

CADENCE CAPITAL LIMITED
A.B.N. 17 112 870 096

APPENDIX 4D
HALF-YEAR REPORT
for the half-year ended 31 December 2021

RESULTS FOR ANNOUNCEMENT TO THE MARKET
All comparisons to the half-year ended 31 December 2020

| | \$ | up/down | % mvmt |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------------------------|------------------------------|
| Revenue from ordinary activities | 40,557,762 | Down | 49% |
| Profit from ordinary activities before tax attributable to members | 31,186,837 | Down | 55% |
| Profit from ordinary activities after tax attributable to members | 22,122,494 | Down | 54% |
| Dividend Information | Amt per share | Franked amount per share | Tax rate for franking |
| 2022 Interim dividend per share | 4.0c | 4.0c | 30% |
| 2021 Final dividend per share | 3.0c | 3.0c | 30% |
| 2021 Interim dividend per share | 2.0c | 2.0c | 30% |
| 2020 Final dividend per share | 2.0c | 2.0c | 30% |
| Interim dividend dates | | | |
| Ex dividend date | | | 31 March 2022 |
| Record date | | | 1 April 2022 |
| Payment date | | | 14 April 2022 |
| | | 31 Dec 2021 | 31 Dec 2020 |
| Net tangible asset backing after tax | | \$1.24 | \$1.13 |
| <p><i>This report is based on the Half-Year Financial Report which has been subject to independent review by the Auditors, Pitcher Partners. All the documents comprise the information required by Listing Rule 4.2A. This information should be read in conjunction with the 30 June 2021 Annual Financial Report.</i></p> | | | |

CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

COMPANY PARTICULARS

CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

| | |
|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DIRECTORS: | Karl Siegling (Chairman) James Chirnside Wayne Davies Jenelle Webster |
| SECRETARY: | Wayne Davies |
| MANAGER OF THE FUND: | Cadence Asset Management Pty Limited ABN: 68 106 551 062 |
| REGISTERED OFFICE: | Level 11, 131 Macquarie Street Sydney, NSW 2000 |
| CONTACT DETAILS: | Level 11, 131 Macquarie Street Sydney, NSW 2000 Telephone: (02) 8298 2444 Fax: (02) 8298 2499 Email: info@cadencecapital.com.au Website: www.cadencecapital.com.au |

For enquiries regarding net asset backing (as advised each month to the Australian Securities Exchange) refer to www.asx.com.au or call (02) 8298 2444

| | |
|------------------------------------------------|------------------------------------------------------------------------------|
| PRIME BROKER AND CUSTODIAN OF THE FUND: | BNP Paribas 10 Harewood Avenue London NW1 6AA |
| | The Bank of New York Mellon 160 Queen Victoria Street, London EC4V 4LA |

| | |
|-------------------------|----------------------------------------------------------------------------------------------------------------------------|
| SHARE REGISTRAR: | Boardroom Pty Limited Mail Address: GPO Box 3993 Sydney NSW 2001 Telephone: (02) 9290 9600 Fax: (02) 9279 0664 |
|-------------------------|----------------------------------------------------------------------------------------------------------------------------|

For all enquiries relating to shareholdings, dividends (including participation in the Dividend Reinvestment Plan) and related matters, please contact the share registrar.

| | |
|------------------|--------------------------------------------------------------------------------------------|
| AUDITORS: | Pitcher Partners Level 16, Tower 2 Darling Park 201 Sussex Street Sydney NSW 2000 |
|------------------|--------------------------------------------------------------------------------------------|

CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

DIRECTORS' REPORT TO SHAREHOLDERS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

The Directors present their report together with the condensed interim financial report of Cadence Capital Limited ("the Company") for the half-year ended 31 December 2021.

PRINCIPAL ACTIVITY

The principal activity of the Company was investing primarily in securities listed both in Australia and internationally. The Company may take short positions and may also deal in derivatives for hedging purposes. No significant changes in the nature of these activities occurred during the period.

OPERATING RESULTS

Investment operations over the half-year resulted in an operating profit before tax of \$31,186,837 (December 2020: operating profit before tax of \$68,716,923) and an operating profit after tax of \$22,122,494 (December 2020: operating profit after tax of \$48,555,479).

REVIEW OF OPERATIONS

For the half-year ended 31 December 2021, the Company produced a positive gross performance of 10.2% compared to an increase in the All Ordinaries Accumulation Index of 4.6%. Over the past 6 months Covid-19 has had marginal impact on the operations of the Company, however Covid-19 did produce many investment opportunities both on the long side and the short side, and both here in Australia and overseas. Investments are valued continuously to market value. For the half-year ended 31 December 2021, net investments were valued at \$260,395,303 (June 2021: \$289,343,785).

FINANCIAL POSITION

The net asset value of the Company for the half-year ended 31 December 2021 was \$367,478,046 (June 2021: \$355,436,086).

DIVIDENDS PAID OR RECOMMENDED

A fully franked interim dividend of 4.0 cents per share has been declared by the Board and will be paid on the 14 April 2022.

Dividends paid are as follows:

| | \$ |
|--------------------------------------------------------------------------------------|-----------|
| Fully franked 2021 final dividend of 3.0 cents per share was paid on 29 October 2021 | 8,856,068 |
| Fully franked 2021 interim dividend of 2.0 cents per share was paid on 13 May 2021 | 5,938,517 |
| Fully franked 2020 final dividend of 2.0 cents per share was paid on 30 October 2020 | 6,024,777 |
| Fully franked 2020 interim dividend of 2.0 cents per share was paid on 13 May 2020 | 6,166,630 |

DIRECTORS

The names of the Directors in office at any time during or since the end of the half-year are as follows:

Karl Siegling – Chairman
James Chirnside – Non Executive Director
Wayne Davies – Non Executive Director
Jenelle Webster – Non Executive Director

The Directors have been in office since the start of the half-year to the date of this report unless otherwise stated.

AUDITORS' INDEPENDENCE DECLARATION

A copy of the Auditors' Independence Declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 6.

ROUNDING

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

CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

DIRECTORS' REPORT TO SHAREHOLDERS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

Signed in accordance with a resolution of the Board of Directors.



KARL SIEGLING Director

Dated at Sydney this 18 day of February 2022

Level 16, Tower 2 Darling Park
201 Sussex Street
Sydney NSW 2000

Postal Address
GPO Box 1615
Sydney NSW 2001

p. +61 2 9221 2099
e. sydneypartners@pitcher.com.au

**Auditor's Independence Declaration
To the Directors of Cadence Capital Limited
ABN 17 112 870 096**

In relation to the independent auditor's review of Cadence Capital Limited for the half year ended 31 December 2021, I declare to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.



S M Whiddett
Partner

Pitcher Partners
Sydney

18 February 2022

CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

| | Notes | December 2021 \$ | December 2020 \$ |
|-------------------------------------------------------|--------------|--------------------------|--------------------------|
| INCOME | | | |
| Net realised and unrealised gain on investments | | 38,815,995 | 78,402,012 |
| Dividends received | | 1,729,497 | 1,769,407 |
| Interest received | | 12,270 | 14,685 |
| Other income | | - | 14,500 |
| Net Income | | <u>40,557,762</u> | <u>80,200,604</u> |
| EXPENSES | | | |
| Management fees | | (1,819,498) | (1,453,753) |
| Performance fees | | (4,464,765) | (8,578,417) |
| Directors fees | | (37,500) | (37,500) |
| Brokerage expenses on share purchases | | (1,554,198) | (613,530) |
| Audit and taxation fees | | (142,294) | (40,165) |
| Stock loan fees | | (117,106) | (71,105) |
| Registry fees | | (47,960) | (60,974) |
| Dividends on shorts | | (396,094) | (54,574) |
| Finance costs | | (487,703) | (386,753) |
| Legal fees | | (53,886) | - |
| Custody fees | | (117,497) | (105,343) |
| ASX fees | | (81,038) | (38,142) |
| Other expenses from ordinary activities | | (51,386) | (43,425) |
| Total Expenses | | <u>(9,370,925)</u> | <u>(11,483,681)</u> |
| Profit before income tax | | 31,186,837 | 68,716,923 |
| Income tax expense | | <u>(9,064,343)</u> | <u>(20,161,444)</u> |
| Profit attributable to members of the Company | 4 (c) | <u>22,122,494</u> | <u>48,555,479</u> |
| Other comprehensive income | | | |
| Other comprehensive income for the period, net of tax | | <u>-</u> | <u>-</u> |
| Total comprehensive income for the period | | <u>22,122,494</u> | <u>48,555,479</u> |
| Basic earnings per share | | <u>7.5 cents</u> | <u>16.1 cents</u> |
| Diluted earnings per share | | <u>7.5 cents</u> | <u>16.1 cents</u> |

The accompanying notes form part of these financial statements.

CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

| | Note | December 2021 \$ | June 2021 \$ |
|------------------------------------------------------------|-------|------------------------|--------------------|
| ASSETS | | | |
| Cash and cash equivalents | | 131,425,119 | 139,836,141 |
| Trade and other receivables | | 1,066,824 | 27,350,831 |
| Financial assets at fair value through profit or loss | 5 | 264,376,202 | 313,067,950 |
| Deferred tax asset | | 25,508,257 | 26,867,521 |
| TOTAL ASSETS | | 422,376,402 | 507,122,443 |
| LIABILITIES | | | |
| Cash overdrafts | | 36,750,395 | 102,171,598 |
| Trade and other payables | | 14,167,080 | 25,790,594 |
| Financial liabilities at fair value through profit or loss | 5 | 3,980,899 | 23,724,165 |
| TOTAL LIABILITIES | | 54,898,374 | 151,686,357 |
| NET ASSETS | | 367,478,028 | 355,436,086 |
| EQUITY | | | |
| Issued capital | 3 | 410,726,185 | 411,950,669 |
| Profits reserve | 4 (b) | 100,384,053 | 72,774,128 |
| Accumulated losses | 4 (c) | (143,632,210) | (129,288,711) |
| TOTAL EQUITY | | 367,478,028 | 355,436,086 |

The accompanying notes form part of these financial statements.

CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

| | Note | Issued capital \$ | Accumulated losses \$ | Profits reserve \$ | Total equity \$ |
|-----------------------------------------|------|----------------------|-----------------------------|--------------------------|--------------------|
| Balance at 1 July 2020 | | 419,919,254 | (129,288,711) | 9,723,976 | 300,354,519 |
| Profit for the half-year | | - | 48,555,479 | - | 48,555,479 |
| Transfer to profits reserve | | - | (48,555,479) | 48,555,479 | - |
| Other comprehensive income for the year | | - | - | - | - |
| On-market Share Buy-Back | | (5,114,613) | - | - | (5,114,613) |
| Dividends paid | 2 | - | - | (6,024,777) | (6,024,777) |
| Balance at 31 December 2020 | | 414,804,641 | (129,288,711) | 52,254,678 | 337,770,608 |
| Balance at 1 July 2021 | | 411,950,669 | (129,288,711) | 72,774,128 | 355,436,086 |
| Profit for the half-year | | - | 22,122,494 | - | 22,122,494 |
| Transfer to profits reserve | | - | (36,465,993) | 36,465,993 | - |
| Other comprehensive income for the year | | - | - | - | - |
| On-market Share Buy-Back | | (1,224,484) | - | - | (1,224,484) |
| Dividends paid | 2 | - | - | (8,856,068) | (8,856,068) |
| Balance at 31 December 2021 | | 410,726,185 | (143,632,210) | 100,384,053 | 367,478,028 |

The accompanying notes form part of these financial statements.

CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

STATEMENT OF CASH FLOW FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

| | December 2021 \$ | December 2020 \$ |
|-----------------------------------------------------------------------|------------------------|------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Proceeds from the sale of investments | 1,126,588,776 | 354,787,638 |
| Payments for the purchase of investments | (1,038,972,422) | (278,713,290) |
| Dividends received | 1,810,177 | 2,059,258 |
| Interest received | 12,270 | 14,685 |
| Other income received | - | 15,630 |
| Management and performance fees paid | (10,961,781) | (1,299,130) |
| Brokerage expenses on share purchases | (1,554,198) | (613,530) |
| Dividends on shorts | (396,094) | (54,574) |
| Finance costs | (487,703) | (386,753) |
| Income tax paid | (7,704,978) | (4,026,570) |
| Payments for administration expenses | (1,243,314) | (494,947) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 67,090,733 | 71,287,287 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| On-market share buy-back | (1,224,484) | (5,114,613) |
| Dividends paid | (8,856,068) | (6,024,777) |
| NET CASH USED IN FINANCING ACTIVITIES | (10,080,552) | (11,139,390) |
| NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS HELD | 57,010,181 | 60,147,897 |
| CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE PERIOD | 37,664,543 | (35,727,324) |
| CASH AND CASH EQUIVALENTS AS AT END OF THE PERIOD | 94,674,724 | 24,420,573 |

The accompanying notes form part of these financial statements.

CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The half-year financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, Accounting Standard AASB 134 *Interim Financial Reporting*, Australian Accounting Interpretation and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report was authorised for issue on 18 February 2022 by the Board of Directors.

The half-year report does not include full disclosures of the type normally included in an annual financial report. It is recommended that the half-year financial report be read in conjunction with the Annual Financial Report for the year ended 30 June 2020 and any public announcements made by Cadence Capital Limited ("the Company") during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs with the exception of financial assets and financial liabilities measured at fair value through profit/loss.

Rounding

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

(b) Accounting Policies

There are no new and revised accounting requirements significantly affecting the half-year financial statements. The accounting policies have been consistently applied by the Company throughout the period and are consistent with those applied in the 30 June 2021 Annual Financial Report.

The Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current.

(c) Details of Reporting Period

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

(d) Segment Reporting

The Company has only one segment. The Company operates predominately in Australia and in one industry being the securities industry, deriving revenue from dividend income, interest income and from the sale of its financial assets at fair value through profit or loss. However the Company has foreign exposures as it invests in companies which operate internationally.

2. DIVIDENDS

(a) Dividends paid during the period

3.0 cents per share final dividend fully franked paid 29 October 2021 (2.0 cents per share final dividend fully franked paid 30 October 2020).

| December 2021 | December 2020 |
|------------------|------------------|
|------------------|------------------|

\$

\$

8,856,068

6,024,777

(b) Dividends not recognised during the period

Since the end of the half-year the Directors have declared a fully franked interim dividend of 4.0 cents per share payable on 14 April 2022. (2020: 2.0 cents per share interim dividend fully franked paid 13 May 2021)

CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

| | December 2021 | June 2021 |
|--------------------------------------------------------|--------------------|--------------------|
| | \$ | \$ |
| 3. ISSUED CAPITAL | | |
| Paid-up Capital | | |
| 295,192,270 shares fully paid (June 2021: 296,281,088) | 413,622,614 | 414,847,098 |
| Share issue transaction costs | (4,137,756) | (4,137,756) |
| Deferred tax asset on share issue transaction costs | 1,241,327 | 1,241,327 |
| | 410,726,185 | 411,950,669 |

On 15 May 2019 the Company approved an on-market share buy-back of up to 31.79 million of its ordinary shares. On 20 May 2020 the Company announced the approval of a further on-market share buy-back of up to 30.7 million of its ordinary shares. The share buy-back commenced on 5 June 2020 and finished on 4 June 2021. On 24 May 2021 the Company announced the approval of a further on-market share buy-back of up to 29.7 million of its ordinary shares. The share buy-back period commenced on 9 June 2021 and will finish no later than 8 June 2022.

4. MOVEMENTS IN EQUITY

(a) Ordinary share capital December 2021

| Date | Details of issue | Share Price \$ | No. of Shares | Issue value \$ |
|--------------------------|----------------------------------------|-------------------|--------------------|--------------------|
| | Balance at the beginning of the period | | 296,281,088 | 414,847,098 |
| July 2021 | On-market share buy-back | \$1.09057 | (510,739) | (556,999) |
| August 2021 | On-market share buy-back | \$1.12022 | (130,000) | (145,629) |
| September 2021 | On-market share buy-back | \$1.22130 | (262,000) | (319,982) |
| October 2021 | On-market share buy-back | \$1.08820 | (176,079) | (191,609) |
| November 2021 | On-market share buy-back | \$1.02650 | (10,000) | (10,265) |
| At reporting date | | | 295,192,270 | 413,622,614 |

June 2021

| Date | Details of issue | Share Price \$ | No. of Shares | Issue value \$ |
|----------------|----------------------------------------|-------------------|--------------------|--------------------|
| | Balance at the beginning of the period | | 306,259,780 | 422,815,683 |
| July 2020 | On-market share buy-back | \$0.64958 | (1,427,519) | (927,288) |
| August 2020 | On-market share buy-back | \$0.67419 | (1,591,841) | (1,073,196) |
| September 2020 | On-market share buy-back | \$0.72367 | (1,402,198) | (1,014,722) |
| October 2020 | On-market share buy-back | \$0.77629 | (1,205,114) | (935,514) |
| November 2020 | On-market share buy-back | \$0.82786 | (847,915) | (701,957) |
| December 2020 | On-market share buy-back | \$0.86947 | (531,283) | (461,935) |
| January 2021 | On-market share buy-back | \$0.87130 | (641,272) | (558,740) |
| February 2021 | On-market share buy-back | \$0.88240 | (1,070,394) | (944,516) |
| March 2021 | On-market share buy-back | \$1.05681 | (504,879) | (533,562) |
| April 2021 | On-market share buy-back | \$1.09789 | (147,538) | (161,981) |
| May 2021 | On-market share buy-back | \$1.11322 | (155,102) | (172,663) |
| June 2021 | On-market share buy-back | \$1.06365 | (453,637) | (482,511) |
| | | | 296,281,088 | 414,847,098 |

CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

4. MOVEMENTS IN EQUITY (CONTINUED)

| | December 2021 | June 2021 |
|----------------------------------|--------------------|-------------------|
| | \$ | \$ |
| (b) Profits reserve | | |
| Opening balance | 72,774,128 | 9,723,976 |
| Transfer from accumulated losses | 36,465,993 | 75,013,446 |
| Dividends paid | (8,856,068) | (11,963,294) |
| | <u>100,384,053</u> | <u>72,774,128</u> |

Profits reserve is made up of amounts transferred from current and retained earnings that are preserved for future dividend payments.

(c) Accumulated losses

| | | |
|-----------------------------------------------|----------------------|----------------------|
| Opening balance | (129,288,711) | (129,288,711) |
| Profit attributable to members of the Company | 22,122,494 | 75,013,446 |
| Transfer to profits reserve | (36,465,993) | (75,013,446) |
| | <u>(143,632,210)</u> | <u>(129,288,711)</u> |

5. FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

AASB 13: Fair Value Measurement requires the disclosure of fair value information using a fair value hierarchy reflecting the significance of the inputs in making the measurements. The fair value hierarchy consists of the following levels:

- Level 1:** Quoted prices 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 (as prices) or indirectly (derived from prices).
- Level 3:** Inputs for the asset or liability are not based on observable market data (unobservable inputs).

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.

Investments included in Level 2 of the hierarchy include amounts in relation to Contracts for Difference, Financial Liabilities, Initial Public Offerings and Placements in which the Company has subscribed to during the year. The fair value of Contracts for Difference and Financial Liabilities have been determined using market inputs of the underlying investments. Initial Public Offerings and Placements are investments that have not listed on the Australian Stock Exchange as at 31 December 2021 and therefore represent investments in an inactive market.

As at 30 June 2021 the Level 3 asset class was made up of two pre-IPO investments. DeepGreen Metals Inc was valued at the weighted average cost of its most recent purchases at \$9,191,777. DeepGreen Metals merged with Sustainable Opportunities Acquisition Corporation (SOAC) and listed on the NASDAQ on 10 September 2021 under the name TMC The Metals Company Inc. This investment is therefore now included in Level 1 as at 31 December 2021. The other investment is also now in level 1.

Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

5. FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (CONTINUED)

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

| 31 December 2021 | Level 1 | Level 2 | Level 3 | Total |
|-------------------------|--------------------|----------------|----------------|--------------------|
| | \$ | \$ | \$ | \$ |
| Financial assets | 264,376,202 | - | - | 264,376,202 |
| Financial liabilities | (3,980,899) | - | - | (3,980,899) |
| Total | 260,395,303 | - | - | 260,395,303 |

| 30 June 2021 | Level 1 | Level 2 | Level 3 | Total |
|-----------------------|--------------------|----------------|------------------|--------------------|
| | \$ | \$ | \$ | \$ |
| Financial assets | 303,875,703 | - | 9,192,247 | 313,067,950 |
| Financial liabilities | (23,724,165) | - | - | (23,724,165) |
| Total | 280,151,538 | - | 9,192,247 | 289,343,785 |

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

6. EVENTS SUBSEQUENT TO REPORTING DATE

The Board declared a 4.0 cents fully franked interim dividend per share on 13 January 2022 payable on 14 April 2022. The Ex Date for the dividend is 31 March 2022.

Other than the above, there has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of material and unusual nature likely, in the opinion of the Company, to significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity, in future financial years.

7. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Capital commitments of \$1,383,362 exist for placements entered into before 31 December 2021 which settle after this date. There were no contingent liabilities as at 31 December 2021. (June 2021: Nil capital commitments and nil contingent liabilities).

CADENCE CAPITAL LIMITED

ABN: 17 112 870 096

DIRECTORS' DECLARATION

The Directors of Cadence Capital Limited declare that:

1. The financial statements and notes, as set out on pages 7 to 14, are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
 - (b) giving a true and fair view of the financial position of the Company as at 31 December 2021 and of its performance for the half-year ended on that date.
2. 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 Board of Directors.



K. SIEGLING
Director

Dated at Sydney this 18 day of February 2022

Level 16, Tower 2 Darling Park
201 Sussex Street
Sydney NSW 2000

Postal Address
GPO Box 1615
Sydney NSW 2001

p. +61 2 9221 2099
e. sydneypartners@pitcher.com.au

**Independent Auditor's Review Report
to the Members of Cadence Capital Limited
ABN 17 112 870 096**

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Cadence Capital Limited ("the Company") which comprises the statement of financial position as at 31 December 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, 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 Cadence Capital Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Company's 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.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the 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 for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year 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 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.



S M Whiddett
Partner



Pitcher Partners
Sydney

18 February 2022