

ASX ANNOUNCEMENT

26 July 2023

Non-binding Indicative Proposal to acquire Pacific Current

Pacific Current Group (ASX: PAC, “Pacific Current” or “PAC”) announces that it has received an unsolicited, non-binding, indicative proposal (“Proposal”) from Regal Partners Limited (ASX: RPL, “Regal”) to acquire 100% of the shares in PAC by way of a scheme of arrangement.

Pacific Current has regularly communicated that it is of the view that PAC’s current share price does not reflect the underlying value of the PAC portfolio and its business. The Pacific Current Board recently formed an Independent Board Committee, which included putting in place a conflict management protocol, for the purpose of identifying and executing on options to realise the underlying value of the business for shareholders. This step also reflected inbound interest in PAC.

Under Regal’s Proposal, Pacific Current shareholders would receive an implied total value of \$11.12* per share (“Offer Price”), with the consideration comprising:

- \$7.50 in cash per PAC share; plus
- 2.2 GQG shares per PAC share, which represented a value of \$3.62 based on the closing price of GQG shares on 25 July 2023 of \$1.655.

The Proposal states that Pacific Current shareholders may also elect to substitute either or both elements of the consideration for Regal shares.

The Proposal notes the Offer Price values Pacific Current’s ownership interests in Victory Park Capital Advisors, LLC and Victory Park Capital GP Holdco, L.P. (together, the “Victory Park assets”) at \$4.00 per share. The Offer Price would be reduced by the value of any dividends or distributions declared or paid by Pacific Current prior to implementation of the Proposal.

* Based on the closing price of GQG shares on 25 July 2023 and assumed diluted issued capital under the Proposal of approximately 54 million ordinary shares in PAC. The Proposal represents an implied value of \$10.77 per share based on the 30-day volume weighted average price of GQG Shares of \$1.50 up to and including 24 July 2023.

In addition, Regal notes it has entered into a co-operation agreement with PAC major shareholder River Capital Pty Ltd (“River Capital”), pursuant to which Regal and River Capital have agreed to co-operate in pursuing funding support for the Proposal.

The Proposal is subject to a number of conditions, including satisfactory completion of due diligence under a period of exclusivity, negotiation and execution of definitive transaction documentation, final Regal Board approval and other customary conditions to be included in the transaction documentation.

The Independent Board Committee will evaluate the Proposal and other alternatives to maximise value for shareholders including obtaining advice from its financial, legal and tax advisers. UBS Securities Australia Limited has been appointed to act as financial adviser in relation to the process, including identifying and engaging with interested parties and evaluating Pacific Current’s alternatives.

Shareholders do not need to take any action in relation to the Proposal. It should be noted that there is no certainty that the Proposal will result in any transaction.

Business Update

PAC anticipates FY23 boutique contributions (ex mark to market adjustments) will be between A\$50m and A\$51m versus A\$45.9m in FY22. It expects total revenues between A\$51m and A\$52m versus A\$49.9m in FY22.

As at 31 December 2022 PAC’s statutory NAV was A\$9.93 per share. PAC estimates that this NAV, if adjusted for fair value, would be A\$1.50–2.00 per share higher. Further details, including on the estimated fair value of the PAC portfolio, will be provided at PAC’s FY23 results in August 2023.

-ENDS-

AUTHORISED FOR LODGEMENT BY:

The Pacific Current Group Limited Independent Board Committee

CONTACT

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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 of 26 July 2023, Pacific Current Group has investments in 16 boutique asset managers globally.

Note: Forecasts of financial performance are inherently challenging. PAC's forecasts are primarily based on the internal forecasts made by its portfolio companies. In making these projections PAC assumes flat equity markets, stable currencies and interest rates, solid investment performance.