

Ryder Capital Limited
Interim Financial Report
For the Half-Year Ended 31 December 2023

Appendix 4D

Details of Reporting Period

Current: Half-year ended 31 December 2023
 Previous corresponding: Half-year ended 31 December 2022

Results for announcement to the market			
	\$	Movement	% Movement
Total investment income (Revenue from ordinary activities)	1,542,755	▲	4.02%
Net profit from ordinary activities before capital profits and tax attributable to members	673,689	▲	56.29%
Net profit from ordinary activities after tax attributable to members	818,167	▲	41.52%
Total comprehensive income for the period attributable to members	3,160,749	▼	(27.46)%

Details of dividends						
	Ex-Dividend Date	Record Date	Payment Date	Cents per share	Franked amount cents per share	Tax rate for franking
2024 Interim dividend	4 March 2024	5 March 2024	28 March 2024	4.00	4.00	25.0%

Details of dividends reinvestment plan

On the 19th February 2024, the Board resolved to implement a dividend reinvestment plan (DRP) which will operate in relation to the 1H FY24 interim dividend. Documentation will be emailed or mailed to shareholders with details on how to participate in the DRP. The last date for shareholders to return the Election Notice in order to participate in the DRP for the upcoming 1H FY24 interim dividend is the 6th March 2024.

Net Tangible Assets per share (cents)		
	31 December 2023	31 December 2022
Net Tangible Assets (per share) backing before tax	118.96	140.18
Net Tangible Assets (per share) backing after tax	124.59	141.13

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.

Other Information

This information should be read in conjunction with the 2023 Annual Report.

RYDER CAPITAL

ABN 74 606 695 854

Interim financial report

For the half-year ended 31 December 2023

Ryder Capital Limited
Interim Financial Report
For the Half-Year Ended 31 December 2023

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Ryder Capital Limited
Interim Financial Report
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Corporate Directory

Directors

Peter Constable (Chairman)
David Bottomley
Ray Kellerman

Company Secretary

David Bottomley

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 code: RYD

Ryder Capital Limited
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Directors' Report

Your Directors present their report on Ryder Capital Limited (Ryder or Company) for the period ended 31 December 2023. 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

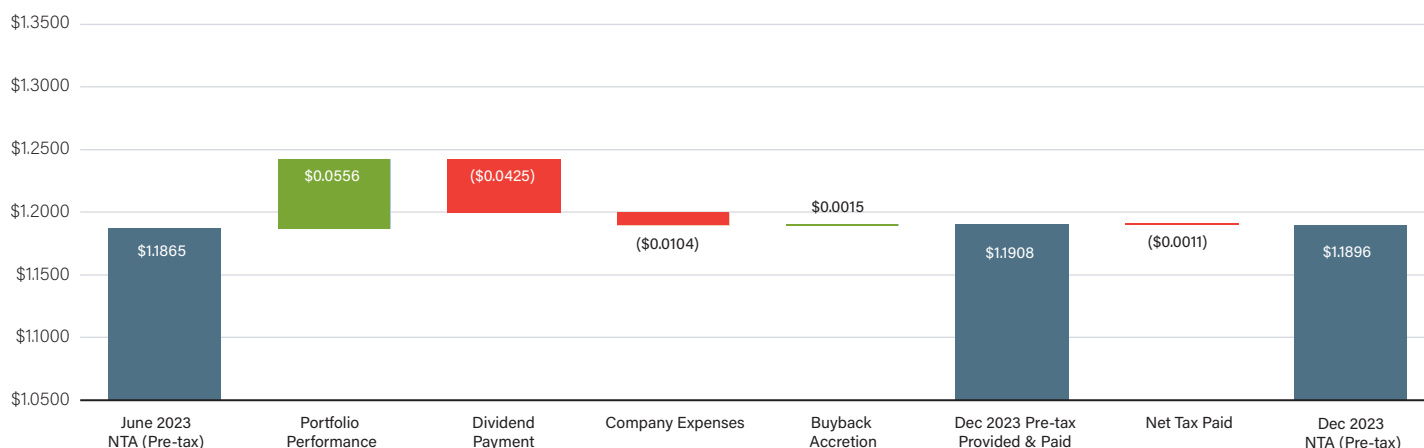
The principal activity of the Company during the period was investing in a concentrated portfolio of ASX listed micro to small capitalisation equities, bonds and cash consistent with the Company's permitted investments and stated investment objective of achieving long-term capital growth in excess of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

Review of Operations

Ryder generated a statutory profit after tax of \$818k (1H FY23: \$578k) and a total comprehensive after-tax income of \$3.2m (1H FY23: \$4.4m) for the six months to 31 December 2023 (1H FY24). Statutory profit as reported and referred to above ignores unrealised gains or losses within the Company's Portfolio. Total comprehensive income is therefore a better measure of overall performance as it also includes the unrealised movement in Ryder's investment Portfolio for the period.

Ryder's pre-tax net tangible assets (NTA) per share increased to \$1.1896 at 31 December 2023, from \$1.1865 at 30 June 2023. The December NTA per share is after a \$0.0425 fully franked dividend per share paid during the period, with other contributors to the December NTA per share illustrated in the below chart.

Ryder Pre-tax NTA



Portfolio Performance

Ryder underperformed its performance hurdle by a small margin during the first half with a pre-tax undiluted NTA return of 4.06% vs its benchmark of 4.16%. However, it was pleasing to see a positive return in what continues to be a difficult investment environment for small and micro-cap value companies. Ryder's performance compared with its benchmarks over longer time periods is included in the Performance section in this report.

Dividends

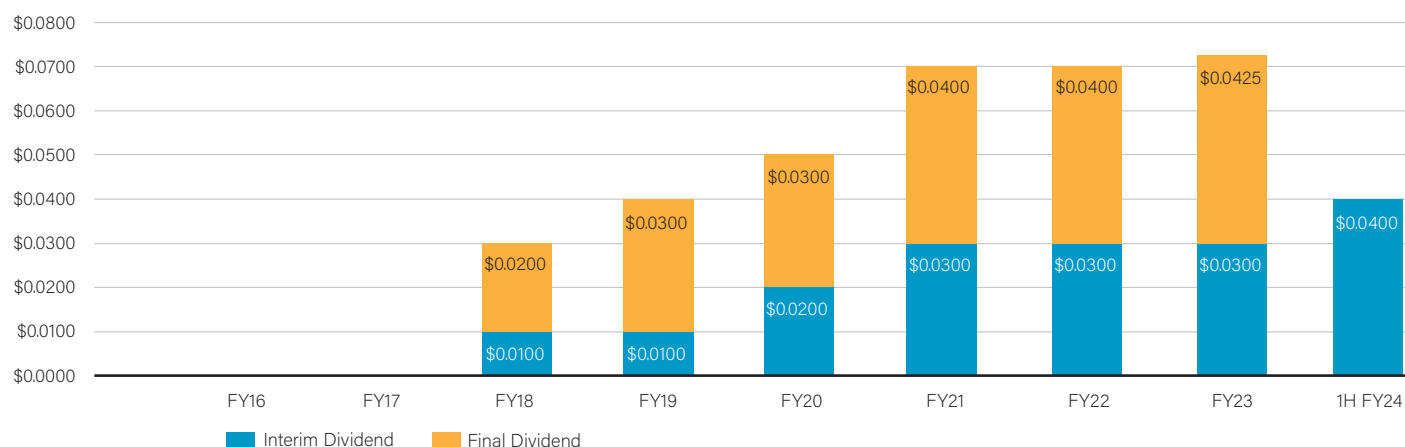
The Board is pleased to announce a material increase to the interim dividend payment by declaring a 4.00 cents per share fully franked dividend (a 33% increase from the 3.00 cents per share fully franked interim dividend paid in 1H FY23) with an ex-date of 4 March 2024 and a payable date of 28 March 2024 with an additional commitment to at least match the FY23 final dividend of 4.25 cents per share fully franked for the FY24 final dividend. The Board has also, for the first time, resolved to implement a dividend reinvestment plan (DRP), applicable for the 1H FY24 interim dividend. Shareholders are encouraged to review the documentation that will be emailed or posted to them for more information on how to participate.

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Directors' Report

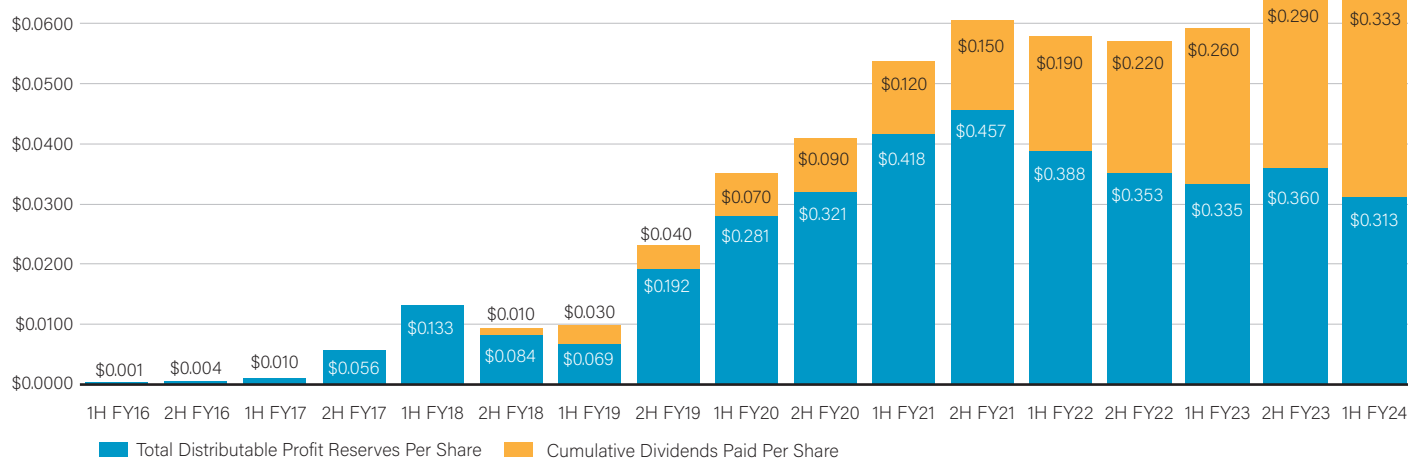
Ryder continues to deliver against its stated dividend policy which is to pay steady to increasing fully franked dividends over time, as illustrated below.

RYD Dividends Declared since Inception



During the period the total distributable profits reserve (profits reserve + capital profits reserve) decreased to \$26.0m (from \$30.2m at 30 June 2023) primarily due to the payment of \$3.6m in dividends and \$1.4m in realised losses from share sales, offset by \$837k from profits generated over the period. Despite the benefit of a reduction in the Company's share capital from the buyback, the distributable profits reserve balance fell to \$0.313 on a per share basis as at 31 December 2023 - see below.

Ryder Distributable Profits and Dividends Paid since Inception



In the long run, future dividend payments will be a function of future investment performance; however, it is important for shareholders to note that despite recent performance and ongoing market volatility, the Company remains in a strong position with a large distributable profits reserve and franking credit balance which forms the foundation for current and future dividend payments.

Company Expenses

The Company's expenses decreased by ~17% when compared to the prior period primarily due to reduced management fees paid to the Investment Manager as a consequence of the decrease in average net assets of the Company.

The Investment Manager's performance (as measured by the performance of the Company's Portfolio less all operating costs before tax) underperformed the Company's performance benchmark for the period. The Company has a net negative carry forward performance fee of (\$11.6m) at 31 December 2023. Until such time as the Investment Manager outperforms the Company's performance benchmark to cumulatively offset this net accrual (and any future annual performance hurdle rate), no performance fees are payable.

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Directors' Report

Buyback

During the period, the Company continued its on-market share buyback reducing its issued capital to 83.2m shares (from 83.8m shares at 30 June 2023). The buyback for the period resulted in the purchase of 545k shares for a consideration of \$535k or an average buyback price of \$0.98 per share. The Company will continue to buy back shares where it is accretive, balanced against the benefits of holding cash and making further investments to generate performance and growth in NTA per share.

Portfolio Performance

Gross portfolio performance for the six-month period ending 31 December 2023 was 4.95%, underperforming other Australian equity market indices such as the ASX Small Ordinaries Accumulation Index (being the most comparable) which returned 6.42%. Ryder's performance since inception is illustrated in the table below.

Ryder Performance	6 months %	1 Year %	3 Years p.a. %	5 Years p.a. %	ITD p.a. %
Ryder Capital - Gross Portfolio Performance	4.95	(8.29)	(5.56)	7.77	11.75
Ryder Capital - Pre-tax Undiluted NTA Return ⁽¹⁾	4.06	(9.75)	(7.21)	4.64	8.04
Ryder Capital - Pre-tax NTA Return ⁽²⁾	3.94	(10.03)	(10.19)	1.49	4.98
S&P / ASX All Ordinaries Accumulation Index	7.95	12.98	8.88	10.66	9.47
S&P / ASX Small Ordinaries Accumulation Index	6.42	7.82	0.95	6.40	8.00
Ryder Capital Hurdle Rate - (RBA Cash Rate + 4.25%)	4.16	8.12	5.99	5.59	5.69
Excess Return - (Pre-tax Undiluted NTA Return - RBA Cash Rate + 4.25%)	(0.10)	(17.87)	(13.20)	(0.95)	2.35

Source: Bloomberg + Apex

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 (refund) of tax.

2. Fully diluted for all options exercised since inception.

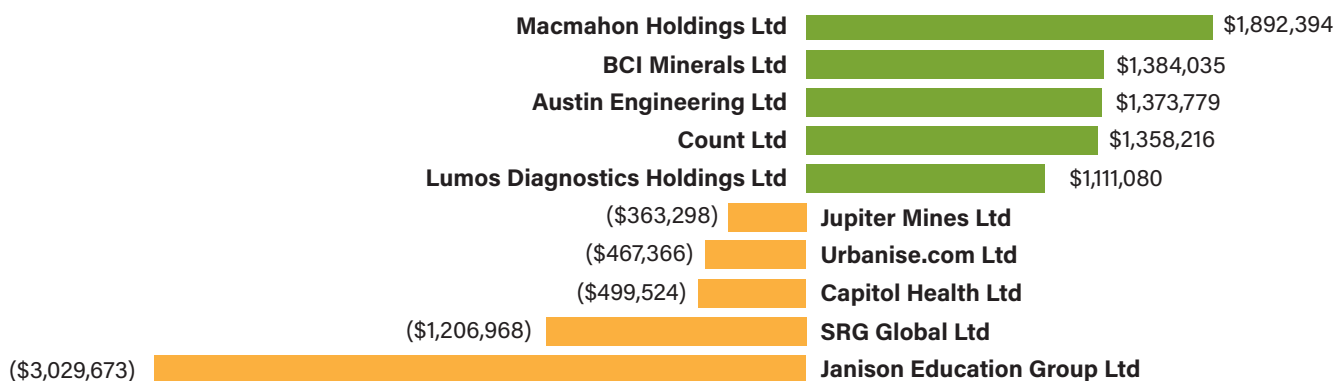
3. Inception date is 22 September 2015.

Performance whilst positive and improving remains below our expectations. During the period, we continued to work on mitigating errors by focusing on high conviction, deep value mispriced securities while avoiding the traps of short-term lower conviction trades. The 2023 year end rally in equity markets benefited the Ryder Portfolio as it broadened to include smaller and micro-cap stocks. Tactically, the Portfolio was well positioned by being close to fully invested with low levels of cash and reduced levels of market insurance.

The Company's 1H FY24 performance was achieved while holding an average cash exposure of 8.82%, noting the Portfolio also held a position in an ASX ETF which provided sector specific insurance, along with a small, short SPI futures position.

The top 5 contributors and detractors (on both a realised and unrealised basis) in dollar terms to Ryder's performance for the period are illustrated in the below chart.

1H FY24 Top 5 Contributors and Detractors



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Directors' Report

Portfolio

Ryder's top 10 holdings as at 31 December 2023:

Name	Ticker	Total Value	Total %
SRG Global Ltd	SRG	\$12,085,735	12.17%
Macmahon Holdings Ltd	MAH	\$10,375,297	10.45%
BCI Minerals Ltd	BCI	\$8,765,554	8.83%
Austin Engineering Ltd	ANG	\$8,242,674	8.30%
Count Ltd	CUP	\$5,701,712	5.74%
Aurelia Metals Ltd	AMI	\$5,621,765	5.66%
BCI Minerals Ltd Convertible Notes	Unlisted	\$5,098,361	5.14%
Service Stream Ltd	SSM	\$5,095,125	5.13%
Fleetwood Ltd	FWD	\$4,171,541	4.20%
Janison Education Group Ltd	JAN	\$4,097,553	4.13%
Other Holdings		\$25,814,205	26.00%
Total Equities		\$95,069,522	95.76%
Cash and Current Assets		\$4,206,340	4.24%
Total Gross Portfolio Value		\$99,275,862	100.00%

The Portfolio also held hedging strategies during the period to provide insurance to a falling market. The Manager will wind back these hedging strategies as nominal cash holdings increase or there is a revision to its outlook and overall market risk.

Portfolio Income

The Portfolio generated \$1.23m of dividend income and interest income of \$182k, which equated to ~40% of the FY23 final dividend paid during the period.

Ryder Capital Limited
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Directors' Report

Strategic Review

During the 2023 Annual General Meeting (AGM) Ryder informed shareholders of its initiative to enhance liquidity and address the persistent discount to NTA associated with trading in its shares. This effort aims to ensure that any solution benefits all shareholders regardless of their investment horizon. The Board is currently evaluating various restructuring options and has engaged Pitcher Partners to assist with preliminary tax advice. Each restructuring option has its advantages but must be weighed against the costs, associated risks and tax implications. Importantly, the Board is very cautious not to compromise potential future returns particularly given the cyclically low trading multiples for the majority of its core Portfolio positions.

The ongoing strategic review is anticipated to be completed by the release of the Company's full-year results in August 2024, however at this stage, there can be no assurance of an acceptable solution. In light of the extended process, the Board has initiated the following measures in parallel:

1. 1H FY24 Dividend Increase:

A substantial increase in the 1H FY24 dividend to 4.0 cents fully franked, representing a 33% rise from the 1H FY23 dividend of 3.0 fully franked cents and a commitment to at least match the prior period comparable final dividend of 4.25 cents per share fully franked.

2. Dividend Reinvestment Plan (DRP):

Introduction of a DRP, effective for the 1H FY24 dividend, offering shareholders an opportunity to increase their exposure to Ryder in a cost effective and efficient way.

3. Increased Share Buyback:

A commitment to increased share buyback activity in parallel with the 1H FY24 dividend initiatives.

While the implementation of a DRP is new for Ryder, the Board acknowledges the dilutive nature of issuing shares at market, below NTA. However, the Company has historically and intends to continue to buy back more shares than are expected to be issued under the DRP, resulting in a net accretion to NTA per share. The Board sees several benefits supporting the DRP implementation:

1. Cash Retention and Capital Management:

Greater cash retention to provide flexibility for making further investments in the portfolio, increasing share buybacks, and implementing other capital management activities, contingent on participation levels.

2. Cost-Efficient Share Reinvestment:

Efficient reinvestment in Ryder without incurring brokerage costs for participating shareholders.

3. Liquidity Enhancement:

The issuance of shares through the DRP is expected to enhance liquidity while offsetting some of the reduced liquidity resulting from the operation of the Company's share buyback.

The Board remains committed to these initiatives, with periodic reviews to ensure alignment with the Company's and shareholders' best interests, while aiming to enhance long-term per-share value.

Outlook

With the US Federal Reserve reaching the end of its monetary tightening cycle and economic growth not yet showing any signs of faltering, we have entered the goldilocks zone. Markets are now factoring in lower interest rates, further supporting economic growth whilst inflation continues to trend down. This scenario for now provides a very supportive backdrop for equities.

Despite this positive backdrop we remain cautious with our key concern focused on historically high market valuations pricing in too much good news. The Portfolio is composed of a core group of value stocks that generate cash, have conservative balance sheets, strong management and for the most part, pay regular dividends. We expect these investments, complimented by active and opportunistic management of the Portfolio positions as well as we navigate a market with unforeseen challenges ahead.

Ryder Capital Limited
Interim Financial Report
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Directors' Report

Dividends

On 16 August 2023, the Directors declared a fully franked dividend of 4.25 cents per share paid on 5 September 2023 on ordinary shares held as at the record date of 22 August 2023 (ex-dividend date of 21 August 2023).

An interim dividend of 4.00 cents per share fully franked (corporate tax rate: 25%) has been declared by the Board and will be paid on 28 March 2024. For the first time since incorporation, shareholders are able to participate in a dividend reinvestment plan for all or part of their dividends for this period. Shareholders are encouraged to review the documentation that is emailed or posted to them for more information on how to participate.

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

On 8th February 2024, BCI Minerals Limited converted all Convertible Notes issued to Ryder into BCI Shares following completion of an Equity Raising. On conversion, Ryder's investment in the Convertible Notes (with a face value of \$5m and capitalised interest of \$0.16m) converted into 22.9m BCI ordinary shares.

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 9.

Signed in accordance with a resolution of the Directors.



Peter Constable
Chairman
Ryder Capital Limited



David Bottomley
Director

Sydney, 19 February 2024

Grant Thornton Audit Pty Ltd

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383 Kent Street

Sydney NSW 2000

Locked Bag Q800

Queen Victoria Building NSW

1230

T +61 2 8297 2400

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 2023, 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, 19 February 2024

www.grantthornton.com.au

ACN-130 913 594

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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 2023

Statement of Profit or Loss and Other Comprehensive Income			
	Note	Half-year ended 31 December 2023	Half-year ended 31 December 2022
Investment income		\$	\$
Interest income		182,209	103,931
Dividend income net of franking credits		1,226,609	1,379,175
Net gain on financial instruments at fair value through profit or loss		133,937	-
Total investment income		1,542,755	1,483,106
Expenses			
Management fees		(631,270)	(771,605)
Directors' fees		(20,013)	(20,014)
Other operating expenses		(217,783)	(260,449)
Total expenses		(869,066)	(1,052,068)
Profit for the period before income tax expense		673,689	431,038
Income tax benefit		144,478	147,102
Profit for the period		818,167	578,140
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss:</i>			
Movement in fair value of long-term investments, net of tax	7(d)	2,342,582	3,779,331
Total comprehensive income for the period		3,160,749	4,357,471
Basic earnings per share	5	0.98 cents	0.68 cents
Diluted earnings per share	5	0.98 cents	0.68 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
Interim Financial Report
For the Half-Year Ended 31 December 2023

Statement of Financial Position			
	Note	As at 31 December 2023	As at 30 June 2023
Assets		\$	\$
Current assets			
Cash and cash equivalents		3,947,979	9,792,650
Receivables		182,928	1,236,805
Prepayments		75,432	16,392
Current tax assets		841,769	-
Total current assets		5,048,108	11,045,847
Non-current assets			
Long-term investments	3(a)	95,069,522	88,550,173
Deferred tax asset		3,841,443	5,980,678
Total non-current assets		98,910,965	94,530,851
Total assets		103,959,073	105,576,698
Liabilities			
Current liabilities			
Payables		110,051	106,577
Current tax liability		-	756,477
Derivative liabilities	3(a)	184,500	119,625
Total current liabilities		294,551	982,679
Total liabilities		294,551	982,679
Net assets		103,664,522	104,594,019
Equity			
Issued capital		101,696,677	102,231,314
Accumulated losses		(9,982,759)	(9,963,479)
Profits reserve		3,580,471	2,743,024
Capital profits reserve		22,462,793	27,435,049
Asset revaluation reserve		(14,092,660)	(17,851,889)
Total equity		103,664,522	104,594,019

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
Interim Financial Report
For the Half-Year Ended 31 December 2023

Statement of Changes in Equity							
	Note	Issued capital	Accumulated losses	Profits reserve	Capital profits reserve	Asset revaluation reserve	Total equity
		\$	\$	\$	\$	\$	\$
Balance at 30 June 2022		103,720,754	(9,875,984)	1,145,284	28,870,734	(4,979,780)	118,881,008
Profit for the period		-	578,140	-	-	-	578,140
Net revaluation of investments		-	-	-	-	3,779,331	3,779,331
Total comprehensive income for the period		-	578,140	-	-	3,779,331	4,357,471
Other							
Transfer of realised gains on sale of investments, net of tax	7(c),(d)	-	-	-	741,549	(741,549)	-
Transfer to profit reserve	7(a),(b)	-	(817,127)	817,127	-	-	-
		-	(817,127)	817,127	741,549	(741,549)	-
Transactions with owners in their capacity as owners							
Shares acquired under buy-back during the period	6(a)	(1,044,664)	-	-	-	-	(1,044,664)
Dividend paid	7(b)	-	-	-	(3,389,287)	-	(3,389,287)
		(1,044,664)	-	-	(3,389,287)	-	(4,433,951)
Balance at 31 December 2022		102,676,090	(10,114,971)	1,962,411	26,222,996	(1,941,998)	118,804,528
Balance at 30 June 2023		102,231,314	(9,963,479)	2,743,024	27,435,049	(17,851,889)	104,594,019
Profit for the period		-	818,167	-	-	-	818,167
Net revaluation of investments		-	-	-	-	2,342,582	2,342,582
Total comprehensive income for the period		-	818,167	-	-	2,342,582	3,160,749
Other							
Transfer of realised gains on sale of investments, net of tax	7(c),(d)	-	-	-	(1,416,647)	1,416,647	-
Transfer to profit reserve	7(a),(b)	-	(837,447)	837,447	-	-	-
		-	(837,447)	837,447	(1,416,647)	1,416,647	-
Transactions with owners in their capacity as owners							
Shares acquired under buy-back during the period	6(a)	(534,637)	-	-	-	-	(534,637)
Dividend paid	7(b)	-	-	-	(3,555,609)	-	(3,555,609)
		(534,637)	-	-	(3,555,609)	-	(4,090,246)
Balance at 31 December 2023		101,696,677	(9,982,759)	3,580,471	22,462,793	(14,092,660)	103,664,522

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
For the Half-Year Ended 31 December 2023

Statement of Cash Flows			
	Note	Half-year ended 31 December 2023	Half-year ended 31 December 2022
Cash flows from operating activities		\$	\$
Interest received		181,603	101,386
Dividends received		1,226,609	1,379,175
Management fees paid		(627,796)	(764,974)
Directors' fees paid		(20,013)	(20,014)
Other operating expenses paid		(273,632)	(288,429)
Income tax received / (paid)		(95,392)	958,152
Net cash provided by operating activities		391,379	1,365,296
Cash flows from investing activities			
Proceeds from sale of investments		12,541,115	8,431,802
Payments for purchase of investments		(14,686,919)	(12,586,194)
Net cash used in investing activities		(2,145,804)	(4,154,392)
Cash flows from financing activities			
Payments for share buy-back		(534,637)	(1,044,664)
Dividends paid	4(a)	(3,555,609)	(3,389,287)
Net cash (used in) / provided by financing activities		(4,090,246)	(4,433,951)
Net decrease in cash held		(5,844,671)	(7,223,047)
Cash and cash equivalents at beginning of the period		9,792,650	14,904,218
Cash and cash equivalents at end of the period		3,947,979	7,681,171

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 2023

Notes to the Financial Statements

1. GENERAL INFORMATION

These interim financial statements are for the half-year ended 31 December 2023, and were authorised for issue by the Directors on 19 February 2024.

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 2023 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 Standard.

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 2023 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 2023.

(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 2023. 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 2022. For the Statement of Financial Position, the previous corresponding date is 30 June 2023.

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).

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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 2023 and 30 June 2023:

	Level 1	Level 2	Level 3	Total
At 31 December 2023	\$	\$	\$	\$
Financial Assets				
<i>Long-term investments</i>				
Listed equities	85,738,467	-	-	85,738,467
Unlisted equities	-	-	3,248,368	3,248,368
Convertible notes	-	-	6,082,687	6,082,687
Total financial assets	85,738,467	-	9,331,055	95,069,522

Financial liabilities				
<i>Derivative liabilities</i>				
Futures	184,500	-	-	184,500
Total financial liabilities	184,500	-	-	184,500

	Level 1	Level 2	Level 3	Total
At 30 June 2023	\$	\$	\$	\$
Financial assets				
<i>Long-term investments</i>				
Listed equities	83,209,026	1,358,131	-	84,567,157
Unlisted equities	-	-	3,312,118	3,312,118
Convertible notes	-	-	670,898	670,898
Total financial assets	83,209,026	1,358,131	3,983,016	88,550,173

Financial liabilities				
<i>Derivative liabilities</i>				
Futures	119,625	-	-	119,625
Total financial liabilities	119,625	-	-	119,625

From 1 July 2023, the Company recognises changes in the fair value of Convertible Notes in the Statement of Profit or Loss and Other Comprehensive Income due to their conversion features.

(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.

There were no transfers between levels in the fair value hierarchy at the end of the reporting period.

Ryder Capital Limited
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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 2023 by class of financial instrument.

	Listed equities	Unlisted equities	Convertible notes	Total
	\$	\$	\$	\$
Opening balance - 31 December 2022	1,155,322	10,009,698	559,463	11,724,483
Reclassification of equities removed from ASX official list*	(1,155,322)	1,155,322	-	-
Purchases	-	2,184,238	-	2,184,238
Unrealised gains/(losses) recognised in the Statement of Profit or Loss and Other Comprehensive Income	-	(10,037,140)	111,435	(9,925,705)
Closing balance - 30 June 2023	-	3,312,118	670,898	3,983,016
Purchases	-	-	5,000,000	5,000,000
Unrealised gains recognised in the Statement of Profit or Loss and Other Comprehensive Income	-	(63,750)	411,789	348,039
Closing balance - 31 December 2023	-	3,248,368	6,082,687	9,331,055

*On 11 April 2023, Tubi Ltd (ASX code: 2BE) was removed from the ASX. Therefore, it has been reclassified from listed equities to unlisted equities on the same date.

(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 2023	\$			
Updater Inc. Series A Preferred Stock	2,115,896	Market approach	N/A	N/A
Updater Inc. Common Stock	425,132	Market approach	N/A	N/A
Tubi Ltd	707,340	Asset approach	N/A	N/A
As at 30 June 2023				
Updater Inc. Series A Preferred Stock	2,168,980	Market approach	N/A	N/A
Updater Inc. Common Stock	435,798	Market approach	N/A	N/A
Tubi Ltd	707,340	Asset approach	N/A	N/A

(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.

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Notes to the Financial Statements

3. FAIR VALUE MEASUREMENT (CONTINUED)

(d) Description of fair value of level 3 financial assets

The significant unobservable inputs used in the fair value measurements categorised within level 3 of the fair value hierarchy are explained below.

Updater Inc. (Updater) an unlisted Delaware incorporated company, completed a Series A Preferred Stock financing round on 14 June 2023 and raised USD 40 million at a USD 255 million pre money enterprise value (implying a price of USD 0.75 per Preferred Stock), Ryder invested USD 1,443,782 (or AUD 2,184,238) in the financing round. Directors are satisfied that following the financing round, Updater's business plan remains sound, operational progress is positive as they prepare for imminent delivery of the valuable TRANSCOM contract and notes the Company's stated strategic initiative to list on the NASDAQ when markets stabilise. The valuation of Updater has been determined using a market approach from the recent financing round.

Updater continues to be held as an US Dollar equity asset marked to market in line with currency fluctuations, the investment has been revalued to a value of USD 0.75 per Common and Preferred Stock based on the last financing round. To date the Investment Manager has not hedged any of the US Dollar Updater exposure.

Tubi Limited (Tubi or Company) was delisted from the ASX on 11 April 2023 after being suspended from trading for a continuous period of two years. The Company is considering several options for its future following the appointment of a new Board member. These options are not sufficiently formed for us to have a definitive view on outcomes or impact on valuation at this time. Tubi is carried at a small premium to its net tangible asset value per share to reflect the likely realisation of both its cash and goodwill in a restructure.

(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 2023	Half-year ended 31 December 2022
	\$	\$
(a) Paid in the current period		
Dividends paid in the current period		
A fully franked final dividend (corporate tax rate: 25%) on ordinary shares in respect of the 2023 financial year of 4.25 cents per share was paid on 5 September 2023 (2022: A fully franked final dividend (corporate tax rate: 30%) on ordinary shares in respect of the 2022 financial year of 4.00 cents per share was paid on 5 September 2022)	3,555,609	3,389,287
	3,555,609	3,389,287
(b) Dividend franking account		
Opening balance of franking account	7,103,757	9,381,846
Franking credits on dividends received	417,201	485,566
Franking credits on dividends paid	(1,185,203)	(1,452,552)
Tax payment made	95,394	(958,152)
Closing balance of franking account	6,431,149	7,456,708
Franking credits on tax payable	-	32,122
Adjusted franking account balance	6,431,149	7,488,830

Subsequent to balance date, on 19 February 2024, the Directors declared a fully franked dividend (corporate tax rate: 25%) of 4.00 cents per share which will be paid on 28 March 2024 on ordinary shares held as at record date 5 March 2024 (ex-dividend date of 4 March 2024).

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
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Notes to the Financial Statements

5. EARNINGS PER SHARE

	Half-year ended 31 December 2023	Half-year ended 31 December 2022
	\$	\$
Basic earnings per share	0.98 cents	0.68 cents
Diluted earnings per share	0.98 cents	0.68 cents
Earnings used in calculating basic earnings per share	818,167	578,140
Earnings used in calculating diluted earnings per share	818,167	578,140
Weighted average number of ordinary shares used in the calculation of basic earnings per share	83,505,549	84,642,431
Weighted average number of shares used in the calculation of diluted earnings per share	83,505,549	84,642,431

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 2023 to 31 December 2023.

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 (2022: nil). At balance date the Company has nil options (30 June 2023: nil).

	Half-Year ended 31 December 2023		Year ended 30 June 2023	
	Units	\$	Units	\$
(a) Movements in ordinary share capital				
Opening balance	83,750,383	102,231,314	85,050,629	103,720,754
Share buy-back	(544,786)	(534,637)	(1,300,246)	(1,489,440)
Closing balance	83,205,597	101,696,677	83,750,383	102,231,314

Ryder Capital Limited
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Notes to the Financial Statements

7. RESERVES AND RETAINED PROFITS

	Half-year ended 31 December 2023	Half-year ended 31 December 2022
	\$	\$
(a) Accumulated losses		
Balance at the beginning of the period	(9,963,479)	(9,875,984)
Profit / (loss) for the period	818,167	578,140
Transfer to profit reserve	(837,447)	(817,127)
Balance at 31 December 2023	(9,982,759)	(10,114,971)
(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	2,743,024	1,145,284
Transfer from retained earnings	837,447	817,127
Balance at 31 December 2023	3,580,471	1,962,411
(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	27,435,049	28,870,734
Realised profit / (loss) on sale of investments, net of tax transferred from asset revaluation reserve	(1,416,647)	741,549
Dividend paid	(3,555,609)	(3,389,287)
Balance at 31 December 2023	22,462,793	26,222,996
(d) Asset revaluation reserve		
The reserve records revaluations of long-term equity investments.		
Balance at the beginning of the period	(17,851,889)	(4,979,780)
Movement in fair value of long-term equity investments, net of tax	2,342,582	3,779,331
Realised (profit) / loss on sale of investments, net of tax transferred to capital profits reserve	1,416,647	(741,549)
Balance at 31 December 2023	(14,092,660)	(1,941,998)

Ryder Capital Limited
Interim Financial Report
For the Half-Year Ended 31 December 2023

Notes to the Financial Statements

8. CONTINGENT LIABILITIES AND COMMITMENTS

As at 31 December 2023, 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

On 8th February 2024, BCI Minerals Limited converted all Convertible Notes issued to Ryder into Shares following completion of an Equity Raising. On conversion, Ryder's investment in the Convertible Notes (with a face value of \$5m and capitalised interest of \$0.16m) converted into 22.9m BCI ordinary shares.

Except for the above and 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 2023

Directors' Declaration

The Directors declare that:

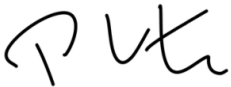
(a) the financial statements and notes set out on pages 10 to 20 are in accordance with the *Corporations Act 2001* (Cth), and:

- 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 2023 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, 19 February 2024

Independent Auditor's Report

To the Members of Ryder Capital Limited

Report on 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 2023, 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 Company's financial position as at 31 December 2023 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 2023 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, 19 February 2024

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