

7th October 2021

Response to Media Speculation on CDM

Today, 7th October 2021, Jonathon Shapiro of The Australian Financial Review published an article on Cadence Capital Limited (CDM) and one of its investments TMC The Metals Company Inc (TMC US).

The article contained several material factual inaccuracies outlined below:

1. The Article stated that 'Cadence Capital has put a huge portfolio bet on a Nasdaq listed Deep Sea mining project.' CDM has consistently updated the marketplace on the size of the initial investment in TMC and on the 20th September 2021 provided a detailed update on the TMC investment. This presentation clearly stated that the initial investment in TMC amounted to a total of AUD \$6M, which represented around 2% of the portfolio value of CDM. A 2% investment at cost is not considered by the Manager to be 'huge'.
2. The article stated that TMC 'now represents about 8% of the fund's net value'. CDM does not generally disclose position sizing of its portfolio but, to correct this number, the TMC US current position represents 5.5% of the net tangible assets of the Company. TMC is not the biggest position in the Portfolio.
3. CDM made an announcement on the 24th and again on the 27th September 2021 that one third of the TMC position was not subject to escrow and was in a position to be sold on market. Due to the confusion that the AFR article has created, we now wish to clarify that one third of the TMC investment has already been sold realising approximately 7 times the cost of the original investment. This one third sale alone has realised a profit on the entire investment.

Cadence Asset Management was not given the opportunity to comment on this article. Therefore, it is releasing this announcement to correct the factual inaccuracies in the article.

CDM intends to issue its September monthly newsletter earlier than normal to provide timely and accurate information on the portfolio.

As at the close of business on the 6th October 2021, the estimate of Pre Tax NTA is \$1.26 and Post Tax NTA is \$1.31

Regards
Karl Siegling
Chairman
Cadence Capital Limited