

Ryder Capital Limited
Interim Financial Report
For the Half-Year Ended 31 December 2021

Appendix 4D

Details of Reporting Period

Current: Half-year ended 31 December 2021
 Previous corresponding: Half-year ended 31 December 2020

Results for announcement to the market			
	\$	Movement	% Movement
Total investment income (Revenue from ordinary activities)	3,675,855	▲	505%
Net profit from ordinary activities before capital profits and tax attributable to members	2,393,015	▲	141%
Net profit from ordinary activities after tax attributable to members	2,721,737	▲	170%
Total comprehensive income for the period attributable to members	3,596,878	▼	-78%

Details of dividends						
	Ex-Dividend Date	Record Date	Payment Date	Cents per share	Franked amount per share	Tax rate for franking
2022 Interim dividend (cents per share)	18 February 2022	21 February 2022	07 March 2022	3.00	3.00	30.0%

Details of dividends reinvestment plan

N/A

Net Tangible Assets per share (cents)		
	31 December 2021	31 December 2020
Net Tangible Assets (per share) backing before tax	184.04	189.27
Net Tangible Assets (per share) backing after tax	171.96	173.93

Control gained or lost over entities during the period

The Company did not gain or lose control over any entities during the period.

Details of associates and joint venture entities

The Company did not have any interest in any associates or joint venture entities during the current period.

Independent auditor review report

This report is based on the interim financial report which has been subject to an independent review by the Company's Auditors, Grant Thornton Audit Pty Ltd. All the documents comprise the information required by Listing Rule 4.2A.

RYDER CAPITAL

ABN 74 606 695 854

Interim financial report

For the half-year ended 31 December 2021

Ryder Capital Limited
Interim Financial Report
For the Half-Year Ended 31 December 2021

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Corporate Directory

Directors	Peter Constable (Chairman) David Bottomley Ray Kellerman
Company Secretary	David Bottomley Claudia Rososinski
Registered Office	Level 28 88 Phillip Street Sydney NSW 2000
Contact Details	P: (02) 9000 9020 www.rydercapital.com.au
Share Registry	Link Market Services Limited Level 12, 680 George Street Sydney NSW 2000 P: 1300 554 474 www.linkmarketservices.com.au
Auditor	Grant Thornton Audit Pty Ltd Level 17, 383 Kent Street Sydney NSW 2000 P: (02) 8297 2400
Stock Exchange Listings	Ryder Capital Limited securities are listed on the Australian Stock Exchange under the following exchange codes: RYD

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Directors' Report

Your Directors present their report on Ryder Capital Limited ('Company') for the period ended 31 December 2021. The following persons were Directors of the Company from registration date and up to the date of this report:

Peter Constable - Chairman
 David Bottomley - Director and Company Secretary
 Ray Kellerman - Non-Executive Director

Principal activity

The principal activity of the Company during the period was investing in a concentrated portfolio of ASX listed small to mid capitalisation securities, bonds and cash consistent with the Company's permitted investments and stated investment objective of achieving long term capital growth in excess of its benchmark (RBA Cash rate plus 4.25% p.a.).

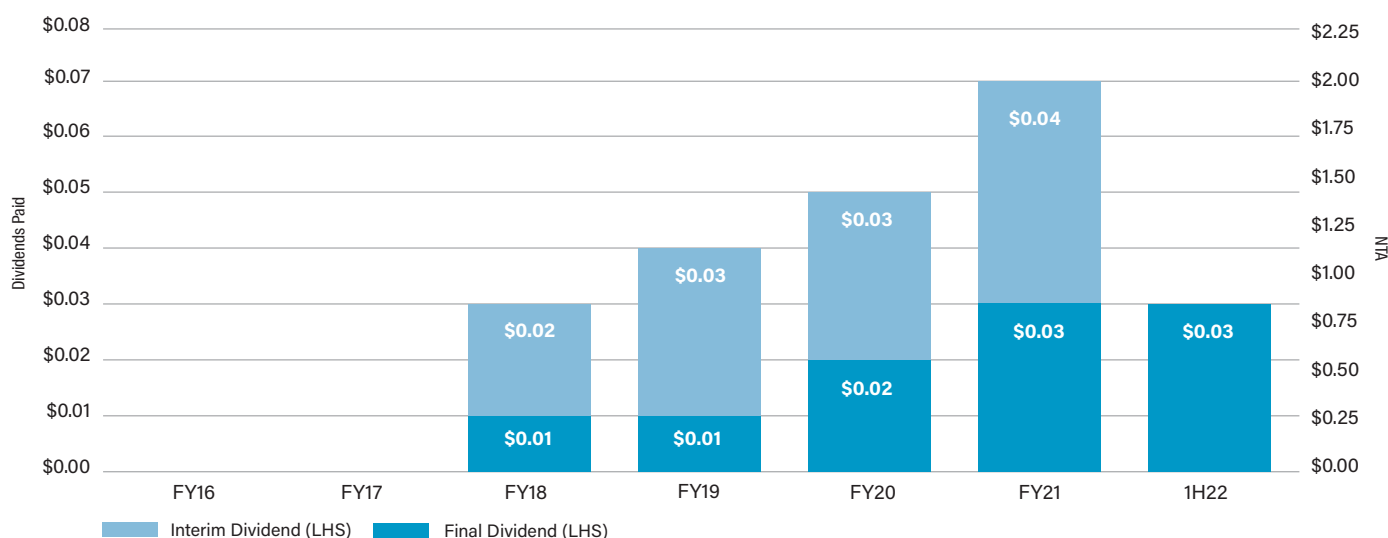
Review of Operations

Ryder Capital Limited (Ryder or Company) generated a total comprehensive after-tax gain of \$3,596,878 for the six months to 31 December 2021 (1H FY22). The Company reported a 1H FY22 statutory profit after tax of \$2,721,737 after the payment and accrual of expenses against higher dividend and interest income. The reported statutory profit ignores capital profits and as such is not representative of performance in isolation.

During the period, the Company materially expanded its capital base to 85.3m shares (from 67.6m shares at 30 June 2021) post the exercise of 17.6 million RYDOA options up to 10 December 2021. The Board is pleased to have declared an interim dividend of 3 cents per share fully franked (in line with the 3 cents per share fully franked interim dividend paid in 1H FY21) with an ex-date of 18 February 2022 and a payable date of 7 March 2022.

Ryder continues to deliver against its stated dividend policy which is to pay steady to increasing fully franked dividends over time, as illustrated below.

Ryder Dividends Paid Since Inception



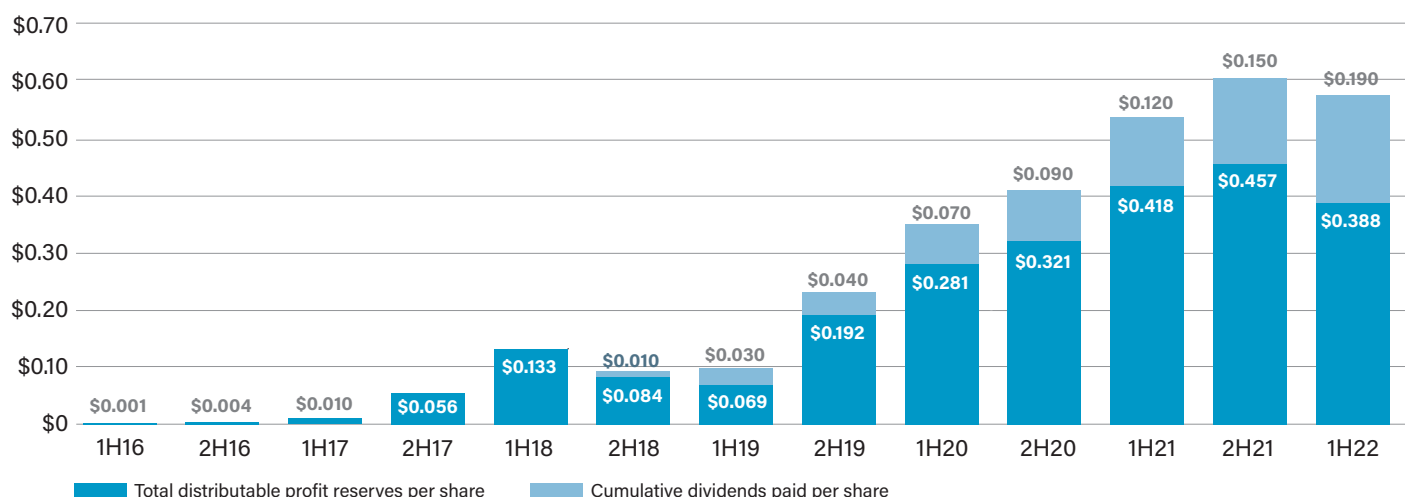
In the long run, future dividend payment will be a function of future investment performance; however, it is important for shareholders to note the strong position the Company is in today due to consistently strong returns achieved since inception. This has resulted in a large and growing distributable profits reserve which forms the foundation of current and future dividend payments.

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During the period the nominal distributable profits reserve increased from \$30.9m to \$33.1m, however, as a result of the material expansion in issued capital due to the exercise of 17.6m RYDOA, the distributable profits reserve fell on a per share basis to \$0.388 as at 31 December 2021 - see below.

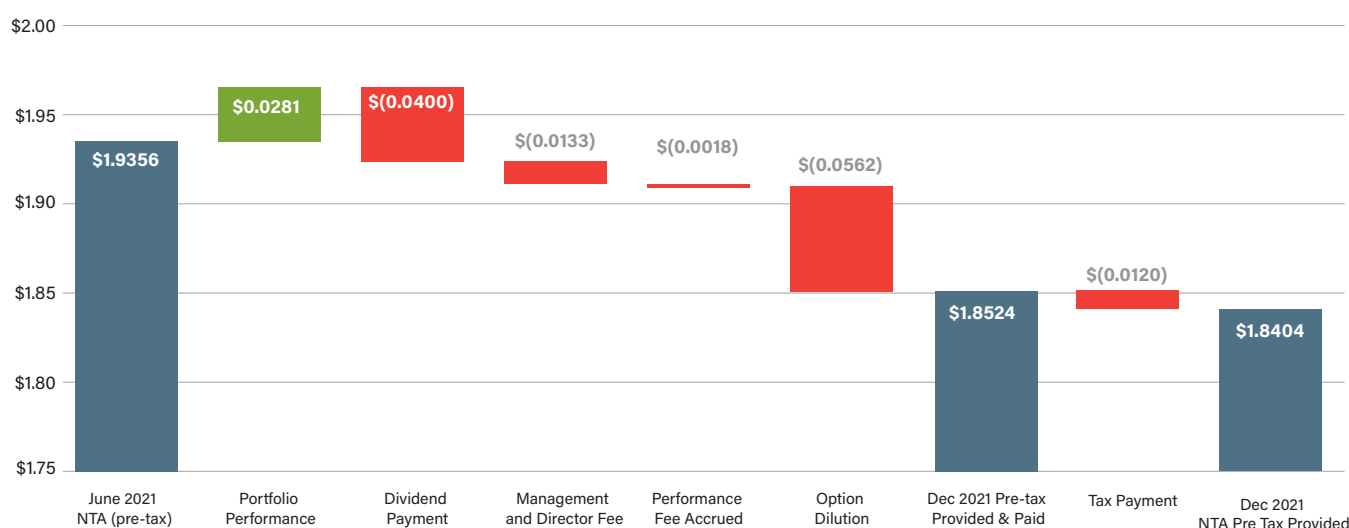
Ryder Distributable Profits and Cumulative Dividends Paid Since Inception



As with previous reports, we consider the most consistent and comparable performance measure for shareholders to assess period to period is the movement in undiluted pre-tax Net Tangible Assets (NTA) per share. With the Company now making material tax payments due to large realised profits, this calculation is pre provided for and paid tax. On this measure, undiluted pre-tax NTA increased 2.63% in 1H FY22 and for the 12 months to 31 December 2021 increased 10.09%.

The movement in pre-tax NTA for the period is illustrated below.

Ryder (pre-tax) Performance



The Company's 1H FY22 performance was achieved despite holding an average cash exposure of 14.88% and our US dollar investment in Updater Inc. (Updater) – noting the underlying dollar value of the investment remained unchanged at USD17.55 per common share. The Board reviewed the carrying value of Updater during the period and resolved to hold the value in line with the prior period. The Board considered recent market volatility for US technology companies together with the unresolved protest over the award of the US Transcom contract to the HomeSafe Alliance Consortium which would likely impact Updater's planned IPO. The Board remains of the opinion that the Updater carrying value which reflects an investment exposure of 5.94% at 31 December 2021 (at USD17.55 per common share) remains both prudent and conservative.

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2021 was another positive year for equity market indices with the ASX All Ordinaries Accumulation Index returning 4.58% for the six months and 17.74% for the twelve months of the calendar year, and the ASX Small Ordinaries Accumulation Index returning 5.54% for the six months and 16.90% for the twelve months of the calendar year. In comparison, Ryder's 1H FY22 undiluted pre-tax NTA return of 2.63% (net of all fees and costs) and 12 month return of 10.09% was achieved notwithstanding our large cash holding (averaging 14.88% in 1H FY22) and our unlisted investment in Updater (averaging 6.47% in 1H FY22) – together an average Portfolio exposure of 21.48% over the period. Whilst six and twelve month returns remain short-term review timeframes, it is evident that Ryder continues to compare well against its own performance benchmark and that of other long only Australian equity index returns over the medium and longer term time frames whilst we continue to hold a material cash and unlisted exposure with an effective zero yield – please refer to the performance table on page 6 in this report.

The Company's net assets rose to \$146,628,927 (from \$119,614,927 at 30 June 2021). The Company's closing issued capital of 85,268,263 shares and share price of \$1.69 resulted in a market capitalisation of \$144.1m at 31 December 2021 – up from \$119.7m at 30 June 2021.

The Company made a statutory profit before tax of \$2,393,015 and after providing for a tax benefit of \$328,722 made an after-tax profit of \$2,721,737 in 1H FY22. Statutory profit as reported and referred to above ignores unrealised gains or losses within the Company's Portfolio. Therefore, a more accurate and appropriate measure is total comprehensive income of \$3,596,878 for the reporting period which is equivalent to the more common measure of net profit after tax and reflects the net change in the Company's value for the period prior to movements in capital (share issuance, buybacks and dividends).

The Investment Manager's performance (as measured by the performance of the Company's Portfolio less all operating costs before tax) exceeded the Company's performance benchmark for the period. As a result, the Company has accrued a small performance fee of \$149,676 at 31 December 2021 for the 1H FY22 period. The payment of a performance fee is dependent on the Investment Manager's performance relative to the Company's absolute benchmark over the full financial year ending 30 June 2022.

Performance numbers are reported after all management and performance fees and all other Company expenses before paid and provided tax. It is important to note that the Company continues to make material tax payments (\$1,025,526 in 1H FY22) and as such the pre-tax NTA return is calculated before both paid and provided for taxes to provide a consistent pre-tax measure of performance.

The Companies pre-tax NTA at balance date and quoted monthly is after the payment of tax and dividends but before any provisional tax for unrealised profits or losses. As profits are realised and taxes move from provisional to paid, pre-tax NTA and after tax NTA per share will come together (assuming no additional unrealised profits or losses are created).

The Company celebrated its sixth anniversary during the period, allowing for a more meaningful, medium term assessment of performance. Set out below is the Company's performance with reference to two relevant ASX equity indices across short and medium to longer term timeframes including Inception to Date (ITD)⁽³⁾. We highlight the Company's pre-tax undiluted performance which over 3 year, 5 year and ITD time frames exceeds the most comparable ASX equity index to that of the Company's investment strategy - the ASX Small Ords Accumulation Index. Since inception, the Investment Manager has outperformed all comparable ASX equity indices in both positive and negative markets providing superior risk adjusted returns to the Company and shareholders. We now include detailed discussion around risk and returns in the following Portfolio Performance section, consistent with the Company's full year report.

Ryder Performance	1 Year (%)	3 Years (% p.a.)	5 Years (% p.a.)	Since Inception⁽³⁾ (% p.a.)
Ryder Capital - Gross Portfolio Performance	12.51	24.77	22.99	21.24
Ryder Capital - Pre-tax Undiluted NTA Return ⁽¹⁾	10.09	20.02	17.94	16.53
Ryder Capital - Pre-tax NTA Return ⁽²⁾	0.89	14.47	12.71	12.39
S&P / ASX All Ordinaries Accumulation Index	17.74	14.82	10.43	11.03
S&P / ASX Small Ordinaries Accumulation Index	16.90	15.71	11.17	12.97
RBA Cash Rate	0.10	0.53	0.92	1.09
Ryder Capital Hurdle - RBA Cash Rate + 4.25%.	4.35	4.78	5.17	5.34

Source: Bloomberg + Mainstream

1. Adjusted for the dilution of the exercised 26.7m RYDO options and 26.5m RYDOA options. Calculation of pre-tax NTA is prior to the provision and payment of tax

2. Fully diluted for all options exercised since inception

3. Inception date is 22 September 2015

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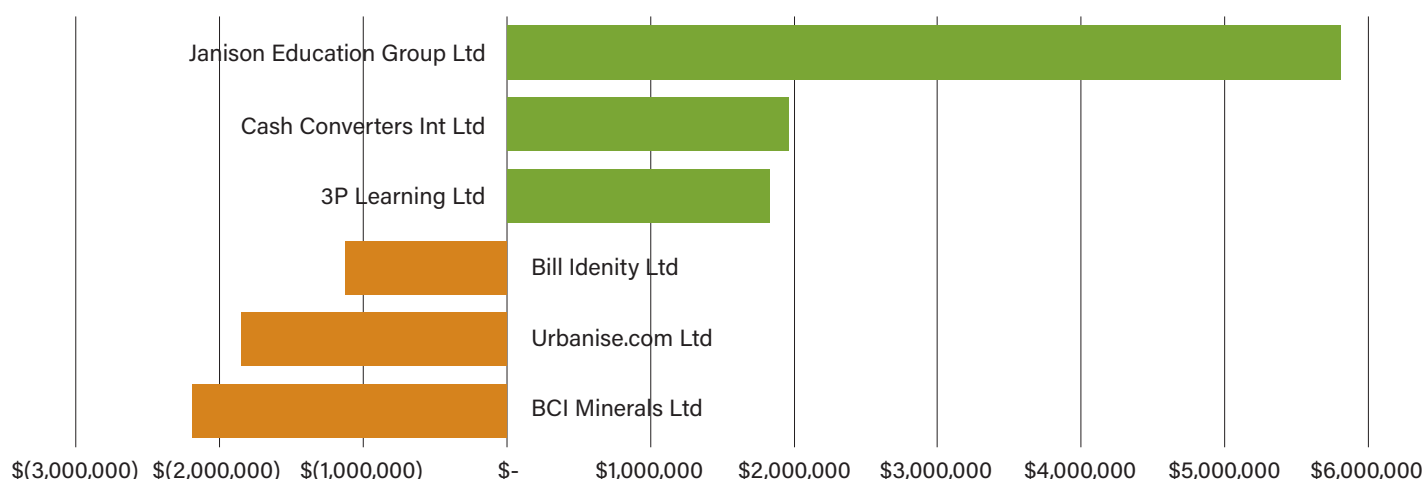
Portfolio Performance

Gross Portfolio performance for the six-month period ending 31 December 2021 of 3.29% exceeded the Company's performance hurdle but not that of other Australian equity market indices such as the ASX Small Ordinaries Accumulation Index which returned 5.54% being the most comparable. Whilst disappointed not to have generated stronger returns, we were broadly satisfied to have generated an incremental gain to shareholder capital after a very strong period of performance during FY21 and in what is quickly becoming a more difficult environment to make sensible risk adjusted returns.

Tactically, the Portfolio was positioned for increased volatility and a broader risk aware market mood and while it has taken a bit longer than we anticipated, it now appears that the period of 'easy money' supporting a rising tide that lifted all boats has now ended. The Company's permanent capital base provides a strong advantage during what is likely to be a meaningfully more difficult period in which to generate nominal, relative and risk adjusted returns.

Strong gains in long-held core positions in Janison Education Group Limited, Cash Converters International Limited and 3P Learning Limited, along with strong performance from Imdex Limited and Hastings Technology Metals Limited; were partially offset by mark-to-market losses in Bill Identity Limited, Urbanise.com Limited and BCI Minerals Limited.

H1 FY22 Top 3 Contributors and Detractors



For the six months to 31 December 2021 the Portfolio generated \$13,876,568 of capital and income gains (realised and unrealised) which were offset by losses (realised and unrealised) of \$8,959,836 resulting in a net profit of \$3,916,732 including interest and dividend income for the period and reflective of a strong win loss rate.

Dividend income received during the period was \$3,651,532 fully franked while interest income received on term deposits and cash was \$9,321.

At 31 December 2021, approximately 81.15% of the Company's capital was in equities with the remainder held in cash, term deposits and net receivables. At the time of writing this report cash weighting had increased to 18.62%.

Portfolio Activity

During the period we exited investments in Silver Lake Resources Limited, Gold Road Resources Limited and Johns Lyng Group Limited realising capital profits. Other exits included Ramelius Resources Limited, Fenix Resources Limited, Veem Limited and Vita Group Limited. We also trimmed exposure to Janison Education Group Limited and Imdex Limited after strong share price performances.

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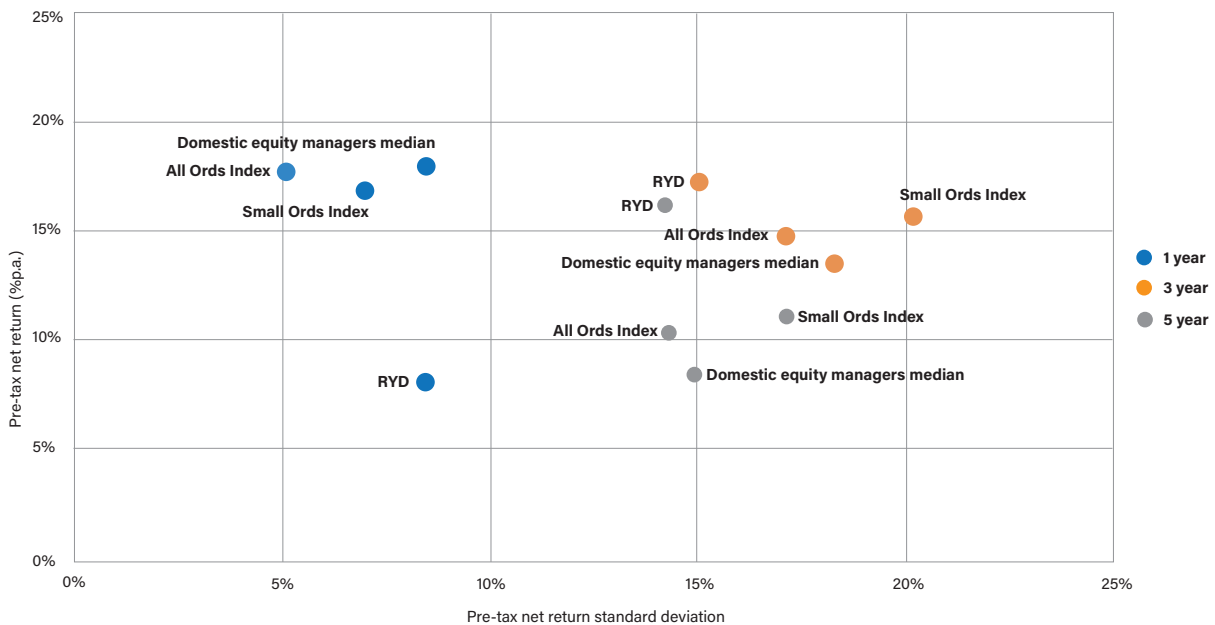
Risk Adjusted Returns & Relative NTA Performance

Not all investment returns are generated equally. Some returns are achieved by taking significantly greater or less risk than other returns. Our goal at Ryder is to achieve medium to long term returns above the Company's hurdle of RBA cash rate + 4.25% p.a. while minimising downside risk.

Investment risk is commonly measured using the standard deviation of returns over time from the mean return of an asset or, in our case, Ryder's pre-tax undiluted NTA return. The higher the standard deviation (volatility), the riskier the underlying investment and/or strategy. Additional risk should be compensated for with additional returns, therefore risk and return should have a positive correlation over time.

The following chart plots returns against risk and helps to illustrate the quality of returns achieved over various time frames. The ideal position is towards the top left corner where the highest returns and lowest level of risk reside. Over the past five years, Ryder has outperformed the index and other domestic managers, generating materially higher returns for a similar or lower level of risk consistently across the three and five year time periods.

Relative Risk Adjusted Performance



1. Returns are calculated using monthly pre provided tax NTA values, post tax paid, including dividends (excluding franking) and adjusted for the dilutionary impact of options exercised resulting in an increase in issued capital by 5% or greater during the period.

2. The 42 domestic equity managers included in this analysis are taken from the Bell Potter and Morningstar research universe. Funds included in this analysis are a selection of ASX Listed Investment Companies (LICs) and are intended to form a representative sample of comparable ASX LICs based on strategy, size and past performance.

Risk and returns can be analysed using two well-known ratios, the first being the Sharpe Ratio which is calculated as excess return over a benchmark divided by volatility (standard deviation). The Sharpe ratio measures excess return per unit of risk, including both downside and upside volatility. The second ratio is a variant on the Sharpe Ratio, called the Sortino Ratio which only looks at downside standard deviation, i.e. downside volatility with respect to a specified benchmark, the most commonly used being the cash rate. In our opinion, the Sortino is the most appropriate measure to consider since upside volatility is what investors seek to target, i.e. positive returns and therefore upside volatility should not be taken into account the same way as downside volatility. A greater amount of consistent positive monthly performance compared to negative performance over time will result in a higher Sortino value.

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The below table sets out Ryder's Sharpe and Sortino ratios and those of two comparable ASX equity market indices for comparator purposes:

	Ryder	Small Ords Accumulation Index	All Ords Accumulation Index
Sharpe ratio	1 year	1.14	3.31
	2 years	1.04	0.50
	3 years	1.29	0.82
	5 years	1.20	0.66
	ITD	1.16	0.72
Sortino ratio	1 year	2.47	10.84
	2 years	1.61	0.64
	3 years	2.07	1.08
	5 years	2.13	0.87
	ITD	2.07	0.97

Ryder has consistently outperformed its ASX comparator indices since inception on both absolute return measures and all risk adjusted return measures over all but the 1 year return period. Ryder's relative underperformance over this last year where market indices have generated very strong Sharpe and Sortino measures as a result of ultra-low levels of volatility, and what volatility, there was, was positive (see Sortino compared to the Sharpe). This factor in and of itself suggests an unsustainable setting indicative of a market that is primed to revert to an environment of lower returns and greater volatility which we expect will bring these measures back in line with historic ranges (see the 2, 3 and 5 year measures above). Ryder's strong Sortino ratio performance is logical given we have a value bias (value stocks generally perform better in a negative market) and we regularly hold relatively large amounts of cash, dampening downside risk/volatility. In summary, the positive Sortino ratio above demonstrates Ryder's ability to outperform over the medium to long term with less risk given our investment approach.

Outlook

With the US Federal Reserve leading the unwind of the emergency monetary settings in place since the onset of the COVID pandemic in March 2020, all asset classes are adjusting to a future of tighter monetary conditions. The new and added variable of inflation running higher than anticipated and its unknown permanency, means forecasting monetary settings for interest rates, for now, will remain challenging. This variability in expectations and ultimate outcomes will likely continue to result in volatility across all asset classes, including equities.

We do not know how transitory or entrenched inflation will ultimately prove to be, or how far interest rates will need to be increased to manage this risk. What we do know with a high degree of certainty is that the most recent period of strong equity market gains primed by central banks monetary settings universally cheered on by governments alongside their own record fiscal support is now at an end. In contrast to recent history, the US Democrats are calling on the US Federal Reserve to get on with tightening and appear unconcerned that this could be to the detriment of their popularity given the likely negative impact such a stance would have on the performance of the US stock market.

The emergence of new COVID strains remains a variable as does the pathway out to living with the virus. We view this risk as low, though it should not be ignored.

With this backdrop in mind the Portfolio is well positioned with a value-skewed barbell strategy where we hold increasing levels of cash and core value stocks balanced against active opportunistic value trades and out of favour growth-oriented stocks. We are excited by the prospect of a more challenging investing environment that should favour bottom up stock picking that very much suits Ryder's fundamental investment approach.

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Directors' Report

Dividends

On 13 August 2021, the Directors declared a fully franked dividend of 4.00 cents per share which amounted to \$3,048,268 and was paid on 8 October 2021.

An interim dividend of 3.00 cents per share (franking tax rate: 30%) fully franked has been declared by the Board and will be paid on 07 March 2022.

Rounding of amounts to nearest dollar

In accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, the amounts in the directors' report and in the financial report have been rounded to the nearest dollar, unless otherwise stated.

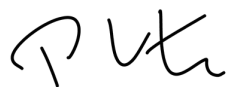
Events subsequent to reporting date

A dividend was declared on 11 February 2022 and is not yet paid as noted in Note 4. No other matters or circumstances have arisen since the end of the period which significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* (Cth) is set out on page 10.

Signed in accordance with a resolution of the Directors.



Peter Constable
Chairman
Ryder Capital Limited



David Bottomley
Director

Sydney, 11 February 2022

Auditor's Independence Declaration

To the Directors of Ryder Capital Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Ryder Capital Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



Grant Thornton Audit Pty Ltd
Chartered Accountants



G S Layland
Director – Audit & Assurance

Sydney, 11 February 2022

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Ryder Capital Limited
Statement of Profit or Loss and Other Comprehensive Income
Interim Financial Report
for the Half-Year Ended 31 December 2021

Statement of Profit or Loss and Other Comprehensive Income			
	Note	Half-year ended 31 December 2021	Half-year ended 31 December 2020
Investment income		\$	\$
Interest income		9,321	28,462
Dividend income net of franking credits		3,651,532	547,700
Net gain on financial instruments at fair value through profit or loss		-	26,365
Other income		15,002	5,082
Total investment income		3,675,855	607,609
Expenses			
Management fees		(931,224)	(723,762)
Directors' fees		(20,181)	(17,399)
Performance fees		(149,676)	(5,468,544)
Other operating expenses		(181,759)	(210,679)
Total expenses		(1,282,840)	(6,420,384)
Profit / (loss) for the period before income tax expense		2,393,015	(5,812,775)
Income tax benefit		328,722	1,919,675
Profit / (loss) for the period		2,721,737	(3,893,100)
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss:</i>			
Movement in fair value of long term equity investments, net of tax	7(d)	875,141	20,602,886
Total comprehensive income for the period		3,596,878	16,709,786
Basic earnings / (losses) per share	5	3.67 cents	(6.49) cents
Diluted earnings / (losses) per share	5	3.67 cents	(6.49) cents

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Interim Financial Statements which follow.

Ryder Capital Limited
Statement of Financial Position
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Statement of Financial Position			
	Note	As at 31 December 2021	As at 30 June 2021
Assets		\$	\$
Current assets			
Cash and cash equivalents		29,560,859	20,841,669
Receivables		39,982	35,472
Prepayments		48,353	-
Derivative assets	3(a)	3,515	3,515
Total current assets		29,652,709	20,880,656
Non-current assets			
Long-term equity investments	3(a)	127,595,828	119,197,825
Deferred tax asset		1,686	2,043
Total non-current assets		127,597,514	119,199,868
Total assets		157,250,223	140,080,524
Liabilities			
Current liabilities			
Payables		322,611	9,187,367
Current tax liability		1,974,082	2,290,015
Total current liabilities		2,296,693	11,477,382
Non-current liabilities			
Deferred tax liability		8,324,603	8,988,215
Total non-current liabilities		8,324,603	8,988,215
Total liabilities		10,621,296	20,465,597
Net assets		146,628,927	119,614,927
Equity			
Issued capital		103,990,245	77,524,855
Accumulated losses		(9,836,310)	(9,754,028)
Profits reserve		2,909,481	105,462
Capital profits reserve		30,143,899	30,768,597
Asset revaluation reserve		19,421,612	20,970,041
Total equity		146,628,927	119,614,927

The above Statement of Financial Position should be read in conjunction with the Notes to the Interim Financial Statements which follow.

Ryder Capital Limited
Statement of Changes in Equity
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For the Half-Year Ended 31 December 2021

Statement of Changes in Equity							
	Note	Issued capital	Accumulated losses	Profits reserve	Capital profits reserve	Asset revaluation reserve	Total equity
		\$	\$	\$	\$	\$	\$
Balance at 30 June 2020		64,222,935	(5,221,011)	1,916,989	16,944,472	9,065,404	86,928,789
Profit for the period		-	(3,893,100)	-	-	-	(3,893,100)
Net revaluation of investments		-	-	-	-	20,602,886	20,602,886
Total comprehensive income for the period		-	(3,893,100)	-	-	20,602,886	16,709,786
Other							
Transfer of realised gains on sale of investments, net of tax	7(c),(d)	-	-	-	8,383,582	(8,383,582)	-
		-	-	-	8,383,582	(8,383,582)	-
Transactions with owners in their capacity as owners							
Shares issued under the exercise of secondary options		3,205,251	-	-	-	-	3,205,251
Dividend paid	7 (b),(c)	-	-	(1,811,527)	-	-	(1,811,527)
		3,205,251	-	(1,811,527)	-	-	1,393,724
Balance at 31 December 2020		67,428,186	(9,114,111)	105,462	25,328,054	21,284,708	105,032,299
Balance at 30 June 2021		77,524,855	(9,754,028)	105,462	30,768,597	20,970,041	119,614,927
Profit for the period		-	2,721,737	-	-	-	2,721,737
Net revaluation of investments		-	-	-	-	875,141	875,141
Total comprehensive income for the period		-	2,721,737	-	-	875,141	3,596,878
Other							
Transfer of realised gains on sale of investments, net of tax	7(c),(d)	-	-	-	2,423,570	(2,423,570)	-
Transfer to profit reserve	7(a),(b)	-	(2,804,019)	2,804,019	-	-	-
		-	(2,804,019)	2,804,019	2,423,570	(2,423,570)	-
Transactions with owners in their capacity as owners							
Shares issued under the exercise of secondary options	6(a)	26,465,390	-	-	-	-	26,465,390
Dividend paid	7(b)	-	-	-	(3,048,268)	-	(3,048,268)
		26,465,390	-	-	(3,048,268)	-	23,417,122
Balance at 31 December 2021		103,990,245	(9,836,310)	2,909,481	30,143,899	19,421,612	146,628,927

The above Statement of Changes in Equity should be read in conjunction with the Notes to the Interim Financial Statements which follow.

Ryder Capital Limited
Statement of Cash Flows
Interim Financial Report
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Statement of Cash Flows			
	Note	Half-year ended 31 December 2021	Half-year ended 31 December 2020
Cash flows from operating activities		\$	\$
Interest received		9,321	28,462
Dividends received		3,651,532	745,210
Other income received		15,002	5,082
Management fees paid		(905,517)	(695,289)
Performance fees paid		(7,040,139)	(1,416,708)
Directors' fees paid		(20,181)	(17,399)
Other operating expenses paid		(234,622)	(218,707)
Income tax paid		(1,025,526)	(6,008,208)
Net cash used in operating activities		(5,550,130)	(7,577,557)
Cash flows from investing activities			
Proceeds from sale of investments		20,003,691	27,518,442
Payments for purchase of investments		(29,151,493)	(32,752,846)
Net cash used in investing activities		(9,147,802)	(5,234,404)
Cash flows from financing activities			
Proceeds from issue of shares	6(a)	26,465,390	3,205,251
Dividends paid	4(a)	(3,048,268)	(1,811,527)
Net cash provided by financing activities		23,417,122	1,393,724
Net increase / (decrease) in cash held		8,719,190	(11,418,237)
Cash and cash equivalents at beginning of the period		20,841,669	17,433,819
Cash and cash equivalents at end of the period		29,560,859	6,015,582

The above Statement of Cash Flows should be read in conjunction with the Notes to the Interim Financial Statements which follow.

Ryder Capital Limited
Interim Financial Report
For the Half-Year Ended 31 December 2021

Notes to the Financial Statements

1. GENERAL INFORMATION

These interim financial statements are for the half-year ended 31 December 2021, and were authorised for issue by the Directors on 11 February 2022.

A summary of the material accounting policies adopted by the Company in the preparation of the financial statements is set out below

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

These interim financial statements for the period ended 31 December 2021 have been prepared in accordance with accounting standard *AASB 134 Interim Financial Reporting* and the *Corporations Act 2001* (Cth) in Australia.

The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

These interim financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the 30 June 2021 annual financial report and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* (Cth).

The interim financial statements are prepared based on an accruals concept, which requires income and expenses to be recorded as earned or incurred and not as received or paid throughout the half-year. It is prepared on the basis of fair value measurement of assets and liabilities except otherwise stated.

The accounting policies applied in these interim financial statements are the same as those applied to the Company's financial statements for the year ended 30 June 2021.

(b) Rounding amounts

In accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, the amounts in the directors' report and in the financial report have been rounded to the nearest dollar, unless otherwise stated.

(c) Details of reporting period

The current reporting period is the half-year ended 31 December 2021. For the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows, the previous corresponding period is the half-year ended 31 December 2020. For the Statement of Financial Position, the previous corresponding date is 30 June 2021.

3. FAIR VALUE MEASUREMENT

The Company measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Long term equity investments
- Derivative financial instruments

Fair value hierarchy

AASB 13: Fair value measurement requires disclosure of fair value measurements by level of the fair value hierarchy:

- Level 1 - measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - measurements based on inputs other than quoted prices included in level 1 that are observable for the asset or liability; and
- Level 3 - measurements based on unobservable inputs from the asset or liability.

Included within Level 1 of the hierarchy are listed investments. The fair values of these financial assets and liabilities have been based on the closing quoted last prices at the end of the reporting period, excluding transaction costs.

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions. With respect to the current carrying value in the financial statements for Updater Inc., refer to Note 3(c).

Ryder Capital Limited
Interim Financial Report
For the Half-Year Ended 31 December 2021

Notes to the Financial Statements

3. FAIR VALUE MEASUREMENT (CONTINUED)

(a) Recognised fair value measurements

The table below presents the Company's financial assets and liabilities measured and recognised at fair value as at 31 December 2021 and 30 June 2021:

	Level 1	Level 2	Level 3	Total
At 31 December 2021	\$	\$	\$	\$
Financial Assets				
<i>Derivative assets</i>				
Options	-	-	3,515	3,515
<i>Long-term equity investments</i>				
Listed investments	116,604,041	-	1,155,322	117,759,363
Unlisted investments	-	-	9,336,465	9,336,465
Convertible notes	-	-	500,000	500,000
Total financial assets	116,604,041	-	10,995,302	127,599,343

	Level 1	Level 2	Level 3	Total
At 30 June 2021	\$	\$	\$	\$
Financial assets				
<i>Derivative assets</i>				
Options	3,515	-	-	3,515
<i>Long-term equity investments</i>				
Listed investments	109,656,098	-	-	109,656,098
Unlisted investments	-	-	9,041,727	9,041,727
Convertible notes	-	-	500,000	500,000
Total financial assets	109,659,613	-	9,541,727	119,201,340

(b) Transfer between levels

The Investment Manager's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

The following table presents the transfers between levels for the period ended 31 December 2021 (30 June 2021: nil).

	Level 1	Level 2	Level 3
At 31 December 2021	\$	\$	\$
Transfers from level 1 to level 3			
<i>Derivative assets</i>			
Options	(3,515)	-	3,515
<i>Long-term equity investments</i>			
Listed investments	(1,155,322)	-	1,155,322

At the end of the current reporting period, management has transferred the Company's investments in the amount of \$1,158,837 from level 1 to level 3 on the fair value hierarchy on the basis that Tubi Ltd and Tubi Ltd Option (ASX code: 2BE) were suspended from official quotation on 8 April 2021.

There were no other transfers between levels at the end of the reporting period.

Ryder Capital Limited
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For the Half-Year Ended 31 December 2021

Notes to the Financial Statements

3. FAIR VALUE MEASUREMENT (CONTINUED)

(c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the movement in level 3 instruments for the period ended 31 December 2021 by class of financial instrument.

	Options	Listed investments	Unlisted investments	Convertible notes	Total
	\$	\$	\$	\$	\$
Opening balance - 31 December 2020	-	-	8,796,834	-	8,796,834
Transfer into/(out) from level 3	-	-	-	500,000	500,000
Purchases	-	-	-	-	-
Sales	-	-	-	-	-
Foreign exchange movement	-	-	244,893	-	244,893
Closing balance - 30 June 2021	-	-	9,041,727	500,000	9,541,727
Transfer into/(out) from level 3	3,515	1,155,322	-	-	1,158,837
Purchases	-	-	-	-	-
Sales	-	-	-	-	-
Foreign exchange movement	-	-	294,738	-	294,738
Closing balance - 31 December 2021	3,515	1,155,322	9,336,465	500,000	10,995,302

(i) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in the level 3 fair value measurements.

Description	Fair value	Unobservable inputs	Range of inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
As at 31 December 2021	\$			
Updater Inc.	9,336,465	Last trade price	N/A	N/A
Vitrafy Life Sciences Pty Ltd	500,000	Last trade price	N/A	N/A
Tubi Ltd	1,155,322	Last trade price	N/A	N/A
Tubi Ltd Option	3,515	Last trade price	N/A	N/A
As at 30 June 2021				
Updater Inc.	9,041,727	Last trade price	N/A	N/A
Vitrafy Life Sciences Pty Ltd	500,000	Last trade price	N/A	N/A

Updater Inc. (Updater) an unlisted Delaware incorporated company is carried at a value of USD17.55 per Common Stock Share (unchanged) with a total value of \$9,336,465 at 31 December 2021 taking into account the foreign exchange movement during the period.

(ii) Valuation processes

Portfolio reviews are undertaken regularly by the Investment Manager to identify securities that potentially may not be actively traded or have stale security pricing. This process identifies securities which possibly could be regarded as being level 3 securities. Further analysis, should it be required, is undertaken to determine the accounting significance of the identification. Changes in allocation to or from level 3 are analysed at the end of each reporting period.

Ryder Capital Limited
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For the Half-Year Ended 31 December 2021

Notes to the Financial Statements

3. FAIR VALUE MEASUREMENT (CONTINUED)

(d) Description of significant unobservable inputs to valuation

The significant unobservable inputs used in the fair value measurements categorised within level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at 31 December 2021 are shown below.

Description	Unobservable inputs	Value	Sensitivity
Ordinary shares at fair value through other comprehensive income	5-Year Compounding Annual Revenue Growth rate	27.78%	5.00% increase would increase fair value by \$4,362,337 and a 5.00% decrease would decrease fair value by \$4,623,013
	Discount rate	13.73%	1.00% increase would decrease fair value by \$1,239,542 and a 1.00% decrease would increase fair value by \$1,798,134
	Terminal growth rate	2.00%	1.00% increase would increase fair value by \$792,669 and a 1.00% decrease would decrease fair value by \$430,914

(e) Fair value of financial instruments not carried at fair value

The carrying value of cash and cash equivalents, trade receivables and trade payables approximate their fair value because of the short-term nature of the instruments and low credit risk.

4. DIVIDENDS

	Half-year ended 31 December 2021	Half-year ended 31 December 2020
	\$	\$
(a) Paid in the current period		
Dividends paid in the current period		
A fully franked final dividend (franking tax rate: 30%) on ordinary shares in respect of the 2021 financial year of 4.00 cents per share was paid on 8 October 2021 (2020: A fully franked final dividend (franking tax rate: 30%) on ordinary shares in respect of the 2020 financial year of 3.00 cents per share was paid on 9 September 2020)	3,048,268	1,811,527
	3,048,268	1,811,527
(b) Dividend franking account		
Opening balance of franking account	6,419,329	73,136
Franking credits on dividends received	1,495,181	249,060
Franking credits on dividends paid	(1,306,401)	(776,369)
Tax payment made	1,025,526	6,008,208
Closing balance of franking account	7,633,635	5,554,035
Franking credits on tax payable	1,974,082	1,081,240
Adjusted franking account balance	9,607,717	6,635,275

Subsequent to balance date, on 11 February 2022, the Directors declared a fully franked dividend (franking tax rate: 30%) of 3.00 cents per share which will be paid on 07 March 2022 on ordinary shares held as at record date 21 February 2022 (ex-dividend date of 18 February 2022).

The Company's ability to pay franked dividends is dependent upon the receipt of franked dividends from investments and the payment of tax.

Ryder Capital Limited
Interim Financial Report
For the Half-Year Ended 31 December 2021

Notes to the Financial Statements

5. 5. EARNINGS / (LOSSES) PER SHARE

	Half-year ended 31 December 2021	Half-year ended 31 December 2020
	\$	\$
Basic earnings / (losses) per share	3.67 cents	(6.49) cents
Diluted earnings / (losses) per share	3.67 cents	(6.49) cents
Earnings / (losses) used in calculating basic earnings per share	2,721,737	(3,893,100)
Earnings / (losses) used in calculating diluted earnings per share	2,721,737	(3,893,100)
Weighted average number of ordinary shares used in the calculation of basic earnings per share	74,132,357	60,000,782
Weighted average number of shares used in the calculation of diluted earnings per share	74,132,357	60,000,782

The weighted average number of shares used as a denominator in calculating basic and diluted earnings per share is based on the weighted average number of shares 1 July 2021 to 31 December 2021.

6. ISSUED CAPITAL

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Capital risk management

The Company's policy is to maintain a strong capital base so as to maintain investor and market confidence. The overall strategy remains unchanged. To achieve this, the Board of Directors monitors the monthly NTA results, investment performance and share price movements. The Board is focused on maximising returns to shareholders with capital management a key objective of the Company. The Company is not subject to any externally imposed capital requirements.

Options

No options were issued during the period. At balance sheet date the Company has nil secondary options on issue exercisable at \$1.50 on or before 10 December 2021.

	Half-Year ended 31 December 2021		Year ended 30 June 2021	
	Units	\$	Units	\$
(a) Movements in ordinary share capital				
Opening balance	67,624,670	77,524,855	58,756,723	64,222,935
Shares issued upon the exercise of options	17,643,593	26,465,390	8,867,947	13,301,920
Closing balance	85,268,263	103,990,245	67,624,670	77,524,855
(b) Options issued				
Opening balance	17,864,726	-	26,732,673	-
Options exercised during the period	(17,643,593)	-	(8,867,947)	-
Options lapsed during the period	(221,133)	-	-	-
Closing balance	-	-	17,864,726	-

Ryder Capital Limited
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Notes to the Financial Statements

7. RESERVES AND RETAINED PROFITS

	Half-year ended 31 December 2021	Half-year ended 31 December 2020
	\$	\$
(a) Accumulated losses		
Balance at the beginning of the period	(9,754,028)	(5,221,011)
Profit / (loss) for the period	2,721,737	(3,893,100)
Transfer to profit reserve	(2,804,019)	-
Balance at 31 December 2021	(9,836,310)	(9,114,111)
(b) Profits reserve		
The reserve is made of profits transferred from current and retained earnings that are preserved for future dividend payments.		
Balance at the beginning of the period	105,462	1,916,989
Transfer from retained earnings	2,804,019	-
Dividend paid	-	(1,811,527)
Balance at 31 December 2021	2,909,481	105,462
(c) Capital profits reserve		
The reserve records gains or losses arising from disposal of long-term equity investments		
Balance at the beginning of the period	30,768,597	16,944,472
Realised profit on sale of investments, net of tax	2,423,570	8,383,582
Dividend paid	(3,048,268)	-
Balance at 31 December 2021	30,143,899	25,328,054
(d) Asset revaluation reserve		
The reserve records revaluations of long-term equity investments.		
Balance at the beginning of the period	20,970,041	9,065,404
Movement in fair value of long-term equity investments, net of tax	875,141	20,602,886
Realised profit on sale of investments, net of tax transferred to capital profits reserve	(2,423,570)	(8,383,582)
Balance at 31 December 2021	19,421,612	21,284,708

Ryder Capital Limited
Interim Financial Report
For the Half-Year Ended 31 December 2021

Notes to the Financial Statements

8. CONTINGENT LIABILITIES AND COMMITMENTS

As at 31 December 2021, the Company had no contingent liabilities or commitments.

9. SEGMENT INFORMATION

The Company has only one reportable segment and one industry. It operates predominantly in Australia and in the securities industry. It earns revenue from dividend income, interest income and other returns from the investment portfolio. The Company invests in different types of securities, as detailed at Note 3(a) Fair Value Measurement.

10. EVENTS SUBSEQUENT TO REPORTING DATE

Except for the dividend declared and not yet paid as noted in Note 4, no other matters or circumstances have arisen since the end of the period which significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Ryder Capital Limited
Interim Financial Report
For the Half-Year Ended 31 December 2021

Directors' Declaration

The Directors declare that:

(a) the financial statements and notes set out on pages 11 to 21 are in accordance with the *Corporations Act 2001* (Cth), and:

- i) complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- ii) giving a true and fair view of the financial position of the Company as at 31 December 2021 and of its performance for the financial half-year ended on that date.

(b) In the Directors' opinion 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 of the Company.

On behalf of the Directors



Peter Constable
Chairman
Ryder Capital Limited

Sydney, 11 February 2022

Independent Auditor's Review Report

To the Members of Ryder Capital Limited

Report on the review of the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Ryder Capital Limited (the Company), which comprises the statement of financial position as at 31 December 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Ryder Capital Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Ryder Capital Limited financial position as at 31 December 2021 and of its performance for the half year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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 Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and 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 the Code.

Directors' responsibility for the half-year financial report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the*

Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year 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.



Grant Thornton Audit Pty Ltd
Chartered Accountants



G S Layland
Director – Audit & Assurance

Sydney, 11 February 2022

RYDER CAPITAL

Level 28, 88 Phillip Street
Sydney NSW 2000

T +61 (2) 9000 9020

E enquiries@rydercapital.com.au

www.rydercapital.com.au