

Cadence Capital Limited (ASX Code: CDM) December 2025 Half-Year Webcast

In this half-year webcast, Karl Siegling first discusses the Company's half-year results and the 3.0c fully franked interim dividend before providing an update on the fund, including an estimated NTA update. He then discusses the current composition of the portfolio and looks at six of its current holdings, namely Samsung (005930 KS), EQ Resources (EQR AU), Robex Resources (RXR AU), Endeavor Mining (EDV CN), Cyprium Metals (CYM AU) and Guzman and Gomez (GYG AU). Karl closes by discussing the half-year reporting season and the outlook for the rest of the year.

You can watch the Webcast at <https://www.cadencecapital.com.au/ccl-dec-2025-webcast/>

Regards,

Wayne Davies
Cadence Capital Limited



Cadence Capital Limited



Half Year December 2025

- Strong portfolio performance with fund up 25.3% for the first half outperforming the index by 20.9%.
- The top contributors to performance during the first half were Robex Resources, Kingsgate Consolidated, Equinox Gold, Turaco Gold, Endeavour Mining, Samsung Electronics and New Gold.
- The largest detractors from performance were Boss Energy and QBE insurance.
- In recent years we have highlighted that gold prices were rising whilst gold mining company valuations did not rise significantly. In 2025 we saw gold company share prices “catch up” to gold price movements, which has driven performance for the fund.
- Over the first half of this financial year the Australian Dollar gold price was up 29%, while the All Ords. Gold Company Index was up 63%.
- Kingsgate and Equinox more than doubled over these six months, while Robex, Turaco, Endeavour and New Gold were all up more than 50%.





Fully Franked Interim Dividend

- A fully franked interim dividend of 3.0 cps
- After paying this dividend the Company still has 25 cents per share of profits reserve to pay future dividends. This amount is more than 4 years' worth of dividends based on this interim dividend.
- The Ex-Date is 15 April 2026 and the payment date is 30 April 2026.
- The DRP is in operation for this interim dividend. Participating in the DRP is an efficient mechanism to add to existing holdings in the fund without paying brokerage.
- If you are not registered for the DRP and you would like to participate, please contact Boardroom on 1300 737 760.
- The Company will buy-back the shares it issues under the DRP.
- The buy-back will operate when the CDM share price is trading at a discount to NTA.

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CDM Dividend Yields

- The interim dividend of 3.0c fully franked equates to a 7.5% fully franked yield or a 10.6% gross yield (grossed up for franking credits) based on the share price on the date of the announcement of \$0.805 per share.

CDM Historic Dividend Yields

	CDM	All Ords ^	Outperformance	
Franked Yield - 2025	8.8%	2.8%	+6.0%	3.1 x
Gross Yield -2025*	10.7%	3.6%	+7.1%	3.0 x
Franked Yield - previous 5 year average	8.0%	3.6%	+4.4%	2.2 x
Gross Yield - previous 5 year average*	11.0%	4.8%	+6.2%	2.3 x
Dividends paid since inception (per share)	\$1.427			
Dividends and franking paid since inception (per share)	\$2.016			

*Grossed up for franking credits

^Source: ATO, S&P Dow Jones Indices

- In 2025 CDM's franked and gross yields were approximately 3 times higher than those of the All Ordinaries Index.
- CDM has paid \$1.427 in dividends (\$2.016 including franking) since its inception.

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NTA and Fund Update

Estimated Net Tangible Assets as at 30 March 2026

Pre Tax NTA*	\$0.893
Post Tax NTA*	\$1.058
Share Price (ASX Code: CDM)*	\$0.790
Premium/ (Discount) to Pre Tax NTA	(11.5%)

*Before the 3.0c fully franked interim dividend. Ex date 15 April 2026

- The gold price rally over the last few years represents one of the largest sustained increases since the 1970s followed by a sharp correction this year.
- The Australian Dollar gold price moved from \$6,472/oz on 31st December 2025 to a high of \$7,693/oz and back down to \$6,354/oz on 26th March 2026.
- CDM's post-tax NTA on 31st December 2025 was \$1.085 per share.
- On 31st December 2025 the fund was up 25% YTD. On 30th March 2026 the fund is up approximately 20% YTD outperforming the index by 19%. The All Ords was down around 3% during these 3 months.
- CDM has reduced its exposure to gold and silver over this period.
- Gold equities remain a core exposure within the fund with many gold companies cheap on cashflow and earnings growth multiples.

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CDM Portfolio

Sector Exposure– 28 February 2026

Market Capitalisation	Long	Short	Net Exposure
> AUD 1 Billion	59.3%	-2.5%	56.8%
AUD 500 Mill - AUD 1 Billion	11.2%		11.2%
AUD 250 Mill - AUD 500 Mill	6.1%		6.1%
AUD 100 Mill - AUD 250 Mill	0.6%		0.6%
0 - AUD 100 Mill *	1.6%		1.6%
	78.9%	-2.5%	76.4%

Gross Exposure (Long plus Short) 81.4%

- CDM continued reducing its net exposure during March. At the time of writing this webcast net exposure is around 55%.
- The company currently holds around 35 positions.
- 90% of the fund's exposure is in companies with a greater than \$0.5 billion market capitalisation.
- Currently, 80% of the portfolio can be liquidated within one week, and around 90% of the portfolio within a month.

20 Top Holdings - 28 February 2026

Code	Position*	Direction
29M	29Metals Ltd	Long
AEL	Amplitude Energy Ltd	Long
BGL	Bellevue Gold Ltd	Long
BML	Boab Metals Ltd	Long
CS CN	Capstone Copper Corp	Long
EDV CN	Endeavour Mining PLC	Long
EQR	EQ Resources Ltd	Long
EQX CN	Equinox Gold Corp	Long
KCN	Kingsgate Consolidated	Long
LIN	Lindian Resources Ltd	Long
LTR	Liontown Resources Ltd	Long
MLX	Metals X Ltd	Long
NGD US	New Gold Inc	Long
RXR	Robex Resources	Long
RXL	Rox Resources Ltd	Long
005930 KS	Samsung Electronics Co	Long
SBM	St Barbara Ltd	Long
TCG	Turaco Gold Ltd	Long
USL	Unico Silver Ltd	Long
WAF	West African Resources	Long

* In Alphabetical Order

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Samsung (005930 KS) Core Long

Fundamental Analysis

Stock Profile 005930 KS

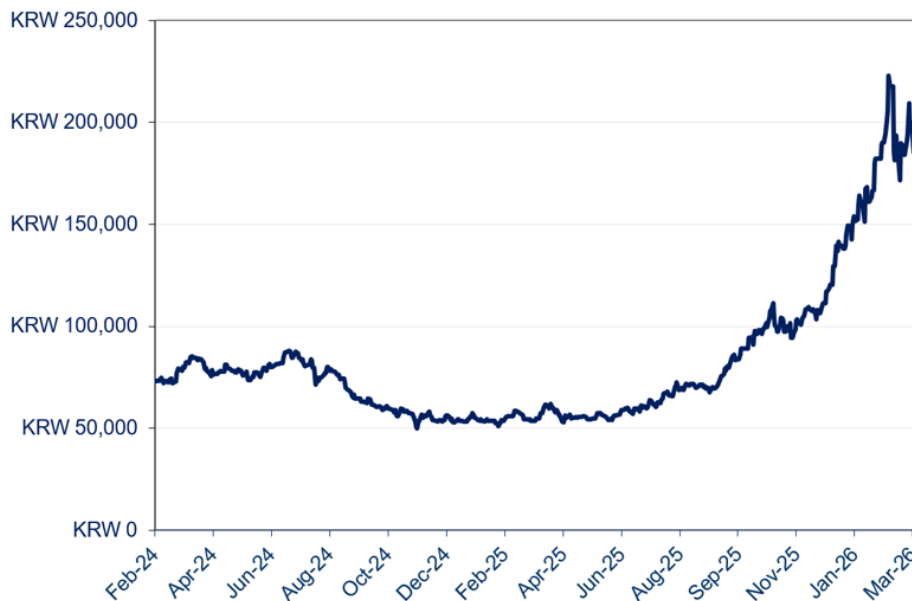
Long Position (FY26e)

EPS Growth	231%
PE	7.2x
PEG	0.03
OCF yield	20.3%
FCF yield	15.2%
Net cash	₩100.6t
Market Cap	₩1,067t

- Samsung Electronics is one of only three computer memory producers globally.
- Demand for memory has skyrocketed with it being used in AI GPUs at an increasing rate.
- The AI infrastructure buildout continues to create a massive shortage of memory across both traditional markets (PC and mobile) and high bandwidth markets (AI GPUs).
- Samsung announced its 4Q25 results which showed memory prices up 40% quarter on quarter and net profit having increased 60%. February 2026 memory contracts were signed at prices 100% higher than February 2025.
- The outlook is positive with memory prices expected to more than double over the next year.
- In March, the war in Iran triggered a sell-off in Samsung and the broader Korean market. We are watching closely for a change in trend.



Samsung (005930 KS)





EQ Resources (EQR AU) Core Long

Stock Profile EQR

Long Position (FY26e)

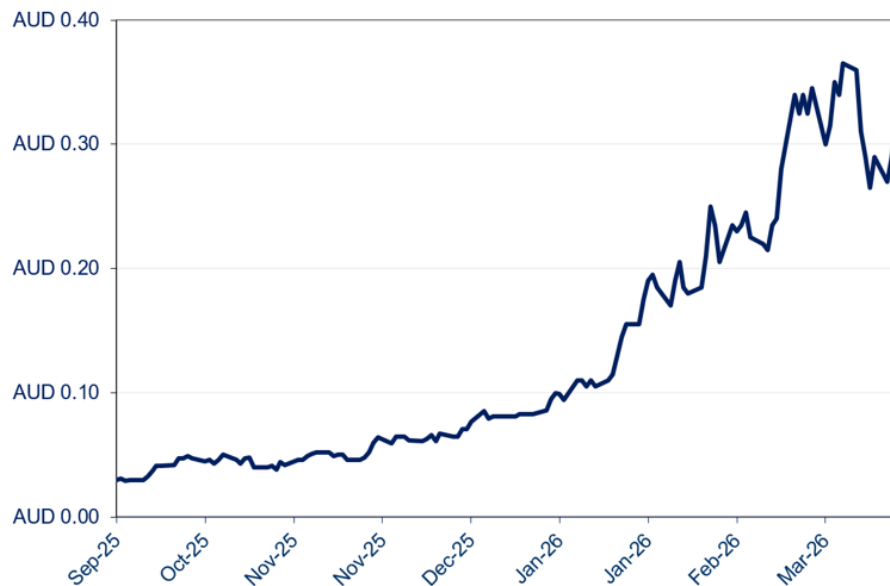
EPS Growth	>100%
PE	11x
PEG	0.1
OCF yield	11%
FCF yield	7%
Net debt	\$0.0b
Market Cap	\$1.4b

Fundamental Analysis

- EQ Resources is one of the largest producers of tungsten outside of China.
- It is led by a new highly experienced management team with decades of experience in tungsten mining and markets.
- China produces 85% of global tungsten supply and restricted exports in 2025 sending tungsten prices up over 500%.
- EQR will double its production over the next 12 months into this rising price environment.
- At current spot prices, EQR is expected to deliver an FY27 FCF yield of 30% and EPS growth of over 200%.



EQ Resources (EQR AU)





Other CDM Holdings

Robex Resources (RXR) – Core Long Position

In Dec. '25, Robex transitioned its Kiniero gold project into production in Guinea with full commercial production declared in Feb. '26. Robex has entered a merger agreement with Predictive Discovery (PDI) which will bring together Robex's producing Kiniero project with PDI's large but undeveloped Bankan project. This will create a merged gold company with production set to exceed 400koz per annum. Robex (and PDI) will be increasing production into a rising gold price environment. At spot prices – once both projects are in production – we estimate a free cash flow yield of around 40%.

Endeavour Mining (EDV CN) – Core Long Position

EDV is a multi-asset gold producer in West Africa producing around 1Moz per annum. Its low cost-base with AISC of US\$1,435/oz together with the rising gold price led to record free cash flow of over US\$1bn in 2025. With sustained free cash flow generation EDV has reduced its net leverage to 0.1x and accelerated its shareholder returns. FY26 guidance suggests sustained production rates, increased margins, and larger net mine cash flows. At spot prices for 2026 we estimate a PEG of 0.1 and free cash flow yield of 18%.

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Other CDM Holdings

Cyprium Metals (CYM) – Trade Long Position

Cyprium is the operator of Nifty, a near-term copper restart project in WA. The mine was previously put on care & maintenance and sold to Cyprium when copper prices were much lower. A new management team is progressing a phased capital-light approach to a restart beginning with tailings retreatment from mid-2026. A larger mining operation towards 50ktpa and beyond will then follow.

Guzman Y Gomez Ltd (GYG) – Core Short Position

Guzman Y Gomez has big ambitions to grow its Australian store network from 198 to over 1,000 stores over the next 20 years whilst expanding into the US. GYG is trading at an FY26 PE of 88x based on unrealistic expectations for its Australian rollout and US expansion, compared to other quick service restaurants which typically trade on a PE multiple around 20x to 25x. Recent results have shown some softness in trading in the Australian market and no success in the US market. Losses in the US are guided to increase next year.

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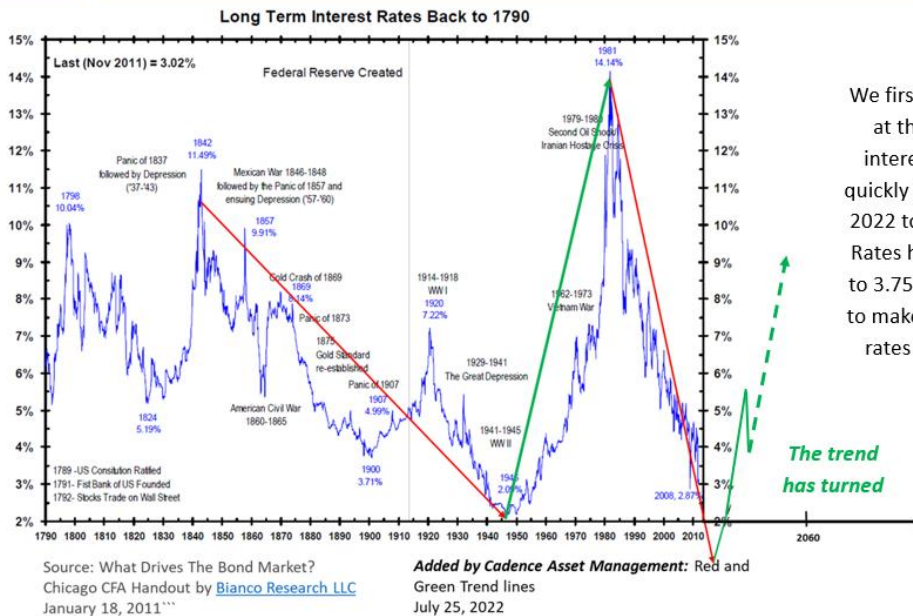
Dec 2025 half-year reporting season

- “Old economy” stocks – in particular, miners, generated substantial cash with improving margins.
- Evidence of improved shareholder returns from mining stocks underpinned by stronger balance sheets.
- Defence and engineering & construction contractors have been through a period of strong earnings growth supported by high levels of government spending, however, the growth outlook for these companies is becoming more uncertain with higher inflation and higher interest rates going forward.
- “New economy” stocks – largely high PE software and technology stocks – are facing uncertain outlooks with investors questioning potential AI disruptions to business models.
- Stocks on lofty PE multiples, including these technology related stocks, have seen significant PE multiple compression.
- Higher interest rates are a further headwind for high PE stocks. Current market bond yields suggest more rate rises are likely.
- Heightened volatility – many stocks with intraday price swings of over 10% on results day.

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Long term interest rates



We first showed this chart at the 2022 AGM. US interest rates rose very quickly from 0.5% in March 2022 to 5.5% in July 2023. Rates have since been cut to 3.75% but it is too early to make a call that interest rates are now trending down.











The trend has turned

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1970's vs Today

1970s: VINTAGE MEDIA ECHO	TODAY: DIGITAL NEWS REALITY
ENERGY SHOCK  Arab Oil Embargo Strikes US; Gas Rations Tighten — The New York Times, October 1973.	 Global Energy Squeeze: Oil Spikes Above \$100 as Middle East Conflict Disrupts Shipping Lanes — Financial Times / Al Jazeera, March 2026.
FOOD INFLATION & SCARCITY  Beef Prices Soar; Coffee Shortage Imminent — The Wall Street Journal, 1974.	 Wheat Harvest Crisis: Supply Chain Shocks Impact Grain Deliveries, Food Inflation Rises — Reuters, 2022/2023.
INDUSTRIAL UNREST & STRIKES  Transport Strikes Paralyze City; Subway Shutdowns and Garbage Piles Grow — New York Daily News, 1975.	 Storm of Protests Against Rising Cost of Living Sweeps Britain; Unions Demand Inflation-Matching Pay — The Guardian / Morning Star, 2022–2026.
GOLD & CURRENCY  Nixon Ends Convertibility of US Dollars to Gold; Announces Wage and Price Controls — Federal Reserve History Archives, August 1971.	 Central Banks Accumulate Gold at Record Pace as Reserves Climb Amid Global Currency Doubts — World Gold Council / Bloomberg, 2024–2026.
THE "NERVOUS" CENTRAL BANK  Fed Raises Interest Rates to Combat Inflation; Recession Looms — The Washington Post, 1979 (Volcker Era).	 MARKET EXPECTATIONS PIVOT: 'HIGHER FOR LONGER' AS RATE CUT HOPES FADE. <small>STUBBORN INFLATION DAMPENS CHANCES OF NEAR-TERM RATE RELIEF — Financial Media.</small>

ENERGY SHOCKS FOOD SCARCITY SYSTEMIC INFLATION WAGE-PRICE SPIRAL GEOPOLITICAL DISRUPTIONS SUPPLY CHAIN CHAOS GLOBAL INFLATION MARKET UNCERTAINTY

UNDERSTANDING THE PAST TO NAVIGATE THE PRESENT



Outlook

- The RBA raised the cash rate by 0.25% in both February and March.
- This recommences what we believe is a longer-term rate hike cycle that started in May 2022.
- With CPI inflation at 3.7% - well above the target band – price pressures remain from a combination of persistent government spending, deglobalisation, historically high migration levels and falling labour productivity.
- These structural drivers will likely keep inflation elevated for the foreseeable future.
- Further exacerbating these price pressures are escalating geopolitical tensions disrupting supply chains.
- There are many similarities in what we are seeing today to the 1970s.
- In this context gold equities and critical minerals remain core exposures within the fund on relatively inexpensive valuations.
- Across the broader ex-resources market, valuations at the extreme end of the distribution have started to contract with higher interest rates, particularly in growth areas exposed to AI disruption.
- Notwithstanding, we continue to see evidence of PE valuations outpacing earnings growth and remain focused on implementing the Cadence process that has served us well through market cycles.



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