DMX ASSET MANAGEMENT

DMX Capital Partners Limited

Investing in the most compelling nano and micro-cap opportunities

DMX Capital Partners Limited

July 2021 – Investor Update

An investment company managed by:
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DMXCP directors: Roger Collison
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Opening NAV (1 July 2021) [1,2]	**$2.8597**
Closing NAV (31 July 2021) [1,2]	**$2.9733**
Fund size (gross assets)	$22m
Gearing	nil
% cash held - month end	11%

1-month return	3.96%
3-month return	5.84%
12-month return	60.06%
3-year return (CAGR p.a.)	26.01%
Since inception (*6 years & 4months*) (CAGR p.a.)	22.46%

*DMXCP Share price = Closing NAV (**$2.9733**), being: Share portfolio value + cash – fees payable – tax payable + franking credits*
Returns include dividends reinvested and franking credits paid. Since inception 41c of dividends & franking credits have been paid

Dear Shareholder,

DMXCP's NAV increased 3.96% (after all accrued performance and management fees and expenses) for July 2021. The NAV as at 31 July 2021 was **$2.9733**, compared to $2.8597 as at 30 June 2021. The All Ordinaries was up 1.04% during July, the ASX Small Ordinaries Index increased 0.45%. The XEC Emerging Companies Index was up 3.31%.

July Portfolio Developments

The DMXCP portfolio had a positive start to the new financial year. With end of year tax loss selling now out of the way, there was a lot of news flow from quarterly and full year updates for the market to digest.

Holdings that contributed positively to the month's result included Design Milk (ASX:**DMC**; up 25%) and 8Common (ASX:**8CO**; up 40%). DMC reported encouraging full year revenue of $3.4m (+90%), while 8CO announced it had won a transformational federal government contract at the end of the month.

After some strong share price runs, and then undertaking capital raisings, Janison (ASX**:JAN**) and Proptech (ASX:**PTG**) were two names that were weaker during the month and that detracted from performance.

Quarterly Results for the 3 months to 30 June 2021

July saw many of our holdings report their fourth quarter results for FY21. We note that the results for the corresponding quarter last year for many companies were very much impacted by Covid-19, so like for like quarterly comparisons need to be tempered by this. Nevertheless, the results were generally encouraging and we were pleased to see significant progress being made by a number of our investments.

As we have mentioned previously, we want to see our portfolio companies become better businesses over time. We want to see strong execution through improving the quality of their revenue, by improving their growth profile, enhancing their margins through scale and operating leverage or expanding their product offerings and addressable market. We want these smaller companies to grow into bigger companies and for us to grow with them – by letting our position sizes increase as our companies execute and our confidence in their value increases as a result.

The quarterly results are a good chance for us to 'check-in' on the progress of many of our positions. We highlight the results of several portfolio companies below.

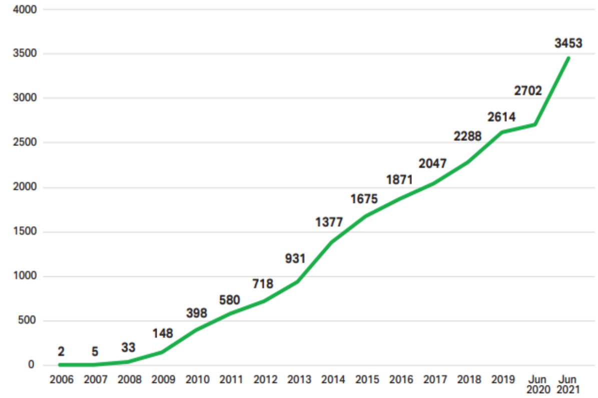
Ansarada (ASX:AND)

Ansarada provides its global customer base with digital data-rooms and other information management products to assist when undertaking deals and tenders and compliance activities. AND reverse listed on the ASX late last year. The chart on the left below is one of the most impressive we've seen in illustrating a long track record of great execution. AND's success in delivering sustained growth in customer numbers is clearly evident over the last 15 years.

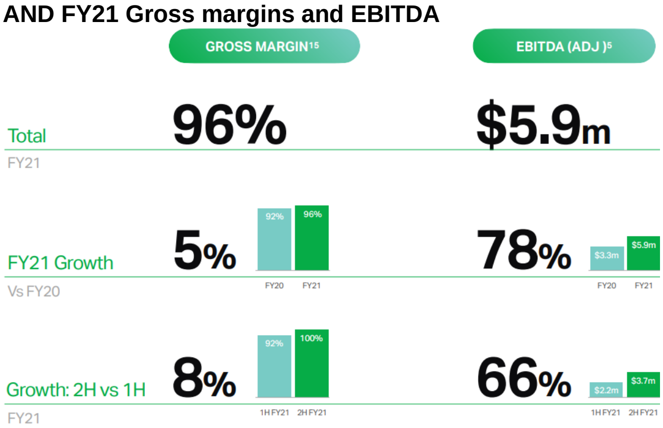
The customer growth is testament to AND's best-in-class SaaS products that have been used in over 24,000 transactions globally across M&A, capital raisings, tenders, IPOs, SPACs & debt financing. AND has grown over the years from its Australian base to, today, having nearly 50% of its revenue generated offshore.

The combination of this consistent customer growth with equally impressive gross margins (96%, +5%), is now resulting in AND generating strong EBITDA numbers ($5.9m, +78%). With strong cash flows and $23m of cash, AND is well placed to continue to grow strongly in FY22.

AND Active Customer growth since 2006



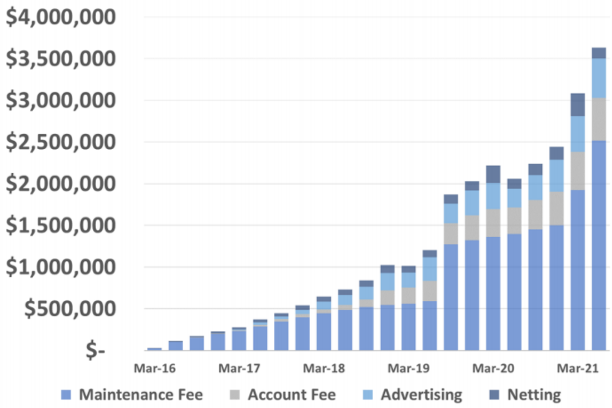
AND FY21 Gross margins and EBITDA



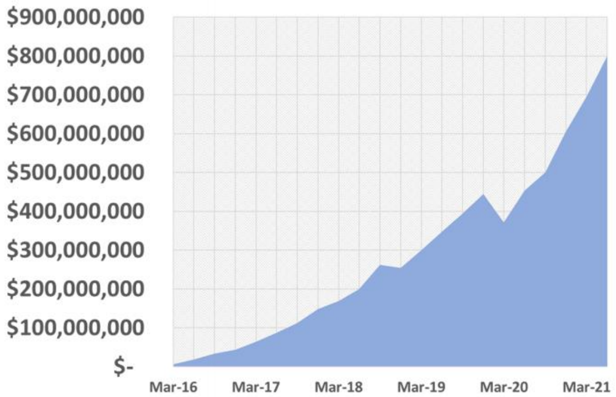
Raiz Invest (ASX:RZI)

Similar to AND, we believe RZI, Australia's largest digital financial services platform, to be a very much under-rated Australian success story. We first bought RZI shares last year, and then added to our holding in a recent placement. We continue to be impressed by the execution here. Along with the AND chart presented above, the charts below are two more of our favourites in illustrating great execution. They highlight the powerful organic growth in revenue and funds under management (FUM) that RZI has been able to deliver from a zero base since it commenced operations just over five years ago.

RZI growth in Quarterly Revenue since March 2016



RZI growth in FUM since March 2016



RZI's Australian business is now generating meaningful operational cashflow, recording $1.4m for the quarter. Other highlights include:

- Record revenue for the Raiz platform up 76.7% to $3.6 million;
- Global active customers up 86.7% to 456,927;
- Australian FUM up 76.3% to $799.6 million; and
- Superannuation FUM up 53.0% to $106.6 million.

Raiz now has an opportunity to replicate what it has done in Australia, building out profitable micro-investing platforms in multiple south East Asian geographies.

Tambla Limited (unlisted)

In May, we profiled our investment in an unlisted company, Tambla Limited. We originally invested in Tambla when it was listed, and the company delisted for strategic and financial reasons in 2020. While it doesn't have the same long term track record as the two companies mentioned above, since delisting, Tambla has been delivering very positive financial and operational results. Tambla is now the only Australian-owned provider of a complete workforce management/HR/Payroll solution specifically focused on complex government and large enterprise workforces. Its annualised revenue now exceeds $22m, of which ~75% is recurring.

Tambla delivered a very impressive quarter/six months of results to 30 June 2021. Highlights for the period include:

- Revenue for the quarter up 107% to $5.6m and for the 6 months to 30 June 2021 up 122% to $11m;
- EBITDA for the quarter of $0.99m, with EBITDA for the 6 months of $1.8m (up $0.83m);
- Recurring revenue for the quarter of $4.04m; and
- Operating cashflow of $1.9m achieved for the quarter.

In further operational success, Tambla announced a strategic reseller agreement with Datacom, one of Australia and New Zealand's largest IT companies. Datacom will resell the Tambla workforce management SaaS products (which complement the Datacom payroll products) rebranded as "*Datatime – powered by Tambla*" to both its new prospects and its large existing customer base. Last year, Tambla purchased a small non-core business from Datacom, and over the last 12 months the two companies have worked closely together post completion of the sale. It is therefore pleasing to see the furthering of this relationship with a respected IT company which has a significant presence across Australia and NZ.

In relation to its outlook, Tambla noted it was well placed for continued growth in the second half of 2021 and into 2022, with an expanded customer list creating cross selling opportunities and new partnerships growing its recurring revenue base.

Other notable quarterly/annual updates

In addition to the above, Aeeris (ASX:**AER**), CV Check (ASX:**CV1**) and Knosys (ASX:**KNO**) all delivered very solid cash results and pleasing operational updates. We remain comfortable with their progress, valuation and outlooks. These are all long term holdings for us - we believe that today they represent the most attractive investment proposition over the time that we have held them.

PTB Group (ASX:**PTB**) announced that it expected its FY21 profit would be at the upper end of its guidance range. Annualising this second half performance puts PTB on a 12x PER for FY22.

In so far as disappointing results, Skifi Limited (ASX:**SKF**) delivered a poor cash result and we are shortly meeting with Management in order to better understand the quarter's results and its outlook.

Looking ahead

Whilst we are pleased with the performance of our businesses over the last quarter, we expect a prolonged Sydney lock-down to have short term impacts on a number of Australian businesses. We are generally happy to look through short term hiccups, but have taken the opportunity to undertake some portfolio repositioning and reduce our exposure to some lower quality retail businesses where their futures are a bit less certain. We continue to favour those companies where we have higher levels of confidence in their growth profiles.

We look forward to updating you in early September with further portfolio news.

Kind regards

Roger Collison	Steven McCarthy	Chris Steptoe
Chairman	*Portfolio Manager*	*Research Analyst*

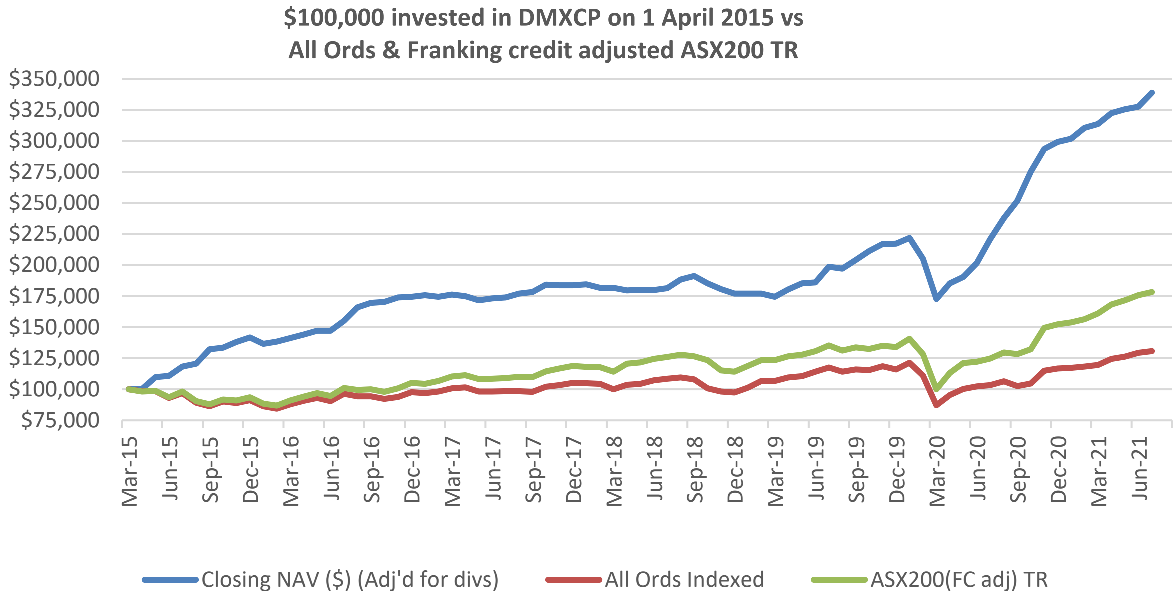
Note 1: Net asset value (NAV) is after income tax payable but includes an estimate of franking credits available. Refer note 4, unaudited
Note 2: Unaudited result
Note 3: All DMXCP disclosed returns include the payment of dividends and franking credits
Note 4: Franking credits per share are franking credits arising from dividends received and for tax paid or payable on realised portfolio gain

Appendix 1: Performance

Monthly DMXCP Net asset value (share-price) returns (after fees) since inception (April 2015) [3] (%):

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	All Ords
2015	n/a	n/a	n/a	+0.201	+9.448	+1.104	+6.524	+1.971	+9.711	+0.958	+3.568	+2.470	**+41.62**	**-8.83**
2016	-3.590	+1.323	+2.049	+2.045	+2.143	+0.020	+5.389	+7.056	+2.156	+1.058	+1.520	+0.321	**+23.10**	**+7.01**
2017	+0.885	-0.816	+1.790	-0.741	-1.990	+0.210	+1.071	+1.208	+0.822	+3.494	-0.267	-0.055	**+5.54**	**+7.83**
2018	+0.445	-1.625	+0.008	-1.173	+0.310	-0.211	+1.017	+4.112	+1.604	-3.438	-2.827	-2.257	**-3.66**	**-7.24**
2019	+0.122	-0.010	-1.624	+3.754	+3.014	+0.418	+7.482	-0.889	+3.279	+4.567	+2.997	+0.140	**+25.10**	**+19.02**
2020	+2.33	-8.42	-17.91	+8.521	+4.525	+6.213	+10.09	+8.669	+6.518	+11.10	+7.86	+2.24	**+42.47**	**+0.72**
2021	+1.02	+3.31	+1.17	+3.20	+1.10	+0.70	**+3.96**						**+15.40**	**+11.87**

The following chart illustrates the return from investing $100,000 in the fund (including dividends and attached franking credits) since inception (1 April 2015). DMXCP is an absolute return fund, focused on generating positive absolute returns over the medium to long term.



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