC and Carlisle transactions as well as a fair value uplift for the remaining stake in VPC. PAC also recognized a gain on exit from the Banner Oak investment. These gains were partially offset by the impairment of PAC's investment in Aether Investment Partners (**Aether**).

CAPITAL INITIATIVES

PAC is currently implementing a substantial Buy-Back of up to 25,000,000 ordinary shares at a Buy-Back price of A\$12 per share. The Buy-Back is expected to complete in March 2025.

An interim Dividend of A\$0.15 per share (unfranked) has been determined and shareholders participating in the Buy-Back will be entitled to receive this dividend in respect of their shares which are being bought back.

PORTFOLIO MANAGEMENT

During 1H25, PAC successfully completed a number of significant Portfolio transactions:

- In July 2024, PAC announced the sale of 100% of its interest in Carlisle to Abacus Life (NASDAQ: ABL). PAC received 1.97m newly issued Abacus bonds with a coupon of 9.875% at an aggregate par value of US\$49.2m. In addition, PAC received 1.36m shares in Abacus common stock. As at completion of the sale on 3 December 2024, the aggregate net proceeds to PAC were estimated to be US\$60.3m.
- In August 2024, PAC announced a sale of 55% of its equity stake in VPC's management company and 22% of PAC's 24.9% future carried interest entitlements in VPC's funds yet to be launched. PAC received an upfront consideration of US\$33.9m (before transaction costs), 75% in cash and 25% in Janus Henderson stock (NYSE: JHG). PAC could also receive up to an additional US\$27.7m earnout payment based on certain VPC gross revenue milestones measured in calendar years 2025 and 2026, being achieved. Finally, the agreement also includes provisions for the potential sale of the remaining 45% of VPC's management company and an incremental portion of carried interest in the future.
- In December 2024, PAC:
 - i. announced the redemption of its interest in Banner Oak. PAC originally invested US\$35m in Banner Oak in January 2022. The redemption of US\$19.1m, coupled with US\$15.9m of historical distributions from Banner Oak, represents a full return of PAC's invested capital, on a pre-tax basis; and
 - ii. PAC disposed all of its equity interest in Nereus Capital Investments.

Both the Carlisle and VPC transactions have now settled with various regulatory approvals received.

In February 2025, PAC agreed in principle to restructure its Aether investment from an equity share to a revenue share agreement.

FAIR VALUE ADJUSTED NAV

As at 31 December 2024, PAC's statutory results reflect a NAV of A\$13.84 per share. As previously noted, IFRS accounting standards require PAC to use a variety of accounting treatments for PAC's boutiques. The result is that some assets are reported at fair value in PAC's statutory accounts, while others are initially reported at investment cost and can only be written down, but not up. Since the previous reporting period, PAC has disclosed its internal fair value estimates for the PAC boutiques. As at 31 December 2024, the fair value NAV is estimated at A\$14.32 per share (A\$13.96 when adjusted for price volatility of Abacus bonds using a 3-month VWAP).

OUTLOOK

PAC management expects to embed the initiatives of CY2024 and shift focus in CY2025 to:

- Completing the Buy-Back and return of capital to shareholders
- Deliver Growth initiatives – looking for opportunities to increase investment in current boutique partners where the potential exists to accelerate growth, and new investment opportunities
- Optimize organizational effectiveness – continuing to embed significant changes to organization structure and decision-making processes implemented in CY2024. These changes impact all aspects of PAC’s operations which are much leaner as a consequence
- Reduce corporate costs – reduction of 37% was achieved in 1H25 (compared to 1H24). Continue to explore further opportunities to reduce costs
- Reduce debt – continue to pursue negotiations to pay down outstanding debt

Pacific Current’s Chairman, Tony Robinson noted, “The PAC management team has done an excellent job managing the assets, disposals and the Buy-Back currently underway. These efforts have established a solid foundation for the future growth of the business.”

Pacific Current’s Executive Director & Acting CEO, Michael Clarke noted, “After a busy and exciting start to FY2025, PAC management is focused on executing a clear and disciplined plan to continue the strong momentum in 2H25.”

OTHER CONSIDERATIONS

FAIR VALUE NAV

Fair value is the price that would be expected to be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The valuation techniques used in determining these Fair Values are based on forecast information that has been prepared using a set of assumptions about future events and management actions that are not certain to occur. Furthermore, other events and management actions which have not been forecast to occur may nevertheless occur. If events do not occur as assumed, the actual results achieved may vary significantly from the forecast outcome, significantly impacting the resulting value.

In addition, given the nature of these investments it may be difficult to deal with a specific investment in a specific market at a specific time. Alternatively, the most appropriate acquirer of an investment, may be a special purchaser that can enjoy benefits of owning that asset that are not available to other potential owners.

As such the Group does not warrant or guarantee that these Fair Values are the amounts that any specific investment would be realised at.

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 and operational expertise, to help our partners excel. As of 25 February 2025, Pacific Current Group has investments in 8 boutique firms globally.

CONFERENCE CALL

Pacific Current Group would like to invite you to join our conference call to be held at **10:30am (AEDT) on Tuesday, 25 February 2025**.

The presenters will be Michael Clarke, Executive Director & Acting CEO 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.

Pre-registration link (required to join teleconference for Q&A participation):

<https://s1.c-conf.com/diamondpass/10045089-y0236b.html>

Webcast (listen mode only):

<https://webcast.openbriefing.com/pac-hyr-2025/>

(An online archive of the webcast event will be available approximately four hours after the webcast)

AUTHORISED FOR LODGEMENT BY:

The Board of Pacific Current Group Limited

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CONTACT

For Investor enquiries:

- Michael Clarke - Executive Director & Acting CEO
E: info@paccurrent.com
T: (+61) 3 8375 9611