

Contango Asset Management Limited and Controlled Entities

ACN 080 277 998

APPENDIX 4D HALF YEAR REPORT

PERIOD ENDED 31 DECEMBER 2019

Results for announcement to the market

Reporting Period: 1 July 2019 to 31 December 2019

Previous corresponding period: 1 July 2018 to 31 December 2018

Results 31 December 2019		\$'000	%		31 Dec 19 \$'000	31 Dec 18 \$'000
Revenue from ordinary activities ¹	Down	(3,192)	(59.2)	to	2,202	5,394
Loss from ordinary activities after tax attributable to members	Down	1,161	59.0	to	(808)	(1,969)
Net loss for the period attributable to members	Down	1,161	59.0	to	(808)	(1,969)

¹Revenue for the previous corresponding period includes \$3,793,000 million relating to the gain on revaluation of Switzer Asset Management Limited in step acquisition.

Dividends	Amount per security	Franked amount per security
Final dividend – no dividend is proposed	Nil	Nil
Interim dividend – no dividend is proposed	Nil	Nil

Record date for determining entitlements to the interim dividend	N/A
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NTA Backing	Current period	Previous corresponding period
Net tangible asset backing per ordinary share (cents)	11.20 cents	18.74 cents

Gain of control of subsidiaries	N/A
Date of gain of control	N/A
Loss of control of subsidiaries	N/A

Contango Asset Management Limited and Controlled Entities Appendix 4D

ACN: 080 277 998

Details of associates and joint venture entities	Current period	Previous corresponding period
Switzer Asset Management Limited	100%	100%

Group's share of associates and joint venture entity's activities		
	Current period	Previous corresponding period
	\$'000	\$'000
Net loss from ordinary activities	-	(620)
Income tax on ordinary activities for the period	-	-
Net loss from ordinary activities after tax for the period	-	(620)
Share of net loss after tax of associates and joint venture entity's activities for the period	-	(308)

In the previous corresponding period, the share of net loss of Switzer Asset Management Limited relates to the period during which it was an associate, being from 1 July 2018 to 13 September 2018, the date of full acquisition.

This information should be read in conjunction with the 2019 Annual Financial Report of Contango Asset Management Limited (ASX code: CGA) and its controlled entities and any public announcements made in the period by Contango Asset Management Limited in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and Listing Rules.

Additional information supporting the Appendix 4D disclosure requirements can be found in the Directors' Report and the consolidated financial statements for the half-year ended 31 December 2019.

The Half-Year Financial Report has been subject to review by Ernst & Young and is not qualified.

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The interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2019 and any public announcements made by Contango Asset Management Limited (ASX Code: CGA) during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Contango Asset Management Limited and Controlled Entities

CORPORATE INFORMATION

Contango Asset Management Limited ABN 56 080 277 998

This financial report covers the consolidated entity comprising Contango Asset Management Limited and its controlled entities (the "Group") for the half-year ended 31 December 2019.

The functional and presentation currency of the Group is Australian Dollars (\$).

DIRECTORS

Roger Amos (Chairman)
Martin Switzer (Chief Executive Officer)
Charles Aitken (Resigned 17 December 2019)
Nerida Campbell
Ken Poutakidis (Appointed 17 December 2019)

COMPANY SECRETARY

Anthony Rule

REGISTERED OFFICE

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10 Spring Street
Sydney NSW 2000

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PRINCIPAL PLACE OF BUSINESS

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AUDITORS

Ernst and Young
8 Exhibition St
MELBOURNE VIC 3000

SHARE REGISTER

Link Market Services Limited
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STOCK EXCHANGE LISTINGS

The Company is listed on the Australian
Securities Exchange
ASX Code – CGA

Contango Asset Management Limited and Controlled Entities

DIRECTORS' REPORT

The Directors of Contango Asset Management Limited (the "Company") present their report on the Company and its controlled entities ("the Consolidated Entity" or "the Group") for the half-year to 31 December 2019.

Directors

The following persons were directors of Contango Asset Management Limited during the whole of the half-year to 31 December 2019 and up to the date of this report unless otherwise stated:

Roger Amos (Chairman)

Martin Switzer (Managing Director and Chief Executive Officer)

Nerida Campbell

The following directors held office for part of the half-year as indicated below:

Ken Poutakidis (Appointed 17 December 2019)

Charles Aitken (Resigned 17 December 2019)

Principal activities

The principal activity of the Group during the half year was the provision of funds management services to retail and wholesale clients.

REVIEW AND RESULTS OF OPERATIONS

The Group's total revenue for the half-year to 31 December 2019 was \$2,202,000 (31 December 2018: \$5,394,000). The Group's net loss after tax for the half-year to 31 December 2019 was \$808,000 (31 December 2018: net loss after tax \$1,969,000).

The Group's investment management and service fees for the half-year period totalled \$2,044,000 (period ended 31 December 2018: \$1,383,000) which was \$661,000 higher than the previous corresponding period. This represented a 47.8% increase and was primarily due to the Group's new and growing retail funds. Included in the Group's revenue in the prior period was the acquisition of Switzer Asset Management Limited (SAM) that resulted in a gain on revaluation of \$3.8 million.

The Group's funds under management (FUM) grew to \$578.1 million at 31 December 2019 (30 June 2019: \$455.0 million) with solid net fund inflows during the half-year period of \$123.1 million.

A significant contributor to the growth in FUM was the exercise and partial underwriting of WCM Global Growth Limited's (WQG) listed options. A total of \$49.7 million options was exercised by the expiry date on 24 June 2019. In addition, the successful partial underwriting of the options exercise resulted in further capital of \$46.1 million being raised in July 2019. The options exercise, together with the underwriting initiative, resulted in WQG raising additional capital of \$95.8 million in total and increasing its market capitalisation to approximately \$230 million.

Through its existing relationship with WCM Investment Management, a California based investment manager specialising in global and emerging market equities, the Group launched the WCM International Small Cap Growth Fund (Managed Fund) in August 2019. As at 20 February 2020 the fund has FUM of \$29.7 million.

Contango Asset Management Limited and Controlled Entities

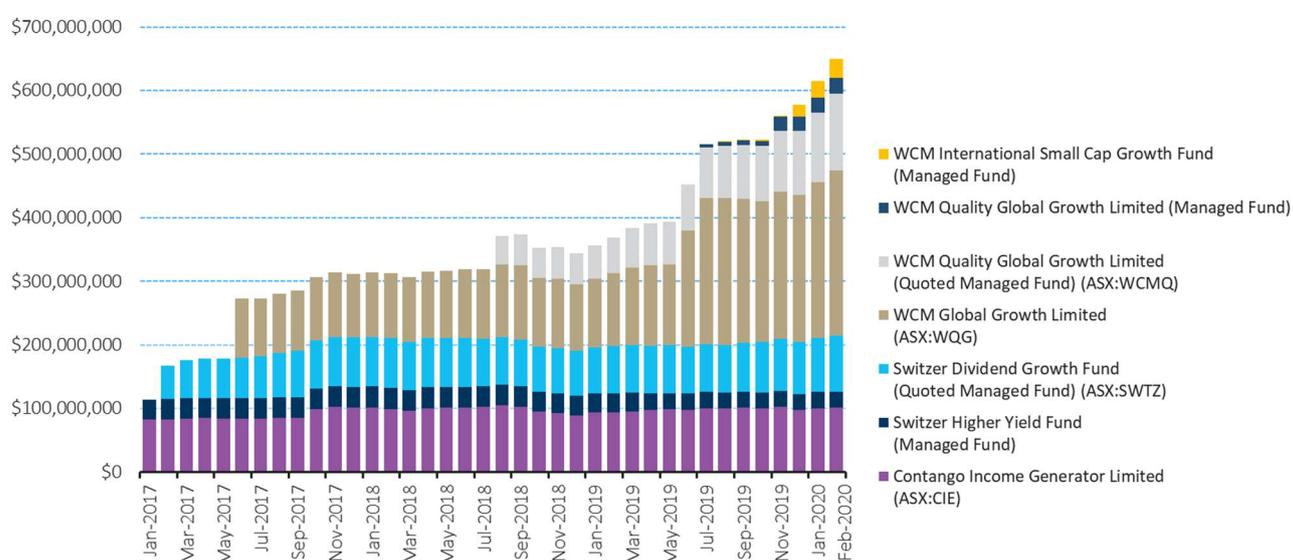
DIRECTORS' REPORT (continued)

REVIEW AND RESULTS OF OPERATIONS (Continued)

On 17 December 2019 the Board made the decision to issue 350,000 performance rights in aggregate to key executives within the business. The decision was made to further align their interest with those of the shareholders and as a reward for their efforts in successfully transitioning the Company from a product manufacturer to a marketing and distribution platform. The transition has removed significant costs from the business and materially increased FUM.

As at 20 February 2020, the Group's FUM was \$650.5 million, continuing the growth trajectory from the December 2019 half-year period.

The below chart shows the strong growth in retail FUM since 2017:



SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the half-year ended 31 December 2019 other than those matters stated in this report and the half-year financial report.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

The directors are not aware of any matter or circumstance that has arisen since 31 December 2019 that has significantly affected, or may significantly affect:

- the Group's operations in future financial years, or
- the results of those operations in future financial years, or
- the Group's state of affairs in future financial years.

Contango Asset Management Limited and Controlled Entities

DIRECTORS' REPORT (continued)

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Any further information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Group.

ROUNDING

The amounts contained in this report and in the half-year financial report have been rounded to the nearest \$1,000 (unless otherwise stated) under the option available to the Company under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*. The Company is an entity to which the legislative instrument applies.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 7.

This report is made in accordance with a resolution of the directors.



Roger Amos
Chairman

Sydney
24 February 2020



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Auditor's Independence Declaration to the Directors of Contango Asset Management Limited

As lead auditor for the review of the half-year financial report of Contango Asset Management Limited for the half-year ended 31 December 2019, I declare 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.

This declaration is in respect of Contango Asset Management Limited and the entities it controlled during the financial period.

A handwritten signature in black ink that reads "Ernst & Young".

Ernst & Young

A handwritten signature in black ink that reads "Luke Slater".

Luke Slater
Partner
24 February 2020

Contango Asset Management Limited and Controlled Entities

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the half-year ended 31 December 2019

	Notes	Consolidated Half-year	
		31 December 2019 \$'000	31 December 2018 \$'000
Revenue			
Investment management fees		1,794	1,091
Service fees		250	292
Interest income		8	21
Gain on revaluation of SAM in step acquisition		-	3,793
Effective interest income on NAML receivable		150	193
Other income		-	4
Total revenue		2,202	5,394
Expenses			
Employee benefit expense		1,496	1,351
Professional services expense		232	280
Operations expense		465	255
Corporate & administration expenses	3	777	1,177
Share of loss of SAM		-	308
Depreciation and amortisation expense		4	7
Impairment loss on goodwill	5	-	3,830
Fair value adjustment - subordinated loans to SAM	10	-	133
Finance costs		36	22
Total expenses		3,010	7,363
Net loss before income tax		(808)	(1,969)
Income tax expense		-	-
Net loss after income tax		(808)	(1,969)
Other comprehensive income/(loss), net of income tax			
Other comprehensive income		-	-
Total comprehensive loss attributable to members of the Company		(808)	(1,969)
Earnings per share attributable to the ordinary equity holders of the Company:			
		Cents	Cents
Basic earnings per share		(1.71)¢	(4.27)¢
Diluted earnings per share		(1.71)¢	(4.27)¢

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying Notes to the Consolidated Financial Statements.

Contango Asset Management Limited and Controlled Entities

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2019

		Consolidated Half-year	
		31 December 2019 \$'000	30 June 2019 \$'000
ASSETS			
Current assets			
		2,749	4,442
	4	2,511	2,273
		292	153
		5,552	6,868
Non-Current assets			
	4	3,051	2,955
		74	74
	5	4,806	4,806
		27	15
		7,958	7,850
		13,510	14,718
LIABILITIES			
Current liabilities			
	6	1,872	3,077
		258	234
		2,130	3,311
Non-current liabilities			
	7	1,252	502
		28	-
		1,280	502
		3,410	3,813
		10,100	10,905
EQUITY			
	8	149,839	149,839
	9	3	-
		(139,742)	(138,934)
		10,100	10,905

The Condensed Consolidated Statement of Financial Position is to be read in conjunction with the accompanying Notes to the Consolidated Financial Statements.

Contango Asset Management Limited and Controlled Entities

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the half-year ended 31 December 2019

	Consolidated Half-year			
	Issued Capital	Share Option Reserves	Accumulated Losses	Total
	\$'000	\$'000	\$'000	\$'000
Equity - Balance at 1 July 2018	145,431	135	(134,053)	11,513
Loss for the period	-	-	(1,969)	(1,969)
Total comprehensive income / (loss)	-	-	(1,969)	(1,969)
Issue of share capital net of transaction costs	4,408	-	-	4,408
Share based payment (Employee share plans)	-	23	-	23
Balance at 31 December 2018	149,839	158	(136,022)	13,975
Equity - Balance at 1 July 2019	149,839	-	(138,934)	10,905
Loss for the period	-	-	(808)	(808)
Total comprehensive income / (loss)	-	-	(808)	(808)
Share based payment	-	3	-	3
Balance at 31 December 2019	149,839	3	(139,742)	10,100

The Condensed Statement of Changes in Equity is to be read in conjunction with the accompanying Notes to the Consolidated Financial Statements.

Contango Asset Management Limited and Controlled Entities

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS for the half-year ended 31 December 2019

	Consolidated Half-year	
	31 December 2019	31 December 2018
	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	2,082	1,397
Payments to suppliers and employees	(3,244)	(2,751)
Underwriting fee paid	(1,212)	-
Interest received	8	21
Finance costs paid	(60)	(22)
Net cash outflow from operating activities	(2,426)	(1,355)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(17)	-
Cash acquired on acquisition of SAM	-	1,004
Subordinated loan (to)/from SAM	-	(836)
Net cash (outflow)/inflow from investing activities	(17)	168
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	750	-
Net cash inflow from financing activities	750	-
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,693)	(1,187)
Cash and cash equivalents at the beginning of period	4,442	5,416
CASH AND CASH EQUIVALENTS AT END OF PERIOD	2,749	4,229

The Condensed Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying Notes to the Consolidated Financial Statements.

Contango Asset Management Limited and Controlled Entities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies adopted by Contango Asset Management Limited ("the Company") and the Company and its controlled entities ("the Consolidated Entity" or "the Group") in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation of the financial report

These general purpose interim financial statements for the half-year reporting period ended 31 December 2019 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of the Group. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2019, together with any public announcements made during the following half-year.

These interim financial statements were authorised for issue on the same date as the Directors' declaration.

(b) Comparatives

Where necessary comparatives have been reclassified for consistency with current year disclosures.

(c) New standards adopted as at 1 July 2019

AASB 16 *Leases* became mandatorily effective on 1 July 2019. Accordingly, these standards apply for the first time to this set of financial statements. The nature and effect of changes arising from these standards are summarised in the section below.

AASB 16 supersedes AASB 117 *Leases*. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The Group has leases for office space, photocopier and other office equipment. The directors have decided to apply the modified approach upon adoption of AASB 16 and an assessment of the impact is summarised below:

Leased item	Impact at transition date 1 July 2019
Office space – Sydney	Lease term ends in less than 12 months so short term exemption can be applied, therefore no impact.
Office equipment	The equipment is low value so the low value exemption can be applied, therefore no impact.
Photocopier	Lease term ends in less than 12 months so short term exemption can be applied, therefore no impact.
Office space – Melbourne	The lease term ends in less than 12 months so short term exemption can be applied, therefore no impact.

Contango Asset Management Limited and Controlled Entities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(d) Changes in Significant Accounting Policies

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2019, except as described above. Note that the changes in accounting policies specified above only apply to the current period. The accounting policies included in the Group's last annual financial statements for the year ended 30 June 2019 are the relevant policies for the purposes of comparatives.

NOTE 2: DIVIDENDS

No interim dividend has been declared or paid in respect to the half-year ended 31 December 2019 (31 December 2018: nil).

Contango Asset Management Limited and Controlled Entities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3: RESULTS FOR THE PERIOD

	Consolidated Half-year	
	31 December 2019	31 December 2018
	\$'000	\$'000
The following items are relevant in explaining the financial performance for the half-year period:		
Corporate and administration expense:		
Marketing and distribution expense	(148)	(213)
Audit fees	(104)	(150)
Director fees	(110)	(132)
Rental expense	(79)	(76)
Legal expenses	(49)	(74)
Listing and Registry expense	(66)	(54)
IT, office and communication expense	(30)	(33)
Share based payment expense	(3)	(23)
Other expenses	(188)	(422)
	(777)	(1,177)

NOTE 4: TRADE AND OTHER RECEIVABLES

	Consolidated Half-year	
	31 December 2019	30 June 2019
	\$'000	\$'000
Current		
Trade receivables	889	704
Sundry debtors	17	17
NAML receivable ¹	1,605	1,552
Total current trade and other receivables	2,511	2,273
Non-current		
NAML receivable ¹	2,901	2,805
Other receivable	150	150
Total non-current trade and other receivables	3,051	2,955

¹ The NAML receivable represents the deferred consideration payable by Naos Asset Management Limited (NAML) to Contango Financial Management Limited (CFML), a controlled entity of the Group, over a three year period in accordance with conditions of the arrangement as disclosed in the Group's Annual Report for the year ended 30 June 2019. The NAML receivable has been measured at amortised cost using the effective interest method. The Group will receive cash of \$4.98 million over a three year period in annual instalments of \$1.66 million (net of GST) in June 2020, 2021 and 2022.

Contango Asset Management Limited and Controlled Entities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5: GOODWILL

	Consolidated Half-year	
	31 December 2019 \$'000	30 June 2019 \$'000
Goodwill		
At cost	8,636	8,636
Accumulated impairment loss	(3,830)	(3,830)
	4,806	4,806
Total Goodwill	4,806	4,806

(a) Movements in carrying amounts of goodwill

	Goodwill \$'000
Opening value at 1 July 2019	4,806
Impairment loss	-
Closing value at 31 December 2019	4,806

Impairment testing

Goodwill acquired in a business combination is tested for impairment at least annually and when there is an indication that there may be impairment. The Group performed its annual impairment test in June 2019. For the purposes of impairment testing, goodwill arising from the acquisition of Switzer Asset Management Limited (SAM) has been allocated to the Group's sole cash-generating unit, being its investment management business.

In assessing whether there may be an indication of impairment, the directors have compared the Group's carrying value of the cash generating unit with the recoverable amount, being the cash generating unit's fair value less costs to sell. The directors have not identified any indicators for impairment since 30 June 2019 to require impairment as at 31 December 2019.

Contango Asset Management Limited and Controlled Entities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6: TRADE AND OTHER PAYABLES

	Consolidated Half-year	
	31 December 2019 \$'000	30 June 2019 \$'000
Current		
Trade payables	118	1,898
GST payable	313	186
Accrued expenses	1,384	936
Other payables	57	57
Total current trade and other payables	1,872	3,077

NOTE 7: BORROWINGS

	Consolidated Half-year	
	31 December 2019 \$'000	30 June 2019 \$'000
Non-current		
Other unsecured loans	1,252	502
Total non-current borrowings	1,252	502

Summary of borrowing arrangements

Borrowings at 31 December 2019 consisted of the following arrangements:

- \$502,000 unsecured loan repayable in nine years at a fixed interest rate of 8% per annum, with interest paid in arrears; and
- \$750,000 unsecured loan repayable in three years at a fixed interest rate of 8% per annum, with interest paid in arrears.

NOTE 8: CONTRIBUTED EQUITY

Movements in ordinary share capital:

Details	Number of shares	\$'000
Opening Balance as at 1 July 2019	47,278,818	149,839
Details:		
Issue of shares, net of transaction costs	-	-
Balance as at 31 December 2019	47,278,818	149,839

Contango Asset Management Limited and Controlled Entities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9: PERFORMANCE RIGHTS

On 17 December 2019, the Company issued 350,000 performance rights to key executives within the business. The performance rights were independently valued using the Black-Scholes options pricing model. The expected life of the performance rights is 18 months with the sole requirement that the employee be employed at the date of vesting. The fair value of the performance rights at valuation date is \$161,000. The share based payment expense recognised in the 31 December 2019 reporting period was \$3,305.

The fair value of the performance rights was estimated on the grant date using the following assumptions:

Exercise price (\$)	0.00
Dividend yield (%)	0.00
Expected Volatility (%)	70.00
Risk free interest rate (%)	0.77
Fair value per option (\$)	0.46

Movements during the year

	2019		2018	
	Number	Weighted Average Exercise Price \$	Number	Weighted Average Exercise Price \$
Performance rights outstanding as at 1 July	0	0.00	0	0.00
Granted during the year	350,000	0.00	-	0.00
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Performance rights outstanding as at 31 December	350,000	0.00	0.00	0.00
Performance rights exercisable as at 31 December	0	0.00	0	0.00

NOTE 10: FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of cash and cash equivalents, the NAML receivable and non-interest bearing monetary financial assets and financial liabilities of the Group approximates their carrying amounts.

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

Contango Asset Management Limited and Controlled Entities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11: RELATED PARTY TRANSACTIONS

The Group has an existing marketing and distribution agreement with Switzer Financial Group Pty Limited (SFG) and paid \$75,000 for this service during the period. There are no amounts outstanding at 31 December 2019.

NOTE 12: SEGMENT INFORMATION

The Group operates solely in the business of providing investment management services. Revenue, profit, net assets and other financial information reported to and monitored by the Chief Operating Decision Maker (CODM) for the single identified operating segment are the amounts reflected in the Condensed Statement of Profit & Loss and Other Comprehensive Income, Condensed Statement of Financial Position, Condensed Statement of Changes in Equity and the Condensed Statement of Cash Flows. The CODM has been identified as the Chief Executive Officer.

NOTE 13: CONTINGENT LIABILITIES

There has been no change in contingent liabilities since 30 June 2019.

NOTE 14: EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

The directors are not aware of any matter or circumstance which are not otherwise dealt with in the financial statements that have significantly, or may significantly, affect the operations of the Group, the results of its operations or the state of the Group in subsequent years.

Contango Asset Management Limited and Controlled Entities

DIRECTORS' DECLARATION

In the directors' opinion:

- a) the financial statements and notes set out on pages 9 to 19 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standard 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
 - (ii) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- b) there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Roger Amos
Chairman

Sydney
24 February 2020



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Independent Auditor's Report to the Members of Contango Asset Management Limited

Report on review of interim financial information

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Contango Asset Management Limited (the Company) and its subsidiaries (collectively the Group), which comprises the condensed statement of financial position as at 31 December 2019, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2019 and of its consolidated financial 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*.

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 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, anything has come to our attention that causes us to 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 Group's consolidated financial position as at 31 December 2019 and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.



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Contango Asset Management Limited

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

Luke Slater

Luke Slater
Partner
Melbourne

24 February 2020