

16 February 2021

Company Announcements Office
ASX Limited
Exchange Centre
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Subject: Update on takeover transactions and possible access to loss carry back rules

The Directors of Contrarian Value Fund (“CVF” or “The Company”) note the below and continue to hold the recommendation that Shareholders should **vote in FAVOUR of ALL the resolutions at the upcoming Extraordinary General Meeting (“EGM”) on 25 February 2021**. The Directors would like to remind Shareholders that proxies are due by 12pm (AEDT) on 23 February 2021. Proxies submitted to date remain valid.

On 3 February 2021, the Directors announced the adjournment of the EGM due to interest from a third party regarding a possible transaction with the Company. The Directors have since received feedback that this party is not in a position to submit a bid that would result in a more superior outcome for Shareholders. The Directors also note there has been no increase in RAMcap’s proposed offer or further communication with them, nor have any other parties expressed a desire to enter a transaction with CVF.

As part of the process of exploring a transaction with a third party the Directors sought tax advice about the quantum of tax assets in CVF and what value a purchaser might ascribe to these. As part of this advice, the Company’s was made aware of the loss carry back rules (a provision enacted under the Government’s COVID-19 Economic Recovery Plan). The Company is currently exploring the possibility of accessing these rules. In the instance this is successful it will result in some limited upside for Shareholders in terms of any final return. The Directors will provide any updates on this when they have further clarification.

The Directors believe it is most unlikely that a transaction with a third party would result in a more advantageous outcome for Shareholders due to the following:

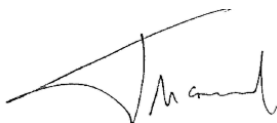
- A purchaser is unlikely to ascribe value to CVF’s tax assets and this has been evidenced in the recent negotiations/discussions with interested parties;
- Any transaction with a third party will result in the Company incurring transaction costs (likely to be much more than the specific winding up costs) – which will ultimately detract from any final return; and
- A cash bid for the Company which results in a higher net return for Shareholders is highly unlikely.

The final return to Shareholders (excluding any upside from the loss carry back) is still expected to be around \$0.01 as announced on 1 February 2021 (although some of this balance has been eroded

due to the on-going operating costs). The Directors are mindful that as the Company continues to operate in its current state it is incurring operating costs which are detracting from its cash balance. If the Resolutions are approved at the EGM some of these costs cease to exist immediately (Director's Fees and ASX listing fees, for example).

In the instance the Resolutions are not passed the Directors will be left with very few options for continuing the Company in existence given the lack of interest in the Company's remaining limited assets and no ongoing business. This could result in a significant reduction and delay in any final return to Shareholders.

On behalf of the Board of Contrarian Value Fund Limited,



Tom McDonald
Company Secretary