



PACIFIC CURRENT GROUP

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# FULL YEAR FY25 RESULTS PRESENTATION

## Presenters

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**26 August 2025**

Pacific Current Group Limited (ASX: PAC)  
ABN: 39 006 708 792





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# FY25 Overview

**Pacific Current Group (PAC) is a global investor in investment management firms, with stakes in 8 investment firms across the US, Europe 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.

- § **Completion of Off Market Share Buy-Back:** Completed a substantial off-market, equal access share buy-back of A\$265m with buy-back price of A\$12 per share.
- § **Profit:** Statutory NPAT of A\$58.2m (FY24: A\$110.1m), Underlying NPAT of A\$26.0m (FY24: A\$32.2m), Underlying Earnings Per Share of A\$0.56 per share (FY24: A\$0.62 per share).
- § **Lower Corporate Costs:** including the first period of externalisation and associated benefits realised in FY25 with 60% cost reduction
- § **Dividend:** Dividend of A\$0.43 per share (unfranked) (FY24: A\$0.38 per share, unfranked)
- § **Enhanced Capital Flexibility:** Successful transactions involving Banner Oak, Carlisle, Victory Park Capital, and Nereus all settled in FY25
- § **Deliver Growth Initiatives:** Targeting opportunities to accelerate growth among existing boutique partners and exploring new investment prospects
- § **Fair value NAV:** PAC's estimated fair value NAV of A\$15.51 per share (FY24: A\$13.47 per share) exceeds statutory NAV by A\$0.76 per share



# FY25 Underlying Results

**NAV:** Fair value NAV increased to A\$15.51 per share, this includes fair value movement for Abacus Life Shares and Bonds received for the sale of Carlisle.

**Underlying NPAT:** Down 20% (21% USD) due to asset realisations, with large part of net assets now held in cash

**Corporate Costs:** Reduced by 60% as a result of corporate restructure in late FY24

	FY25 (A\$m)	FY24 (A\$m)	FY25 (US\$m)	FY24 (US\$m)	Comments
Boutique management fees	15.5	36.0	10.0	23.6	Asset realisations with Avante, Cordillera, Proterra, Banner Oak, Carlisle, Pennybacker (partial) and Victory Park (partial) exits impacting boutique results
Boutique performance fees	8.0	11.3	5.1	7.4	Largely contributed by VPC and Roc
Boutique unrealised MTM	1.6	(2.3)	1.0	(1.5)	Non-cash item, primarily related to VPC balance sheet items
Earnings from Financial Assets	3.8	13.0	2.4	8.5	FY24 includes dividends from GQG shares, FY25 include Petershill deferred consideration
Interest on Abacus Bonds	4.4	-	2.8	-	Classified as mark-to-market movement in the financials
Investment management fees	(2.4)	(0.3)	(1.6)	(0.2)	GQG investment management agreement coming into effect in May 2024
<b>Contributions from Boutiques and Investments</b>	<b>30.8</b>	<b>57.6</b>	<b>19.9</b>	<b>37.8</b>	Lower as large portion of portfolio in cash
Corporate revenue	-	0.7	-	0.4	Interest income is excluded
Corporate costs	(6.8)	(16.7)	(4.4)	(10.9)	Lower costs as full impact of restructure took place
<b>Corporate contribution</b>	<b>(6.8)</b>	<b>(16.0)</b>	<b>(4.4)</b>	<b>(10.5)</b>	
<b>Underlying EBITDA</b>	<b>24.0</b>	<b>41.6</b>	<b>15.5</b>	<b>27.3</b>	
Interest Income	15.1	4.4	9.8	2.9	Interest income on higher cash balance post asset sales/exits
Interest expense	(6.7)	(6.7)	(4.3)	(4.4)	Interest expense on debt
Depreciation expense	-	(0.7)	-	(0.5)	
Income tax benefit/(expense)	(6.4)	(6.2)	(4.1)	(4.0)	
<b>Underlying NPAT</b>	<b>26.0</b>	<b>32.2</b>	<b>16.9</b>	<b>21.1</b>	Lower by 20% (lower by 21% USD) YoY

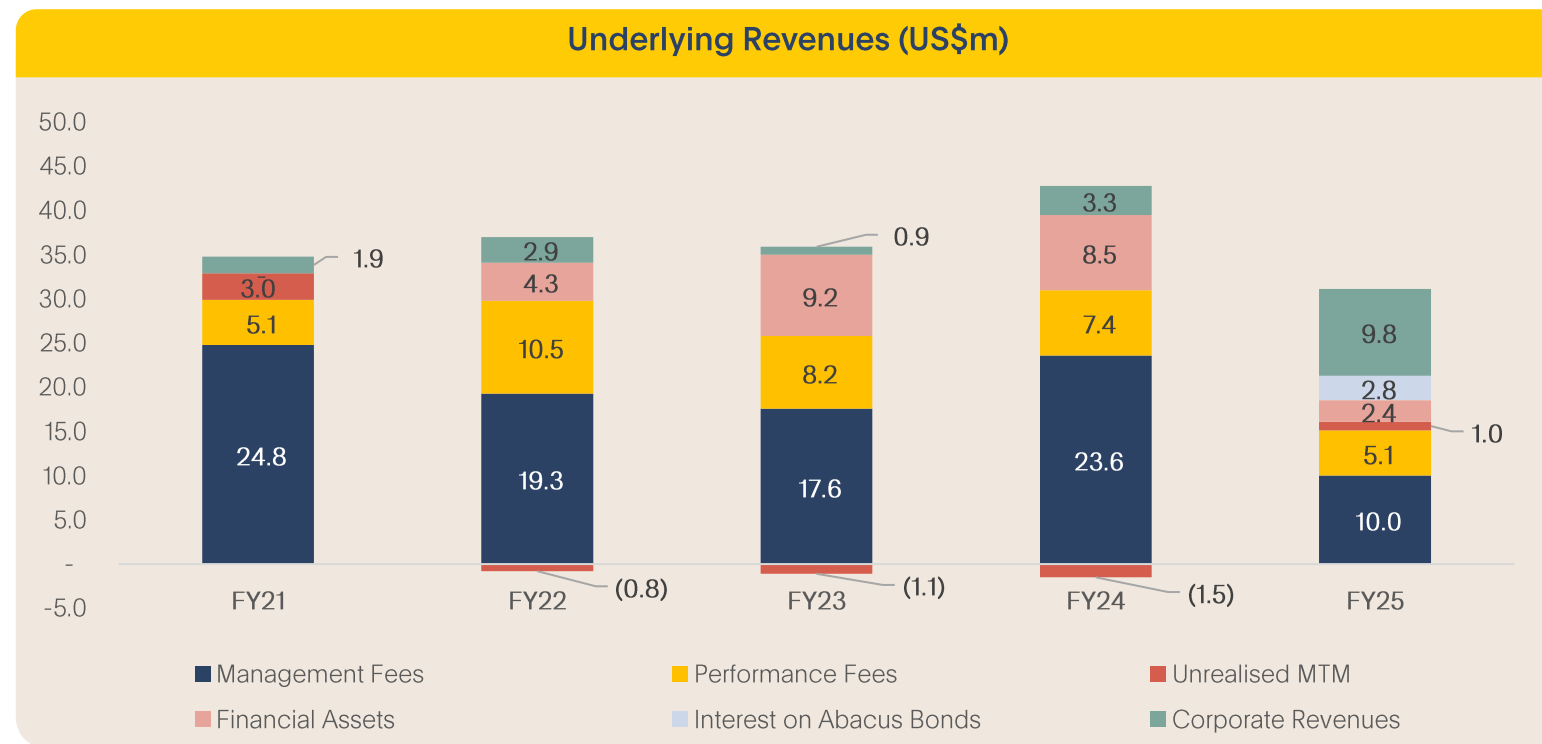
Underlying earnings per share	55.8 cents	62.4 cents	36.1 cents	40.9 cents	
Dividends per share	43 cents	38 cents	—	—	Unfranked dividends
Statutory Net Asset Value per share	<b>\$14.75</b>	<b>\$11.48</b>	<b>\$9.69</b>	<b>\$7.65</b>	Post tax value per share
Fair Value Net Asset Value per share*	<b>\$15.51</b>	<b>\$13.47</b>	<b>\$10.19</b>	<b>\$8.98</b>	

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

\*Refer to the Understanding Fair Value NAV slide in the Appendices.

# Revenue Composition

Boutique contributions were lower and PAC's corporate cash and interest income were higher as a result of asset realisations over the past 12 months



§ **FY25 Management Fee Revenues:** Decline was largely due to asset sales/realisations such as Avante, Cordillera, GQG, Proterra, Banner Oak, Carlisle, Pennybacker (partial), and Victory Park (partial)

§ **Performance Fees:** Largely comprised of VPC and Roc

§ **Financial Assets:** Driven predominantly by deferred consideration linked to sale of stake in Pennybacker to Petershill

§ **Corporate Revenues:** Primarily from interest income on higher cash balances from asset realisations

## Notes:

- Some boutiques hold marketable securities on their balance sheets, which generate unrealised non-cash income (loss) items.
- FY24 corporate revenues have been restated to incorporate interest income, reflecting PAC's substantial cash holdings and the resulting uplift in interest earnings



# Alternate Balance Sheet

Reflects deconsolidation of operating subsidiaries (Aether and SCI) to present PAC on a “look through” basis. Reflects lower cash as a result of buy-back completed in March 2025.

A\$000s	30 Jun 25	30 Jun 24
Cash	137,893	317,727
Other Current Assets	19,739	19,993
Current Liabilities	(5,150)	(4,821)
Deferred Tax Liability	(11,436)	(59,125)
Other Non-Current Assets	65,464	62,093
Other Non-Current Liabilities	(62,173)	(63,373)
<b>PAC's Corporate Net Assets</b>	<b>144,337</b>	<b>272,494</b>
<b>Investment in Boutiques</b>		
Subsidiaries	-	26,272
Associates & Joint Ventures	28,890	127,325
FVTPL	143,483	121,684
Financial Assets	119,590	40,624
FVTOCI	8,358	10,704
<b>Net Assets</b>	<b>444,658</b>	<b>599,059</b>

## Notable Items

- § PAC's corporate net assets 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 realised
- § Other non-current assets include A\$65.4m (US\$42.3m) held as a restricted deposit, serving as a security for WHSP debt recorded under the other non-current liabilities
- § Deferred consideration receivable from Petershill in FY25 includes current receivables arising from the sale of interest in Pennybacker
- § The decrease in subsidiaries is related to impairment of Aether and subsequent change in classification due to restructure. Aether is now moved to FVTPL investment
- § The increase in FVTPL (decrease in Associates and JVs) relates to sale of partial stake in both Victory Park and Pennybacker, PAC now holds a minority stake in both and remaining stake is reclassified as FVTPL (from Associates in prior period)
- § Financial Assets include shares in Abacus Life and Janus Henderson, bonds issued by Abacus Life, and deferred consideration from Petershill in relation to sale of interest in Pennybacker

Notes: Presentation of Alternate Balance Sheet is an unaudited and a non-IFRS financial measure used by PAC to manage its business. Prior period classifications have been adjusted to enhance consistency with the current year format.





# FAIR VALUE VS BOOK VALUE

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# NAV Breakdown

	Book Value (A\$m)* 30-Jun-24	Book Value (A\$m)* 30-Jun-25	Fair Value (A\$m) 30-Jun-24	Fair Value (A\$m) 30-Jun-25	Comments
<b>Investment in Boutiques</b>					
Aether	27.5	2.8	30.3	3.0	Impairment recognised in FY25 as noted in HY25 results, this was due to Aether's decision to discontinue new fundraisings
Banner Oak	23.0	-	23.9	-	PAC redeemed all of the interest in Banner Oak
Carlisle	77.6	-	77.6	-	Sale announced post 30 June 24, PAC received Abacus Life shares and bonds in exchange
Pennybacker	44.1	42.1	44.1	42.1	Remaining interest after the sale of partial stake in FY24
Roc Group	11.1	9.3	34.3	37.2	
Victory Park	76.0	99.6	172.7	99.6	In FY2025, PAC sold 55% of its equity stake for US\$33.9m upfront, with an additional US\$27.7m earn-out contingent on Victory Park achieving growth milestones in 2025–2026. The FY25 remaining stake is the remaining 45% of the stake held at FY24.
Other	26.9	27.0	39.4	31.5	
<b>Financial Assets</b>					
Janus Henderson – Shares	-	12.8	-	12.8	Received as part of the consideration for sale of interest in Victory Park
Abacus Life - Bonds	-	74.4	-	74.4	Received from the sale of interest in Carlisle
Abacus Life - Shares	-	10.6	-	10.6	Received from the sale of interest in Carlisle
Petershill Deferred Consideration	39.7	20.3	39.7	20.3	Receivable from the sale of stake in Pennybacker, it declined in FY2025 following receipt of the first tranche. The final payment is expected in FY2026
Others	0.9	1.4	0.9	1.4	
<b>PAC's Corporate Net Assets</b>	272.5	144.3	240.1	134.8	
<b>Net Assets</b>	<b>599.1</b>	<b>444.7</b>	<b>702.9</b>	<b>467.7</b>	Increase due to fair value uplift post sale of Victory Park and Pennybacker as well as Abacus Bonds
<b>NAV Per Share</b>	<b>A\$11.48</b>	<b>A\$14.75</b>	<b>A\$13.47</b>	<b>A\$15.51</b>	

§ IFRS requires PAC to use a variety of accounting treatments, resulting in some assets 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

§ Accordingly, PAC's reported statutory NAV is lower than its NAV using PAC's fair value estimates

§ As at 30 June 2025, PAC's fair value NAV of A\$15.51 per share exceeds its statutory NAV by A\$0.76 per share

\*Refer to the Understanding Fair Value NAV slide in the Appendices

Includes boutiques that are already reported at fair value as FVTPL or FVTOCI. These boutiques were not included in similar numbers for 30 June 24 presentation

Comparisons of fair value estimates over time can be significantly impacted by currency fluctuations





# FY25 KEY HIGHLIGHTS

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# FY25 Portfolio Movements

FY25 was a period of considerable change for PAC's Portfolio Composition which added significant capital flexibility

In July 2024, PAC announced a 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% and an aggregate par value of US\$49.2m. In addition, PAC received 1.36m shares of Abacus common stock. As at 3 Dec 24 (announcement of completion of sale), 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 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. Finally, the agreement also includes provisions for the potential sale of the remaining equity stake in VPC's management company and an incremental portion of carried interest in the future.

In December 2024, PAC fully redeemed its investment in Banner Oak Capital Partners. 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.

In December 2024, PAC disposed all of its equity interest in Nereus Capital Investments.

In March 2025, PAC completed restructure of its investment in Aether Investment Partners from an equity share to a revenue share agreement, while maintaining a liquidation right of 24.9% should the company be sold. As noted in HY25 results, PAC recognised an impairment expense on its investment in Aether.

In March 2025, PAC completed equal access off-market buy-back of A\$265m with buy-back price set at A\$12.





# OUTLOOK

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# Near-Term Focus

PAC will focus on growth initiatives, supporting Boutiques, optimising organisational effectiveness, reducing debt, managing cost base and other capital initiatives

## Accelerate Growth

- § Leverage high-potential opportunities with existing boutique partners and assess new investment prospects to drive scalable growth

## Unlock Shareholder Value

- § Evaluate targeted capital initiatives to enhance returns and optimise capital structure

## Control Operating Costs

- § Maintain disciplined cost management to support margin stability and capital efficiency

## Strengthen Balance Sheet

- § Prioritise debt reduction to improve financial flexibility and resilience

## Enhance Organisational Efficiency

- § Embed and refine the structural and governance changes introduced in FY24 and FY25 to improve agility and decision-making

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 through FY26. 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.



# How to think about the PAC portfolio

PAC's portfolio can be broken down into four distinct asset types, with varying growth and yield expectations

## PAC Asset Breakdown

### Cash (30% of Portfolio)

- § A\$138m of surplus cash remaining after the payment of A\$265m for the share buy-back in March 2025

### Financial Assets (25% of Portfolio)

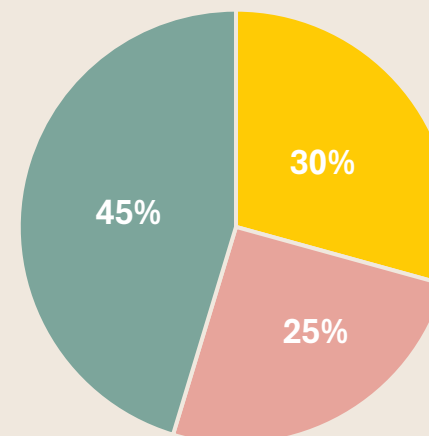
- § Pennybacker receivables (Petershill deferred consideration), Abacus Life Shares and Bonds, Janus Henderson shares
- § To be crystallised to cash as and when possible

### Investment in Boutiques (45% of Portfolio)

- § Residual stakes in Pennybacker and VPC management company, VPC Carry Holdco as well as existing stakes in Roc, Aether, Astarte, Global IMC, IFP, and NLAA
- § Some investments, including VPC Carry Holdco and Roc, are carry-related and may generate substantial cashflows, though timing is expected to be uneven.

## Portfolio Fair Value by Asset Type

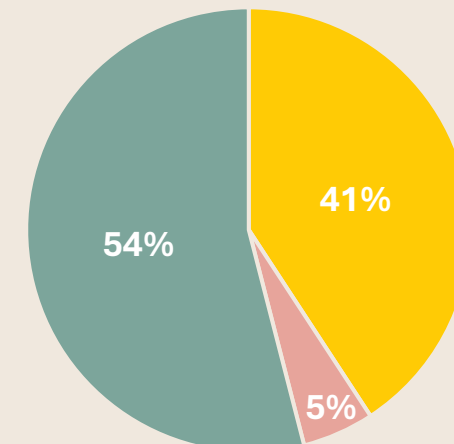
30 June 2025



Gross Assets of A\$471m

- Cash
- Financial Assets
- Investments in Boutiques

30 June 2024



Gross Assets of A\$779m

- Cash
- Financial Assets
- Investments in Boutiques

# PAC Go-Forward Strategy

PAC will allocate capital to its most accretive uses, including re-investment and distribution to shareholders

## Assets for Harvesting and Mature Boutiques

In addition to its large cash balance (A\$138m) and ongoing distributions from Boutiques, PAC has a number of assets that are in 'Harvest', these are financial assets or receivables that PAC is waiting to realise in cash. Some of these transactions are subject to various approvals and not yet finalised.

Pennybacker  
Receivables

US\$13.4m

Abacus  
Stock

US\$7.0m

Abacus  
Bonds

US\$48.9m

Janus  
Henderson  
Shares

US\$8.4m

VPC  
Earn-Outs\*

US\$3.1m

## Capital Allocation

The divestment of investments in Pennybacker, Carlisle, Banner Oak, and VPC has resulted in a substantial pool of capital awaiting reallocation.

PAC will consider a range of capital management initiatives which may include:

Re-invest in new  
Growth Opportunities

On-Market Share Buyback

Re-invest in existing  
Boutique Opportunities

Dividends

Any growth opportunities will need to be accretive compared to buybacks or distributions to shareholders

\* VPC Earn-outs are present value of estimated earn-out and included in the total fair value estimate of Victory Park. This number could materially change higher or lower in future depending on revenue thresholds being achieved in years 2025 and 2026.





# APPENDICES



# Statutory Profit or Loss

Results include the revenues and expenses of operating subsidiaries (Aether and SCI)

A\$000s	FY25	FY24
Revenue from operations	4,552	11,221
Distributions and dividend income	18,472	27,281
Other income	18,456	4,407
Changes in fair value	(10,598)	104,735
Gain on sale of investments	97,254	61,191
<b>Total statutory income</b>	<b>128,136</b>	<b>208,835</b>
Employment expenses	(5,158)	(20,136)
Impairment expenses	(23,669)	(42,243)
Administration and general expenses	(11,284)	(16,388)
Depreciation and amortisation expenses	(623)	(2,681)
Interest expenses	(8,981)	(6,691)
<b>Total statutory expenses</b>	<b>(49,715)</b>	<b>(88,139)</b>
Share of net profits of associates and joint venture	3,787	21,579
<b>Profit/(Loss) before tax</b>	<b>82,208</b>	<b>142,275</b>
Income tax (expense)/benefit	(24,048)	(31,922)
<b>Profit/(Loss) after tax</b>	<b>58,160</b>	<b>110,353</b>
Non-controlling interests	—	(271)
<b>Profit/(Loss) after tax attributable to the PAC members</b>	<b>58,160</b>	<b>110,082</b>

## Notable Items

- § Reduced revenues from operations as no performance fee from SCI crystallised in FY25. In addition, reduction in management fees YoY from Aether
- § Gain on sale of investments primarily from VPC, Carlisle and Banner Oak
- § Impairment expenses related to Aether in FY25 (Aether and Banner Oak in FY24)
- § Higher other income as a result of higher interest income through higher cash balance held in the portfolio



# Statutory to Underlying Reconciliation

Reported results impacted by extraordinary and non-cash items

A\$'000s	FY25	FY24
<b>Reported Net Profit/(Loss) Before Tax</b>	<b>82,208</b>	<b>142,275</b>
<b>Non-cash items</b>		
Amortisation expenses	2,622	7,791
Fair value adjustment of financial assets	15,229	(112,378)
Fair value adjustment of financial liabilities	(251)	7,643
Impairment of investments and financial assets	23,669	42,243
Loss on leases	(138)	2,574
Share-based payment expenses	—	4,555
Early termination of debt facility	2,316	—
<b>Other normalising adjustments/items</b>		
Deal, establishment and litigation costs	2,025	3,960
Gain on disposal of investments	(97,254)	(61,191)
Net foreign exchange loss/(gain)	1,456	(628)
Severance payments and other one-off employment expenses	541	1,763
<b>Underlying NPBT</b>	<b>32,423</b>	<b>38,607</b>
Income tax expense	(6,380)	(6,150)
Share of non-controlling interests	—	(271)
<b>Underlying NPAT attributable to members of the parent</b>	<b>26,043</b>	<b>32,186</b>

## Notable Items

- § Impairment of investments and financial assets relates to the impairments of Aether
- § Fair value adjustment of financial assets primarily relates to Pennybacker, Victory Park, Abacus Shares and Bonds, and Janus Henderson shares

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

# Underlying Profit Drivers

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

	\$000s	FY25 (A\$)	FY24 (A\$)	FY25 (US\$)	FY24 (US\$)
	Contributions from Boutiques and Investments	30,780	57,655	19,915	37,851
	Corporate Revenues	17	659	11	432
Expenses	Employment	2,319	8,481	1,500	5,559
	Directors fee	834	780	511	540
	Marketing/commissions	8	883	5	579
	Travel/entertainment	113	482	73	316
	Advisory, tax and accounting	1,456	1,844	942	1,209
	Legal and consulting	591	767	382	503
	Insurance	566	669	366	439
	Other	909	2,735	588	1,820
	<b>Total expenses</b>	<b>6,796</b>	<b>16,847</b>	<b>4,367</b>	<b>10,965</b>
	<b>Underlying EBITDA</b>	<b>24,000</b>	<b>41,673</b>	<b>15,559</b>	<b>27,318</b>
	Interest income	15,077	4,318	9,755	2,830
	Interest expense	(6,656)	(6,683)	(4,128)	(4,381)
	Depreciation and amortisation	—	(701)	—	(460)
	<b>Underlying NPBT</b>	<b>32,423</b>	<b>38,607</b>	<b>20,979</b>	<b>25,307</b>
	<b>Underlying NPAT</b>	<b>26,043</b>	<b>32,186</b>	<b>16,850</b>	<b>21,098</b>

## Notable Items

- § Boutique contributions lower as a result of asset realisations
- § Corporate expenses are significantly lower as a result of corporate restructure in late FY24
- § Management fee agreement with GQG signed in FY24, related fee expense for FY25 shown together with Contributions from Boutiques and Investments

Notes: US\$ amounts are calculated using the average FX rates for the respective financial year (FY25: 1 A\$ = 0.6470 US\$, FY24: 1 A\$ = 0.6555 US\$)

The prior period comparatives are adjusted to ensure consistency.



# Statutory Balance Sheet

Reflects the consolidation of corporate admin and operating subsidiaries (Aether and SCI)

A\$000s	30 Jun 25	30 Jun 24
Cash and cash equivalents	39,893	95,537
Short-term deposits	98,000	225,000
Other current assets	40,081	42,912
<b>Non-current assets</b>		
Investments in associates and joint ventures	28,890	127,325
Intangible assets	—	24,068
Other financial assets	251,089	150,180
Other assets	65,464	62,859
<b>Total assets</b>	<b>523,417</b>	<b>727,881</b>
Current liabilities	5,150	5,838
<b>Non-current liabilities</b>		
Deferred tax liability	11,436	59,126
Provisions	78	64
Lease liabilities	—	636
Financial liabilities	62,095	63,158
<b>Total liabilities</b>	<b>78,759</b>	<b>128,822</b>
<b>Net assets attributable to PAC shareholders</b>	<b>444,658</b>	<b>599,059</b>
<b>Net assets per share (A\$)</b>	<b>14.75</b>	<b>11.48</b>

## Notable Items

- § Cash and interest-bearing short-term deposits decreased due to completion of the off-market share buy-back
- § Decrease in associates and joint ventures from partial sale of Pennybacker and Victory Park, as well as reclassification of remaining stake in Pennybacker to financial assets
- § The increase in financial assets is due to sale of Carlisle, Pennybacker and Victory Park resulted in PAC receiving shares, bonds and receivables from counterparties

# Statutory Cash Flow

A\$000s	FY25	FY24
<b>Operating cash flow</b>		
Net receipts from customers/suppliers/financiers	1,936	(24,225)
Dividends received	26,200	52,645
Income tax paid	(7,922)	(7,806)
<b>Investing cash flow</b>		
Investment in short-term deposits	127,000	(225,000)
Net proceeds from disposal of associate/subsidiary	84,297	374,738
Increased new investments	(19)	(23,925)
Other	(4,935)	(62,348)
<b>Financing cash flow</b>		
Dividends paid to PAC shareholders	(19,835)	(19,598)
Proceeds from debt facility	—	16,781
Transaction costs from debt facility	—	(424)
Payment from off-market share buy-back	(264,523)	—
Other	(99)	(7,214)
<b>Net (decrease)/increase in cash</b>	<b>(57,900)</b>	<b>73,624</b>

## Notable Items

- § Higher net receipts from customers/suppliers/financiers driven by interest income on higher cash balance held post asset realisations
- § Dividends received were lower as PAC exited/sold investments over the FY2024

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



# Alternate Cash Flow

Reconciles the underlying NPBT to cash generated from operating activities

A\$000s	FY25	FY24
<b>Underlying NPBT</b>	<b>32,423</b>	<b>38,607</b>
Accounting earnings from boutiques	(24,357)	(54,803)
Dividends from boutiques	26,200	52,645
Net interest expense	(3,334)	(1,032)
Depreciation and amortisation	99	833
Changes in operating assets and liabilities	(1,094)	(2,290)
Other	(47)	1,336
<b>Underlying pre-tax cash earnings</b>	<b>29,891</b>	<b>35,297</b>
Legal, consulting, deal and break fee expenses	(2,025)	(3,960)
Net foreign exchange loss	811	(1,153)
Redundancies	(541)	(1,763)
<b>Pre-tax cash earnings</b>	<b>28,136</b>	<b>28,420</b>
Income tax paid	(7,922)	(7,806)
<b>Cash provided by operating activities</b>	<b>20,214</b>	<b>20,614</b>
Underlying Pre-Tax Cash Conversion	<b>92.2%</b>	<b>91.4%</b>

## Notable Items

- § Dividends reported in the P&L reflect income from the fair value boutiques while dividends from boutiques herein reflects those dividends and the dividends received from the associates
- § Cash receipts from boutiques increased relative to accounting earnings mainly as a result of cash being received in July 2024 for the FY2024 period
- § Net interest expense is the difference between interest recorded in the Statement of Profit or Loss and interest received/paid

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

# PAC Boutique Investments



**Revenue Share / 24.9%**

Private equity, real assets  
**2008 investment**  
USA

Aether Investment Partners is an alternative investment manager sponsoring closed-end limited partnerships focused private investments in real assets

- § Primary sectors include natural resources and infrastructure
- § PAC owns a top-line revenue share in Aether

Note: PAC restructured its investment in Aether in 2H25, which converted equity to revenue share structure. In a sale/liquidation event, PAC will be entitled to 24.9% of the proceeds.



**39% / 44.5%**

Private equity, real assets  
**2021 investment**  
UK

Astarte Capital Partners is an alternative investment manager focused on private markets real assets strategies

- § Astarte sponsors closed-end limited partnerships that provide seed and operating capital to private equity firms that offer real assets strategies. It typically partners with operating experts or emerging investment managers that utilise a value-add approach.
- § PAC owns a bottom-line profit share of Astarte's business

Note: PAC is entitled to 39% of Astarte's net income and 44.5% of value of business in the event of sale/liquidation



**Pref. Equity / 18.8%**

Global, international, & EM small cap equity  
**2014 investment**  
USA

Global IMC (formerly, EAM Global Investors) manages emerging markets small cap, international small cap and international micro-cap public equity strategies

- § Distinctive, momentum-oriented approach effective in less efficient equity markets
- § PAC owns a top-line revenue share in Global IMC, LLC

**INDEPENDENT [FINANCIAL] PARTNERS**

**24.9%**

Hybrid RIA platform  
**2019 investment**  
USA

Independent Financials Partners ("IFP") is a hybrid Registered Investment Advisor (RIA) platform that secures and manages middle office servicing relationships with RIAs

- § IFP utilises a proprietary platform to use multiple back-office providers, including custodial services, to enhance the economics to its advisors
- § PAC owns a bottom-line profit share of IFP's business

Note: In a sale/liquidation PAC is entitled to 100% of the first US\$8.0m and 44.9% of all subsequent proceeds



# PAC Boutique Investments



**Pref. Equity / 23%**

Placement agent  
2014 investment  
UK

Northern Lights Alternative Advisors ("NLAA") is a London-based placement agent focused on private equity and hedge funds

- § The firm is one of London's premier equity placement agents focused on unique investment strategies
- § PAC owns a top-line revenue share in NLAA's business



**7.5%**

Private real estate  
2019 investment  
USA

Pennybacker Capital Management ("Pennybacker") is a middle-market real estate private equity and private credit manager focusing on value-add real estate private equity

- § More recently, Pennybacker launched Income & Growth and Credit strategies, which are a "core plus" private equity real estate strategy that is less operationally intensive than the flagship strategy
- § PAC owns a bottom-line profit share of Pennybacker's business



**30%**

Private equity, Asia-Pacific  
2014 investment  
Australia

Roc Partners is a specialised investment firm offering both pooled and customised Asia Pacific private equity solutions

- § PAC owns a bottom-line profit share of Roc's business



**11.2%**

Private credit  
2018 investment  
USA

Victory Park Capital Advisors ("VPC") is a Chicago-based firm primarily focused on private debt strategies—direct lending to financial service companies

- § VPC seeks to invest in multiple subsectors such as subprime and near-prime unsecured consumer lending, merchant cash advance, legal settlement finance, etc.
- § PAC owns a bottom-line profit share of VPC's business

Note: PAC is entitled to a revenue share with NLAA and 23% of proceeds in the event of a sale/liquidation

# Key Definitions

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## 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

## 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

## 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

## 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)

## 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

## Net Asset Value (NAV)

Pacific Current Group's total equity (attributable to owners of the company and excluding non controlling interests) calculated as total assets less total liabilities

## 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

## A\$ & US\$

A\$ refers to Australian Dollar (reporting currency of PAC), US\$ refers to United States Dollar

## Local currency

Functional currency of the boutique





# Understanding Fair Value NAV

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The statutory consolidated financial statements have been prepared on the basis of historical cost, except for certain financial instruments that are measured at fair value at the end of each reporting period.

As such, the Group's investments in operating subsidiaries and Associates and Joint ventures (such as Roc) at their historical cost while investments in boutiques, are carried at their fair value.

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.

In determining this estimate, assets whose shares trade in active markets, can be based on unadjusted quoted prices. In other cases, the Group needs to use valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

For the investments that are carried at historical cost, the Group is required by the accounting standards to determine whether it is necessary to recognise any impairment loss with respect to these investments. This assessment compares the investment's recoverable amount (i.e. the higher of its "value in use" or its "fair value less costs to sell") with its carrying amount. If its recoverable amount is less than its carrying value, an impairment loss is recognised. Should the investment's recoverable amount be greater than its carrying value then the value of the investment is not increased.

The Group undertakes this impairment assessment at the end of each reporting period, using valuation techniques like those utilised in determining the value of investments carried at fair value. As such, at the end of each reporting period, the Group has an assessment of the book value and the fair value of each of its investments.

These estimates of fair value have been developed for the purposes of complying with the appropriate accounting standards and as such may not be the precise value at which the investment may or will be sold.

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.



# Tips for Analysing PAC

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## Revenue recognition

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- § 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

## Placement fees

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- § 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% management fee = \$1.5m commission). This commission is generally paid in equal installments over 2 to 3 years
- § 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 recognised at the time of commitment but rather after they are paid



Authorised for release by the Board of Pacific Current Group Limited.

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