

28 February 2025

Singapore Exchange Securities Trading Limited
4 Shenton Way
#02-01, SGX Centre 2
Singapore 068807
Republic of Singapore

Dear Sir/Madam

EMTN Programme

Issuer: Pacific National Finance Pty Ltd (formerly Asciano Finance Limited)

Securities: ASCIANO FINUS\$400M4.75%N280322

Attached is the Financial Report for the half year ended 31 December 2024 for Pacific National Holdings Pty Ltd (formerly Asciano Limited), the parent entity of Pacific National Finance Pty Ltd.

Yours faithfully



Andrew Beck
Chief Legal Officer and Company Secretary
Pacific National

PACIFIC NATIONAL HOLDINGS PTY LTD

ABN 26 123 652 862

INTERIM FINANCIAL REPORT

For the half year ended 31 December 2024

Pacific National comprises of Pacific National Holdings Pty Ltd and its controlled entities

Contents	Page
Directors' Report	2
Consolidated Statement of Profit or Loss	5
Consolidated Statement of Comprehensive Income	6
Consolidated Statement of Financial Position	7
Consolidated Statement of Changes in Equity	8
Consolidated Statement of Cash Flows	9
Section 1: How we have prepared this report	10
Section 2: Key Financial Information	11
2.1 Revenue and other income	11
2.2 Taxes	11
2.3 Contingent liabilities	11
2.4 Capital and other commitments	12
2.5 Financial risk management	12
2.6 Financial assets	12
2.7 Financial liabilities	13
2.8 Fair value of financial assets and liabilities	15
2.9 Finance income and expense	16
2.10 Dividends	16
2.11 Contributed equity	16
2.12 Events subsequent to the reporting date	16
Directors' Declaration	17
Independent Auditor's Review Report to the Members of Pacific National Holdings Pty Ltd	18

The Directors present their report, together with the interim financial report of Pacific National Holdings Pty Ltd ("the Company") and its controlled entities (collectively referred to as "Pacific National" or "the Group"), for the half year reporting period ended 31 December 2024.

1. Directors

The Directors of Pacific National Holdings Pty Ltd at any time during or since the end of the half year and up to the date of this report were as follows:

Catherine Livingstone AC

Brett Grehan (appointed 21 November 2024)

Paul Scurrah (resigned 21 November 2024)

Paul Bernath

Colin Mugglestone

Deborah O'Toole

Russell Smith

Robert Stewart

Gordon Trafton II

Jerry Divoky

Nicholas Buddicom

Hugh Willis (alternate director)

2. Operating and financial review

Overview

Pacific National's vision is to be Australia's most trusted and respected logistics partner.

Pacific National's priorities are:

- Safety, above all else,
- People and Leadership,
- Customers,
- Community, and
- Financial success.

Pacific National's strategy has six key pillars:

- Primary focus on intermodal,
- Optimising our coal operations,
- Targeted investment in bulk, regional and IMEX markets,
- Delivering safe, efficient and disciplined operations,
- Fast tracking our ESG focus, and
- Developing technology solutions which innovate for our customers and deliver for our business.

Review and results of operations

Pacific National reported a decrease in reported earnings before interest, tax, depreciation and amortisation ("EBITDA") to \$239.9 million (31 December 2023: \$322.4 million). The result was mainly driven by external factors including, softer market conditions leading to lower intermodal freight volumes and Hunter Valley coal rail disruptions.

The reported EBITDA for the current reporting period included write-off of project related costs aggregating to \$40.7 million and restructure costs of \$6.2 million (31 December 2023: \$1.7 million restructure costs).

2. Operating and financial review (continued)

A reconciliation of the reported EBITDA to underlying EBITDA for the various components of material items is provided in the table below:

	Half year 2025 \$M	Half year 2024 \$M
Statutory EBITDA attributable to the owners of Pacific National Holdings Pty Ltd	239.9	322.4
Project costs written off	40.7	-
Pacific National restructure	6.2	1.7
Total material items before tax	46.9	1.7
Underlying EBITDA attributable to the owners of Pacific National Holdings Pty Ltd	286.8	324.1

Notwithstanding the existence of a net current asset deficit of \$298.2 million at 31 December 2024 (30 June 2024: \$397.2million), the financial statements have been prepared on a going concern basis as the Company has significant undrawn financing facilities that can be drawn down to pay debts as they fall due.

Financing

Pacific National's funding consists of a mix of syndicated revolving bank debt facilities, syndicated term loan facilities, Australian dollar denominated senior bonds, a US dollar denominated senior bond (swapped to Australian dollars), Australian dollar denominated subordinated notes, and a bank guarantee facility. Pacific National's loans and bonds mature in the period between May 2025 and December 2054.

On 28 November 2024, Pacific National refinanced two of its three syndicated revolving bank debt facilities. Two existing tranches of \$200.0 million and \$500.0 million were refinanced into three new tranches of \$350.0 million, \$250.0 million and \$250.0 million with maturity dates of 28 November 2027, 28 November 2028 and 28 November 2029 respectively.

On 11 December 2024, Pacific National issued \$500.0 million of subordinated notes, split evenly across \$250.0 million fixed rate and \$250.0m floating rate tranches. The subordinated notes have a maturity date of 11 December 2054, and a first call date of 11 December 2029.

At 31 December 2024, Pacific National had total committed bank credit facilities of A\$1,815.0 million (30 June 2024: A\$1,665.0 million), comprised of \$1,250.0 million of syndicated revolving bank debt facilities, \$500.0 million of syndicated term loan facilities and a \$65.0 million bank guarantee facility (30 June 2024: \$1,100.0 million, \$500.0 million and \$65.0 million respectively). Of the total committed credit facilities, \$520.0 million of bank debt facilities were drawn and \$39.1 million relating to bank guarantees were utilised at 31 December 2024 (30 June 2024: \$930.0 million and \$40.5 million respectively), leaving undrawn credit facilities at 31 December 2024 of \$1,255.9 million (30 June 2024: \$694.5 million).

3. Dividends

No dividends were declared or paid by the Company for the current reporting period ended 31 December 2024 (31 December 2023: no dividends). No return of capital was paid to shareholders during the current reporting period (2023: \$35.2m return of capital, including \$0.7m non-cash distribution).

4. Business strategies, prospects and likely developments

The operating and financial review sets out information on the business strategies and prospects for future financial years and refers to likely developments in Pacific National's operations and the expected results of those operations in future financial years. Information is provided to enable stakeholders to make an informed assessment about the business strategies and prospects for future financial years of the Group. Information that could give rise to likely material detriment to Pacific National, for example, information that is commercially sensitive, confidential or could give a third party a commercial advantage has not been included.

5. Events subsequent to the reporting date

Subsequent to 31 December 2024, one of the Group's trade customers was placed in administration by the South Australia Government, in order to secure its long-term future. This was followed by the announcement of a \$2.4 billion package from the Federal and South Australian Governments to support the Whyalla Steelworks through the administration and its investment into the future. If this package doesn't eventuate, a provision against the receivable may be required. At this stage, no additional allowance for impairment has been made in these consolidated financial statements.

Other than the matter discussed above, there has not arisen in the period between 31 December 2024 and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Board, to affect significantly the operations of Pacific National, the results of those operations, or the state of affairs of Pacific National in future financial years.

6. Rounding of amounts

Pacific National Holdings Pty Ltd is an entity of a kind referred to in Australian Securities and Investments Commission ("ASIC") Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. In accordance with that Instrument, amounts in the Directors' Report and the financial statements have been rounded to the nearest one hundred thousand dollars unless otherwise stated.

Signed in accordance with a resolution of the Directors.

A handwritten signature in blue ink, appearing to read 'Brett Grehan', is positioned above the printed name.

Brett Grehan

Chief Executive Officer

27 February 2025

Consolidated Statement of Profit or Loss
For the half year ended 31 December 2024

	Note	First half 2025 \$M	First half 2024 \$M
Revenue from services rendered	2.1	1,082.6	1,182.2
Other income	2.1	15.9	17.5
Operating expenses excluding depreciation and amortisation:			
Employee benefits		(341.9)	(341.5)
Rail access		(182.3)	(200.3)
Fuel, oil and power		(141.7)	(183.7)
Repairs and maintenance		(80.7)	(76.9)
Rental, rates, lease and hire		(2.7)	(4.0)
Insurance		(11.9)	(13.1)
Other		(97.4)	(57.8)
Profit before depreciation, amortisation, net finance costs and tax		239.9	322.4
Depreciation		(188.4)	(200.3)
Amortisation		(8.3)	(7.8)
Profit before net finance costs and tax		43.2	114.3
Interest income	2.9	1.0	2.4
Interest expense	2.9	(86.0)	(86.2)
Other financing expenses		(6.4)	(6.6)
Finance expense	2.9	(92.4)	(92.8)
Net finance expense		(91.4)	(90.4)
(Loss)/Profit before tax		(48.2)	23.9
Tax benefit/(expense)	2.2	1.9	(6.5)
(Loss)/Profit after tax		(46.3)	17.4
Attributable to:			
Owners of Pacific National Holdings Pty Ltd		(46.3)	17.4
		(46.3)	17.4

The above Consolidated Statement of Profit or Loss should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income

For the half year ended 31 December 2024

	Note	First half 2025 \$M	First half 2024 \$M
(Loss)/Profit after tax		(46.3)	17.4
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Effective portion of changes in fair value of cash flow hedge	2.9	(5.6)	(9.7)
Income tax benefit on items that may be reclassified subsequently to profit or loss	2.9	1.7	2.9
Total items that may be reclassified subsequently to profit or loss net of tax		(3.9)	(6.8)
Other comprehensive (loss)/income net of tax		(50.2)	10.6
Total comprehensive (loss)/ income attributable to owners of Pacific National Holdings Pty Ltd		(50.2)	10.6

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 31 December 2024

	Note	December 2024 \$M	June 2024 \$M
Current assets			
Cash and cash equivalents	2.6	79.4	48.7
Trade and other receivables	2.6	286.1	300.3
Contract asset	2.6	22.6	22.7
Prepayments and other assets		30.6	13.1
Inventories		26.3	23.6
Derivative financial assets	2.6	19.0	10.5
Intangible assets		5.4	5.4
Total current assets		469.4	424.3
Non-current assets			
Property, plant and equipment		2,911.2	2,974.9
Lease assets		258.4	191.7
Intangible assets		994.5	987.5
Contract asset	2.6	94.0	99.6
Prepayments and other assets		0.1	0.1
Employee benefits		1.4	1.4
Derivative financial assets	2.6	130.4	91.4
Total non-current assets		4,390.0	4,346.6
Total assets		4,859.4	4,770.9
Current liabilities			
Trade payables	2.7	53.0	94.0
Other payables and accrued expenses	2.7	205.2	214.8
Provisions		25.2	26.1
Employee benefits		102.3	105.0
Lease liabilities		25.4	25.1
Loans and borrowings	2.7	349.7	349.6
Derivative financial liabilities	2.7	6.9	6.9
Total current liabilities		767.7	821.5
Non-current liabilities			
Other payables and accrued expenses	2.7	170.9	180.4
Provisions		18.5	19.3
Employee benefits		11.5	13.2
Lease liabilities		253.6	191.0
Loans and borrowings	2.7	2,845.3	2,715.6
Net deferred tax liabilities		79.4	73.9
Derivative financial liabilities	2.7	6.7	—
Total non-current liabilities		3,385.9	3,193.4
Total liabilities		4,153.6	4,014.9
Net assets		705.8	756.0
Equity			
Contributed equity	2.11	4,229.5	4,229.5
Reserves		(4,934.7)	(4,930.8)
Retained earnings		1,411.0	1,457.3
Total equity		705.8	756.0

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the half year ended 31 December 2024

First half 2024 \$M	Contributed equity	Reserves	Retained earnings	Total
Balance at 1 July 2023	4,264.7	(4,930.6)	1,458.6	792.7
Profit after tax	–	–	17.4	17.4
Other comprehensive income (“OCI”):				
Net movement in cash flow hedge reserve	–	(9.7)	–	(9.7)
Income tax benefit on OCI	–	2.9	–	2.9
Total comprehensive income	–	(6.8)	17.4	10.6
Transactions with owners in their capacity as owners:	–	–	–	–
Balance at 31 December 2023	4,264.7	(4,937.4)	1,476.0	803.3
First half 2025 \$M	Contributed equity	Reserves	Retained earnings	Total
Balance at 1 July 2024	4,229.5	(4,930.8)	1,457.3	756.0
Loss after tax	–	–	(46.3)	(46.3)
Other comprehensive income:				
Net movement in cash flow hedge reserve	–	(5.6)	–	(5.6)
Income tax benefit on OCI	–	1.7	–	1.7
Total comprehensive loss	–	(3.9)	(46.3)	(50.2)
Transactions with owners in their capacity as owners	–	–	–	–
Balance at 31 December 2024	4,229.5	(4,934.7)	1,411.0	705.8

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the half year ended 31 December 2024

	Note	First half 2025 \$M	First half 2024 \$M
Operating cash flows			
Receipts from customers		1,295.4	1,352.0
Payments to suppliers and employees		(1,071.5)	(1,076.5)
Interest and other costs of finance paid		(85.7)	(97.3)
Interest received		1.0	2.4
Net operating cash inflows		139.2	180.6
Investing cash flows			
Payments for property, plant and equipment and intangible assets		(171.1)	(182.9)
Proceeds from sale of property, plant and equipment and intangible assets		-	6.8
Loans to related parties		(2.0)	(1.1)
Net investing cash outflows		(173.1)	(177.2)
Financing cash flows			
Drawdown of borrowings		730.0	980.0
Repayments of borrowings		(1,140.0)	(944.0)
Proceeds from new bond issue, net of transaction costs		495.2	-
Payment of finance lease liabilities		(16.8)	(16.6)
Other		(3.8)	-
Net financing cash inflow		64.6	19.4
Net increase in cash and cash equivalents		30.7	22.8
Cash and cash equivalents at the beginning of the half year		48.7	60.2
Cash and cash equivalents at the end of the half year		79.4	83.0

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. How we have prepared this report

This section describes the basis of preparation of the financial statements for the Group as a whole. This section also analyses the impact of any newly endorsed accounting standards which will be effective for Pacific National either in the current reporting period or in future years.

Reporting entity

Pacific National Holdings Pty Ltd ("Parent" or "the Company") is a for profit entity domiciled in Australia. The Company is primarily involved in the management of rail assets and associated operations and services. This consolidated interim financial report ("report") comprises the consolidated financial statements of the Company and its controlled entities (collectively referred to as "Pacific National" or "the Group"). This consolidated interim financial report was authorised for issue by the Board of Directors on 27 February 2025.

Basis of preparation

This consolidated interim financial report for the half year reporting period ended 31 December 2024 has been prepared in accordance with Accounting Standard *AASB 134 Interim Financial Reporting*. The interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2024.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

New accounting standards and interpretations

A number of new or amended standards became applicable for the current reporting period. However, the new or amended standards did not have significant impact on the Group's financial position and performance for the current or prior reporting period.

Other accounting standards and interpretations

Other new and amended standards and interpretations issued and effective as the reporting date do not impact the Group's financial statements.

New accounting standards and interpretations not yet adopted

A number of new accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group.

The following amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements.

- AASB 2023-5 Amendments to Australian Accounting Standards – Lack of Exchangeability
- AASN 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments
- Amendments to Australian Accounting Standards – Annual Improvements Volume 11
- AASB 18 Presentation and Disclosure in Financial Statements
- AASB 2022-9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector
- AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Going concern

Notwithstanding the existence of a net current asset deficit of \$298.2 million at 31 December 2024 (30 June 2024: \$397.2 million), the financial statements have been prepared on a going concern basis as the Company has significant undrawn financing facilities that can be drawn down to pay debts as they fall due.

Critical accounting estimates and judgements

In the preparation of this report, the Group was required to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis, and where necessary, revisions are recognised in the period in which the estimate is revised.

Significant areas of estimation and critical judgements include impairment, depreciation, taxation, provisions for employee entitlements and other obligations. Further details of the nature of these assumptions and conditions are found in the relevant note and the Company's financial report for the year ended 30 June 2024.

2. Key financial information

This section describes key aspects of the operating results and financial performance of the Group. It also presents information about Pacific National's long-term contractual commitments, leases and management of capital.

2.1 Revenue and other income

Revenue recognised, disaggregated based on the type of service provided to its customers, during the half year is set out below:

	First half 2025 \$M	First half 2024 \$M
Revenue		
Rail haulage	1,049.8	1,154.1
Other	32.8	28.1
Total revenue	1,082.6	1,182.2
Other income		
Net gain on sale of property, plant and equipment	0.9	7.0
Lease rental income	9.8	9.3
Insurance proceeds	-	1.0
Other	5.2	0.2
Total other revenue	15.9	17.5

2.2 Taxes

The total taxation charge in the consolidated statement of profit or loss is analysed as follows:

	First half 2025 \$M	First half 2024 \$M
Reconciliation of income tax expense to prima facie tax payable:		
(Loss)/Profit before tax	(48.2)	23.9
Income tax at 30% (2023: 30%)	(14.5)	7.2
Recognition and derecognition of temporary difference	0.4	(0.6)
Income from foreign subsidiaries - CFC income	0.8	-
Non- deductible expenses - Thin capitalisation	11.5	-
Other deductible expenses	(0.1)	(0.1)
Income tax (benefit)/expense recognised in the profit or loss	(1.9)	6.5
Tax recognised directly in other comprehensive income		
Changes in fair value of cash flow hedge	1.7	2.9
	1.7	2.9

In December 2024, Parliament passed legislation to implement Base Erosion Pillar 2 with an effective date of 1 July 2024, requiring multinationals that do not meet a minimum effective tax rate of 15% to pay top up tax. The Group has considered these measures and assessed that the Pillar 2 tax payable is estimated to be nil and there is no impact for the reporting period.

2.3 Contingent liabilities

Litigation

From time to time, the Company is subject to claims and litigation during the normal course of business. The Board has given consideration to such matters which are or may be subject to litigation at the current reporting period end.

Environmental liabilities

The Company provides for all known environmental liabilities. While the Board believes that its provisions for environmental rehabilitation are adequate, there can be no assurance that material new provisions will not be required as a result of new information or regulatory requirements with respect to known sites, or identification of new remedial obligations at other sites.

2.4 Capital and other commitments

	December 2024 \$M	June 2024 \$M
Plant and equipment		
Contracted capital expenditure committed but not yet payable:		
Within one year	124.9	121.5
One year or later and no later than five years	168.3	201.1
Later than five years	3.8	–
	297.0	322.6
Other commitments		
Non-cancellable other contracts committed but not yet payable:		
Within one year	20.5	21.5
One year or later and no later than five years	9.0	12.4
	29.5	33.9

2.5 Financial risk management

Risk management framework

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 30 June 2024.

2.6 Financial assets

The carrying amount of financial assets represents the maximum credit risk exposure. The maximum exposure to credit risk at the end of the period was:

	December 2024 \$M	June 2024 \$M
Current		
Cash and cash equivalents	79.4	48.7
Trade receivables (net of impairment)	171.0	211.1
Other receivables	115.1	89.2
Contract assets	22.6	22.7
Derivative financial assets	19.0	10.5
	407.1	382.2
Non-current		
Contract assets	94.0	99.6
Derivative financial assets	130.4	91.4
	224.4	191.0
Total financial assets	631.5	573.2

2.7 Financial liabilities

The carrying amount of financial liabilities represents the maximum liquidity risk exposure. The maximum exposure to liquidity risk at the end of the period was as follows:

	December 2024 \$M	June 2024 \$M
Current		
Trade payables	53.0	94.0
Other payables and accrued expenses	205.2	214.8
Derivative financial liabilities	6.9	6.9
Loans and borrowings:		
AUD dollar bonds (net of discount)	349.7	349.6
	614.8	665.3
Non-current		
Other payables and accrued expenses	170.9	180.4
Derivative financial liabilities	6.7	—
Loans and borrowings:	2,845.3	2,715.6
Syndicated bank loans	20.0	430.0
Term loans	500.0	500.0
US dollar bonds (net of discount)	644.9	598.1
AUD bonds (net of discount)	1,197.9	1,197.8
Capitalised transaction costs	(17.1)	(10.3)
Subordinated notes (net of discount)	499.6	—
	3,022.9	2,896.0
Total financial liabilities	3,637.7	3,561.3

2.7.1 Bank facilities

The following table provides details of the components of the bank facilities and cash:

\$M	Maturity	December 2024		June 2024	
		Facility	Utilised	Facility	Utilised
Syndicated revolving facility	October 2025	—	—	200.0	200.0
Syndicated revolving facility	December 2025	—	—	500.0	230.0
Syndicated revolving facility	July 2026	400.0	20.0	400.0	—
Syndicated revolving facility	November 2027	350.0	—	—	—
Syndicated revolving facility	November 2028	250.0	—	—	—
Syndicated revolving facility	November 2029	250.0	—	—	—
Term loan	July 2028	250.0	250.0	250.0	250.0
Term loan	July 2030	250.0	250.0	250.0	250.0
		1,750.0	520.0	1,600.0	930.0
Less: cash and cash equivalents		—	(79.4)	—	(48.7)
Net bank debt		1,750.0	440.6	1,600.0	881.3
Bank guarantee facility	July 2026	65.0	39.1	65.0	40.5
		1,815.0	479.7	1,665.0	921.8

2.7 Financial liabilities (continued)

2.7.1 Bank facilities (continued)

In November 2024, Pacific National refinanced two of its syndicated revolving bank debt facilities. Two existing tranches of \$200.0 million and \$500.0 million were refinanced into three new tranches of \$350.0 million, \$250.0 million and \$250.0 million with maturity dates of 28 November 2027, 28 November 2028 and 28 November 2029 respectively.

In December 2024, Pacific National repaid \$500.0 million of drawn revolving bank debt with the proceeds from the \$500.0 million of subordinated notes which were issued on 11 December 2024.

As at 31 December 2024, all syndicated revolving bank facilities, term loans, bank guarantee facilities, senior bonds and subordinated notes were unsecured. Pacific National pays interest on its bank facilities at a margin above the bank bill swap rate. For the current reporting period to 31 December 2024, \$410.0million of drawn syndicated revolving bank facilities were repaid. As at 31 December 2024 the balance of drawn bank debt facilities was \$520.0 million (30 June 2024: \$930.0 million).

2.7.2 US dollar bonds

The following table provides details of the components of the US dollar bonds:

\$M	Maturity	December 2024		June 2024	
		US\$	A\$ ¹	US\$	A\$
US dollar 10 year bonds ²	March 2028	400.0	646.4	400.0	599.9
US bonds		400.0	646.4	400.0	599.9
Discount on US dollar bonds		(1.2)	(1.5)	(1.4)	(1.8)
US bonds (net of discount)		398.8	644.9	398.6	598.1

1. Australian dollar equivalent calculated at the spot rate on 31 December 2024.

2. As at 31 December 2024, Pacific National's currency and interest rate exposure on the US dollar 10-year bonds was hedged to 100% (30 June 2024: 100%) through fixed-for-fixed cross-currency interest rate swaps.

2.7.3 Australian dollar bonds

The following table provides details of the components of the AUD bonds:

\$M	Maturity	December 2024	June 2024
		A\$	A\$
AUD 10 year bonds	May 2025	350.0	350.0
AUD 10 year bonds	May 2027	350.0	350.0
AUD 10 year bonds	September 2029	450.0	450.0
AUD 10 year bonds	September 2031	400.0	400.0
AUD bonds		1,550.0	1,550.0
Discount on AUD bonds		(2.4)	(2.6)
AUD bonds (net of discount)		1547.6	1,547.4

2.7 Financial liabilities (continued)

2.7.4 Subordinated notes

\$M	Maturity	December 2024	June 2024
		A\$	A\$
Fixed Rate Tranche	December 2054	250.0	—
Floating Rate Tranche	December 2054	250.0	—
Subordinated notes		500.0	—
Discount on Subordinated notes		(0.4)	—
Subordinated notes (net of discount)		499.6	—

2.8 Fair value of financial assets and liabilities

Accounting classification and fair value

All derivative financial instruments are carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted price (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data.

All of the Company's financial assets and liabilities fall into Level 2 of the fair value hierarchy. The carrying amount approximates the fair value of all financial assets and liabilities, with the exception of GBP, US dollar and Australian dollar bonds.

The fair values of the bonds and Australian dollar bonds and subordinated notes are shown below:

	December 2024		June 2024	
	Carrying amount \$M	Fair value \$M	Carrying amount \$M	Fair value \$M
US dollar bonds, gross of discount and unrealised fair value loss	646.4	620.7	599.9	572.5
AUD bonds and subordinated notes, gross of discount	2,050.0	1,953.0	1,550.0	1,411.8

Valuation techniques of financial assets and liabilities measured at fair value

Type	Valuation technique
Debt securities	Discounted cash flows using a contract cash flows and a market related discount rate.
Interest rate swaps and cross-currency swaps	Discounted cash flows.
Forward exchange contracts	Calculated using spot foreign exchange market rates and market forward curves for each currency pair at the reporting date.
Other derivative financial instruments	Calculated based on broker quotes which are tested for reasonableness by discounting expected future cash flows using market interest rates for a similar instrument at the reporting date.
Other financial liabilities	Discounted cash flows using the current market interest rate that is available to Pacific National for similar instruments at the reporting date.

2.9 Finance income and expense

Finance income and expense is reconciled to the Consolidated Statement of Profit or Loss and Consolidated Statement of Income as follows:

	First half 2025 \$M	First half 2024 \$M
Recognised directly in the Consolidated Statement of Profit or Loss		
Interest income	1.0	2.4
Finance income	1.0	2.4
Interest expense ¹	(86.0)	(86.2)
Amortisation of capitalised transaction costs	(1.8)	(1.8)
Guarantee and commitment fees	(2.6)	(3.0)
Unwind of discount on long-term provisions	(2.0)	(1.8)
Finance expense	(92.4)	(92.8)
Recognised directly in the Consolidated Statement of Comprehensive Income		
Net movement in cash flow hedge reserve	(5.6)	(9.7)
Income tax benefit on finance income and finance costs recognised in the Consolidated Statement of Comprehensive Income	1.7	2.9
Finance expense recognised directly in the Consolidated Statement of Comprehensive Income, net of tax	(3.9)	(6.8)

1. Interest expense includes \$6.9 million of interest on lease liabilities (31 December 2023: \$6.1 million).

2.10 Dividends

No dividends were declared or paid by the Company for the current reporting period ended 31 December 2024 (31 December 2023: Nil). No return of capital was paid to shareholders during the current reporting period (31 December 2023: Nil).

No franking account is held by the Company as at 31 December 2024 (30 June 2024: \$nil).

2.11 Contributed equity

	Date	Price per share \$	Number of fully paid ordinary shares	\$M
Parent				
Balance at	1 July 2023		975,385,664	4,264.7
Return of capital ¹	—		—	(35.2)
Balance at	30 June 2024		975,385,664	4,229.5
Parent				
Balance at	1 July 2024		975,385,664	4,229.5
Return of capital ¹	—		—	—
Balance	31 December 2024		975,385,664	4,229.5

1. No return of capital was paid to shareholders during the current reporting period (for the six months ended 31 December 2023: Nil and for the year ended 30 June 2024: \$35.2m return of capital, including \$0.7m non-cash distribution).

2.12 Events subsequent to the reporting date

Subsequent to 31 December 2024, one of the Group's trade customers was placed in administration by the South Australia Government, in order to secure its long-term future. This was followed by the announcement of a \$2.4 billion package from the Federal and South Australian Governments to support the Whyalla Steelworks through the administration and its investment into the future. If this package doesn't eventuate, a provision against the receivable may be required. At this stage, no additional allowance for impairment has been made in these consolidated financial statements.

Other than the matter discussed above, there has not arisen in the period between 31 December 2024 and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Board, to affect significantly the operations of Pacific National, the results of those operations, or the state of affairs of Pacific National in future financial years.

Directors' Declaration

For the half year ended 31 December 2024

The Directors declare that in their opinion:

- a) the interim financial report comprising the consolidated financial statements and notes set out on pages 5 to 16:
 - (i) present fairly, in all material respects the Group's financial position as at 31 December 2024 and its financial performance for the six month period ended on that date; and
 - (ii) complies with the Australian Accounting Standard AASB 134 *Interim Financial Reporting*; and
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



Brett Grehan

Chief Executive Officer

27 February 2025



Independent Auditor's Review Report

To the shareholders of Pacific National Holdings Pty Ltd

Conclusion

We have reviewed the accompanying **Interim Financial Report** of Pacific National Holdings Pty Ltd.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Pacific National Holdings Pty Ltd does not present fairly, in all material respects, the **Group's** financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting*.

The **Interim Financial Report** comprises:

- Consolidated Statement of Financial Position as at 31 December 2024
- Consolidated Statement of Profit or Loss, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the half-year ended on that date
- Notes 1 to 2.12 comprising material accounting policies and other explanatory information
- The Directors' Declaration.

The **Group** comprises Pacific National Holdings Pty Ltd (the Company) and the entities it controlled at the half year's end or from time to time during the half-year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.



Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation and fair presentation of the Interim Financial Report in accordance with *Australian Accounting Standards*
- such internal control as the Directors determine is necessary to enable the preparation and fair presentation of the Interim Financial Report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not present fairly, in all material respects, the Group's financial position as at 31 December 2024 and its performance for the Half-Year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting*.

A review of an Interim Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

Paul Thomas

Partner

Sydney

27 February 2025