

# Appendix 4D

Lodged with the ASX under Listing Rule 4.2A.3  
Results for Announcement to the Market

## Half-Year Ended 31 December 2021

(Previous corresponding period – Half-Year Ended 31 December 2020)

Revenue from ordinary activities	down	91%	to	\$ 1,266,354
Loss from ordinary activities before tax attributable to members	down	108%	to	(\$ 946,007)
Profit from ordinary activities after tax attributable to members	down	100%	to	\$ 16,702

Dividends per share – Fully Paid Ordinary Shares	Amount per security	Franked amount per security
Quarterly dividend – April to June 2021 (paid)	1.250c	1.250c
Quarterly dividend – July to September 2021 (paid)	1.520c	1.520c
Quarterly dividend – October to December 2021 (paid on 28 January 2022)	1.280c	1.280c
Quarterly dividend – January 2022 to March 2022 (payable on 28 April 2022)	1.280c	1.280c

Record date for determining entitlements to March quarter dividend is 6 April 2022.

### Explanation of Revenue

Investment income for the half-year decreased to \$1,266,354 (HY21 profit: \$14,728,225). This decrease was primarily due to higher unrealised loss on the portfolio recognised during the half-year due to \$9,883,921 unfavourable movement in the market values of the underlying securities held within the portfolios. Net realised gains on disposal of securities for the half year was \$7,908,494 (HY21: \$166,618).

Dividends, trust distributions, and interest income increased by 97% to \$3,241,781 from \$1,648,260 in HY21.

### Explanation of Net Profit to members

Profit after tax attributable to members was \$16,702 (HY21: \$8,736,687). This result was primarily due to higher dividend and trust distributions received and the net realised gains during the current half-year and the tax benefit accrued for the period. This was offset by the mark to market movements on the portfolio as explained above.

Total operating expenses during the half-year decreased from \$1,644,593 to \$1,336,738. This was mainly due to incurring one-off expenses of \$533,520 during HY21 as termination cost for cancelling the CBG Capital Limited Investment Management Agreement. This savings in HY22 was offset by increase in Investment Manager's fee expenses during the current half-year of \$824,333 compared to \$636,166 in HY21 on account of the increase in portfolio value managed.

## Dividends

Details of dividends paid in relation to the half-year ended 31 December 2021 are as follows:

Record Date	Payment Date	Type	Amount per security	Total Dividend	Franked amount per security	Foreign sourced dividend amount per security
Fully Paid Ordinary Shares						
6 July 2021	28 July 2021	Final	1.250 cents	\$1,678,130	1.250 cents	-
6 October 2021	28 October 2021	Quarterly	1.520 cents	\$2,126,088	1.520 cents	-
		<b>Total</b>	<b>2.770 cents</b>	<b>\$3,804,218</b>	<b>2.770 cents</b>	<b>-</b>
Grossed-up dividend yield including franking					<b>3.107 cents</b>	

## Dividend/Distribution Reinvestment Plans

The Company operates a dividend reinvestment plan, which was available for all dividends paid during the half-year and will continue to apply to any future dividends declared. The last date for the receipt of an election notice for participation in the dividend reinvestment plan is undetermined and will be disclosed in the dividend declaration announcement.

## Net tangible assets per security (Cum-Dividend)

	December 2021 \$	December 2020 \$
Net tangible asset backing per ordinary share – pre-tax	\$0.945	\$0.99
Net tangible asset backing per ordinary share – post-tax	\$0.935	\$0.96

## Controlled Entities

There were no changes to the controlled entity during the period.

## Associates and Joint Venture entities

The Company does not have any interests in associates or joint venture entities.

## Foreign Accounting standards

Not applicable.

## Review

This report is based on the interim financial statements that have been reviewed by the Company's Auditors, Pitcher Partners Sydney. The unqualified review report is attached on page 24 of the interim financial statements.



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# Clime Capital Limited

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## Interim Financial Statements For the half-year ended 31 December 2021

Clime Capital Limited

Level 12, 20 Hunter Street Sydney NSW 2000 Australia | PO Box H90 Australia Square NSW 1215  
ABN 99 106 282 777 P 1300 788 568

[www.clime.com.au](http://www.clime.com.au)



# Interim Financial Statements

For the half-year ended  
31 December 2021

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# Directors' Report

Your Directors present their report on Clime Capital Limited ("the Company" or "CAM") for the half-year ended 31 December 2021.

## Directors

The following persons were Directors of the Company during the whole of the half-year and up to the date of this report unless otherwise stated:

Mr. John Abernethy  
*Chairman (Non-Independent)*

Mr. Julian Gosse  
*Independent Director*

Mr. Ronni Chalmers  
*Non-Independent Director*

Mr. Marc Schwartz  
*Independent Director*

## Review of Operations

The Company recorded an after tax profit of \$16,702 for the half-year ended 31 December 2021 compared to an after tax profit of \$8,736,687 for the half-year ended 31 December 2020. This result was primarily due to unrealised losses on financial assets at fair value to profit or loss recognised during the period.

During the half-year, investment revenue (dividends, trust distributions and interest received) plus realised gains on financial assets sold was \$11,150,275 compared to \$1,814,878 for the half-year ended on 31 December 2020. The unrealised loss on portfolio mark-to-market movements was \$9,883,921 compared to a \$12,379,427 unrealised gain for the half-year ended 31 December 2020.

The Company has continued payment of quarterly dividends to its ordinary shareholders. Dividends declared during the period totalled \$3,923,049 (31 December 2020: \$2,648,034). September 2021 quarter dividend included a special dividend of 0.25 cents fully franked amounting to \$349,460.

As at 31 December 2021 the Company has Net Tangible Assets (NTA) of \$0.95 per share (pre-tax and cum-dividend)(30 June 2021: \$0.99) and \$0.93 per share (post-tax and cum-dividend) (30 June 2021: \$0.96).

## After balance date events

On 31 January 2022, the Company announced its intention to refresh its ability to implement an on-market buy-back (within the 10/12 limit) for a further 12-month period which commenced from 15 February 2022 and ends on 14 February 2023. During this period, the Company has the ability to buy a maximum of 14,043,192 fully paid ordinary shares.

On 28 January 2022, a fully franked dividend for the quarter ended 31 December 2021 of 1.28 cents per share was paid on ordinary shares.

On 10 February 2022 the Company declared a fully franked dividend for the quarter ended 31 March 2022 of 1.28 cents on ordinary shares payable on 28 April 2022.

No other significant events have occurred since the reporting date which would impact on the financial position of the Company disclosed in the Statement of Financial Position as at 31 December 2021 or on the results and cash flows of the Company for the half-year ended on that date.

## Rounding off of amounts

In accordance with ASIC Corporations (Rounding in Financial/Director's Reports) Instrument 2016/191, the amounts in the Directors' report have been rounded to the nearest dollar, unless otherwise stated.

## COVID-19

The existence of COVID-19 was confirmed in early 2020 and in March 2020 was declared a pandemic by the World Health Organisation. This has resulted in significant volatility in global and domestic financial markets. At the date of signing of the financial statements, there is still significant uncertainty on the likely duration and the ultimate impact COVID-19 will have on world economies. Given the high degree of estimation uncertainty, management cannot reasonably assess or quantify the potential short or longer-term financial impact on the Company.

## Auditors' independence declaration

A copy of the Auditors' Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 7.

Signed in accordance with a resolution of the Board of Directors and signed for and on behalf of the Directors by:



**John Abernethy**  
Chairman  
Clime Capital Limited

Sydney, 18 February 2022



Level 16, Tower 2 Darling Park  
201 Sussex Street  
Sydney NSW 2000

Postal Address  
GPO Box 1615  
Sydney NSW 2001

p. +61 2 9221 2099  
e. [sydneypartners@pitcher.com.au](mailto:sydneypartners@pitcher.com.au)

**Auditors' Independence Declaration  
To the Directors of Clime Capital Limited  
ABN 99 106 282 777**

In relation to the independent Auditors' review of Clime Capital Limited for the half year ended 31 December 2021, to the best of my knowledge and belief there have been:

- (i) No contraventions of the Auditor independence requirements of the *Corporations Act 2001*; and
- (ii) No contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

**Mark Godlewski**  
Partner

**Pitcher Partners Sydney**  
Sydney

18 February 2022

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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**INTERIM FINANCIAL STATEMENTS | Statement of Profit or Loss and Other Comprehensive Income**  
For the half-year ended 31 December 2021

		Half-year ended	
	Note	31 December 2021 \$	31 December 2020 \$
<b>Investment income</b>			
Investment revenue	3	3,241,781	1,648,260
CBG termination cost income		-	533,520
Net realised gain on disposal of financial assets at fair value through profit or loss		7,908,494	166,618
Net unrealised gain/(loss) on financial assets at fair value through profit or loss		(9,883,921)	12,379,427
Gain on cancellation of convertible notes bought back		-	400
<b>Total investment income</b>		<b>1,266,354</b>	<b>14,728,225</b>
<b>Expenses</b>			
Management fees		(824,333)	(636,166)
Brokerage costs		(163,143)	(164,626)
Accounting fees		(18,723)	(31,935)
Custody fees		(13,634)	(14,868)
ASX fees		(26,228)	(11,988)
Share registry fees		(61,127)	(44,633)
Directors and company secretarial fees		(92,000)	(82,000)
Legal and professional fees		(16,830)	(8,212)
CBG termination cost paid		-	(533,520)
Other administrative expenses		(120,720)	(116,645)
<b>Total expenses before finance costs</b>		<b>(1,336,738)</b>	<b>(1,644,593)</b>
Finance costs	7	(875,623)	(952,395)
<b>Profit/(Loss) for the half-year before income tax expense</b>		<b>(946,007)</b>	<b>12,131,237</b>
Income tax benefit/(expense)		962,709	(3,394,550)
<b>Profit/(Loss) for the half-year</b>		<b>16,702</b>	<b>8,736,687</b>
Other comprehensive income for the half-year		-	-
<b>Total comprehensive income for the half-year</b>		<b>16,702</b>	<b>8,736,687</b>
Basic earnings per share	6	0.01 cps	7.68cps
Diluted earnings per share	6	0.01 cps	6.63cps

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Financial Statements which follow.



**INTERIM FINANCIAL STATEMENTS | Statement of Financial Position**  
**As at 31 December 2021**

		As at	
	Note	31 December 2021 \$	30 June 2021 \$
<b>Assets</b>			
Cash and cash equivalents		13,611,352	6,615,753
Trade and other receivables		2,642,129	1,013,672
Financial assets at fair value through profit or loss	2	156,470,460	155,730,657
Current tax benefit		-	886,729
Prepayments		26,228	43,713
Total assets		172,750,169	164,290,524
<b>Liabilities</b>			
Trade and other payables		3,414,503	3,240,376
Dividends payable	5	1,796,961	1,678,130
Current tax liability		296,181	-
Convertible notes	7	35,896,305	27,211,011
Net deferred tax liabilities		605,056	3,464,040
Total liabilities		42,009,006	35,593,557
Net assets		130,741,163	128,696,967
<b>Equity</b>			
Issued capital	4	125,183,363	119,394,527
Option premium on convertible notes	7	161,707	227,904
Accumulated losses		(26,341,313)	(24,185,919)
Profit reserve		31,737,406	33,260,455
Total equity		130,741,163	128,696,967

*The above Statement of Financial Position should be read in conjunction with the Notes to the Financial Statements which follow.*

**INTERIM FINANCIAL STATEMENTS | Statement of Changes in Equity**  
For the half-year ended 31 December 2021

	Note	Issued Capital	Accumulated Losses	Profit Reserve	Option Premium on Convertible Notes	Total
		\$	\$	\$	\$	\$
Balance as at 1 July 2020		101,441,905	(24,189,794)	16,218,709	227,904	93,698,724
Profit for the half-year		-	8,736,687	-	-	8,736,687
Other comprehensive income for the half-year		-	-	-	-	-
<b>Total comprehensive income for the half-year</b>		-	8,736,687	-	-	8,736,687
<b>Transactions with owners in their capacity as owners</b>						
Issue of ordinary shares		3,726,889	-	-	-	3,726,889
Transaction costs on issue of ordinary shares		(37,254)	-	-	-	(37,254)
Shares acquired under buy-back		(506,918)	-	-	-	(506,918)
Conversion of convertible notes into ordinary shares		850	-	-	-	850
Transaction costs on shares acquired under on-market buy-back		(523)	-	-	-	(523)
Income tax on transaction costs		11,333	-	-	-	11,333
Dividends provided for or paid		-	-	(2,648,034)	-	(2,648,034)
		3,194,377	-	(2,648,034)	-	546,343
Transfer to profit reserve		-	(8,735,000)	8,735,000	-	-
		3,194,377	(8,735,000)	6,086,966	-	546,343
Balance at 31 December 2020		104,636,282	(24,188,107)	22,305,675	227,904	102,981,754
Balance at 1 July 2021		119,394,527	(24,185,919)	33,260,455	227,904	128,696,967
Profit for the half-year		-	16,702	-	-	16,702
Other comprehensive income for the half-year		-	-	-	-	-
<b>Total comprehensive income for the half-year</b>		-	16,702	-	-	16,702
<b>Transactions with owners in their capacity as owners</b>						
Issue of ordinary shares	4	544,457	-	-	-	544,457
Shares acquired under buy-back	4	(304,448)	-	-	-	(304,448)
Transfer of option premium on matured convertible notes	7	-	227,904	-	(227,904)	-
Convertible notes issued	7	-	-	-	231,010	231,010
Deferred tax on issue of convertible notes	7	-	-	-	(69,303)	(69,303)
Conversion of convertible notes into ordinary shares	7	5,548,913	-	-	-	5,548,913
Transaction costs on shares acquired under on-market buy-back	4	(123)	-	-	-	(123)
Income tax on transaction costs	4	37	-	-	-	37
Dividends provided for or paid		-	-	(3,923,049)	-	(3,923,049)
		5,788,836	227,904	(3,923,049)	(66,197)	2,027,494
Transfer to profit reserve		-	(2,400,000)	2,400,000	-	-
		5,788,836	(2,172,096)	(1,523,049)	(66,197)	2,027,494
Balance at 31 December 2021		125,183,363	(26,341,313)	31,737,406	161,707	130,741,163

*The above Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements which follow.*

**INTERIM FINANCIAL STATEMENTS | Statement of Cash Flows**  
For the half-year ended 31 December 2021

	Half-year ended	
	31 December 2021 \$	31 December 2020 \$
<b>Cash flows from operating activities</b>		
Proceeds from sale of financial assets	47,933,055	33,347,483
Payments for purchase of financial assets	(51,280,709)	(37,863,036)
	(3,347,654)	(4,515,553)
Dividends and trust distributions received	3,469,583	1,677,470
Interest received	4,334	4,526
Other income received	56,484	543,530
Payments for administrative and other expenses	(506,223)	(1,019,389)
Investment manager's fees paid	(812,799)	(599,860)
Performance fee paid	(1,110,756)	-
Income tax paid	(782,632)	(1,049,550)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(3,029,663)</b>	<b>(4,958,826)</b>
<b>Cash flows from financing activities</b>		
Dividends paid net of dividend reinvestment	(3,259,761)	(2,119,332)
Net proceeds from issue of convertible notes	15,568,847	1,128,912
Proceeds from issue of shares	-	3,349,478
Payment for share buy-back including transaction costs	(304,571)	(507,441)
Payments for buy-back of convertible notes including transaction costs	-	(24,030)
Payments for convertible notes redeemed	(1,190,200)	-
Finance costs paid on convertible notes	( 789,053)	(836,636)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>10,025,262</b>	<b>990,951</b>
<b>Net increase/(decrease) in cash held</b>	<b>6,995,599</b>	<b>(3,967,875)</b>
Cash and cash equivalents at beginning of the financial half-year	6,615,753	8,268,698
<b>Cash and cash equivalents at end of the financial half-year</b>	<b>13,611,352</b>	<b>4,300,823</b>
<b>Non-cash financing activities</b>		
Dividends reinvested	544,457	340,157
Conversion of convertible notes into ordinary shares	5,548,913	850

*The above Statement of Cash Flows should be read in conjunction with the Notes to the Financial Statements which follow.*

## NOTE 1

### Statement of Accounting Policies

#### (a) Basis of accounting

These interim financial statements are general purpose financial statements prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standard AASB 134 *Interim Financial Reporting*.

The interim financial statements are prepared in accordance with the historical cost convention with the exception of the valuation of investments described in Note 2 below.

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 full understanding of the financial performance, financial position and financing and investing activities of the Company as the annual financial statements. Accordingly, these interim financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2021 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*.

The Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current.

#### Details of Reporting Period

The current reporting period is the half-year ended 31 December 2021. 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 2020. For the Statement of Financial Position, the previous corresponding period is 30 June 2021.

#### (b) Accounting policies

The accounting policies applied in these interim financial statements have been applied consistently throughout the period.

The accounting policies in these interim financial statements are the same as those applied in the Company's financial statements as at and for the year ended 30 June 2021.

The interim financial report was authorised for issue on 18 February 2022.

#### (c) Rounding off of 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.

#### (d) Key judgements and estimates

##### *Recovery of deferred tax assets*

Deferred tax assets are recognised for deductible temporary differences only if the Company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

## NOTE 2

### Fair Value Measurement

The Company measures and recognises financial assets and liabilities at fair value through profit or loss on a recurring basis.

The Company has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

## NOTE 2

### Fair Value Measurement (continued)

#### (a) Fair value in an active market (Level 1)

The fair value of financial assets and liabilities traded in active markets (such as listed equity securities) are based on quoted market prices at the close of trading at the end of the reporting period without any deduction for estimated future selling costs.

The Company values its investments in accordance with the accounting policies set out in Note 1 of the financial statements. For the majority of its investments, the Company relies on information provided by independent pricing services for the valuation of its investments.

The quoted market price used for financial assets held by the Company is the closing quoted last price at the end of the reporting period.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

#### (b) Fair value in an inactive or unquoted market (Level 2 and Level 3)

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.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Company holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

## NOTE 2

### Fair Value Measurement (continued)

#### (b) Fair value in an inactive or unquoted market (Level 2 and Level 3)(continued)

The table below presents the Company's financial assets and liabilities measured and recognised at fair value as at 31 December 2021.

At 31 December 2021	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets at fair value through profit or loss				
Listed equities – domestic	140,484,949	–	–	140,484,949
Unlisted unit trusts	–	–	15,985,511	15,985,511
<b>Total financial assets at fair value through profit or loss</b>	<b>140,484,949</b>	<b>–</b>	<b>15,985,511</b>	<b>156,470,460</b>
At 30 June 2021				
Financial assets at fair value through profit or loss				
Listed equities – domestic	144,502,646	–	–	144,502,646
Unlisted unit trusts	–	–	11,228,011	11,228,011
<b>Total financial assets at fair value through profit or loss</b>	<b>144,502,646</b>	<b>–</b>	<b>11,228,011</b>	<b>155,730,657</b>

#### (c) Transfer between Levels

Management's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

No transfers between Levels have occurred during the half-year.

## NOTE 2

### Fair Value Measurement (continued)

#### (d) Reconciliation of recurring Level 3 fair value movements

	Level 3 Unlisted unit trusts \$
Opening balance – 31 December 2020	10,514,114
Purchases	250,000
Total gains recognised in profit or loss	463,897
Closing balance – 30 June 2021	11,228,011
Purchases	4,587,500
Total gains recognised in profit or loss	170,000
Closing balance – 31 December 2021	15,985,511

\$170,000 (30 June 2021: \$766,597) of the total gains recognised in profit or loss in respect to Level 3 fair value remeasurements are unrealised as they are attributable to assets held at the end of the reporting period.

#### (e) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements. See (a) and (b) above for the valuation techniques adopted.

Description	Fair Value \$	Unobservable inputs	Range of inputs (probability - weighted average)	Relationships of unobservable inputs to fair value
As at 31 December 2021				
Unlisted unit trusts	15,985,511	Reported net asset value by investment manager	N/A	Direct
As at 30 June 2021				
Unlisted unit trusts	11,228,011	Reported net asset value by investment manager	N/A	Direct

## NOTE 2

### Fair Value Measurement (continued)

#### (f) Valuation processes used for Level 3 fair value measurements

The Company's unlisted investments are typically unlisted syndicated investments with a medium-term investment horizon. The value of investment was initially recorded at cost / acquisition price. The Manager of these unlisted funds issues periodic updates (quarterly or half yearly) to communicate the performance of underlying assets, summary financial information and periodically, independent valuation of the trust's underlying assets. An independent external valuation is generally done annually and communicated to the investors through the regular fund update.

The Company reviews these updates and will reflect the investment valuation based on the independent valuation if and when it changes. As observable prices are not available for these securities, the Company has relied on valuations provided by managers of the underlying funds, based on the net asset value per unit reported by those trusts, in order to derive the fair value of the units.

#### Summarised sensitivity analysis

The following table summarises the sensitivity of the Company's operating profit and equity to other price risk. The reasonably possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, historical correlation of the Company's investments with the relevant benchmark and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the securities in which the Company invests. As a result, historic variations in risk variables are not a definitive indicator of future variations in the risk variables.

	Price Risk Impact on profit or loss/equity	
	-10%	+10%
31 December 2021	(15,647,046)	15,647,046
30 June 2021	(15,573,066)	15,573,066

#### (g) Fair value of financial instruments not carried at fair value

Receivables and payables are carried at amortised cost when the time value of money is material, otherwise they are carried at their nominal amounts. Due to their short-term natures, the carrying amounts of receivables and payables approximate their fair values.

## NOTE 3

### Investment Revenue

	Half-year ended	
	31 December 2021 \$	31 December 2020 \$
Dividends and trust distributions	3,180,963	1,633,724
Interest	4,334	4,526
Other income	56,484	10,010
<b>Total</b>	<b>3,241,781</b>	<b>1,648,260</b>

## NOTE 4

### Issued Capital

	As at	
	31 December 2021 \$	30 June 2021 \$
Issued and paid-up capital		
140,387,597 (30 June 2021: 134,210,421) ordinary fully paid shares	125,183,363	119,394,527



## NOTE 4

### Issued Capital (continued)

#### (a) Movements in ordinary share capital

	31 December 2021 Number of shares	30 June 2021 Number of shares	31 December 2021 \$	30 June 2021 \$
Balance at beginning of the period	134,210,421	113,234,687	119,394,527	101,441,905
Issue of ordinary shares	-	19,209,765	-	16,416,487
Transaction costs on issue of ordinary shares	-	-	-	(211,146)
Income tax on transaction costs	-	-	-	63,519
Shares acquired under on-market buy-back	(329,500)	(726,926)	(304,448)	(567,476)
Conversion of convertible notes into ordinary shares	5,924,693	1,605,981	5,548,913	1,504,123
Transaction costs on shares acquired under buy-back	-	-	(123)	(584)
Income tax on transaction costs	-	-	37	-
Dividend reinvestment plan	581,983	886,914	544,457	747,699
Balance at the end of the period	140,387,597	134,210,421	125,183,363	119,394,527

#### Conversion of Convertible Notes into Equity

During the six months ended 31 December 2021, 5,780,118 convertible notes of face value \$0.96 were converted to 5,924,693 equity shares in the ratio of 1.025 ordinary shares for every convertible note.

#### On-market share buy-back

During the half-year ended 31 December 2021, Clime Capital Limited, in accordance with its on-market share buy-back scheme, bought back 329,500 (30 June 2021: 304,448) shares. The number of shares bought back and cancelled was within the '10/12 limit' imposed by s257B of the *Corporations Act 2001*, and as such, shareholder approval was not required.

#### Dividend reinvestment plan

The Company has established a dividend reinvestment plan under which holders of ordinary shares may elect to have all or part of their dividend entitlements satisfied by the issue of new ordinary shares rather than by being paid in cash. Shares are issued under the plan at a price determined by the Directors from time to time in accordance with the *Corporations Act 2001* and the ASX Listing Rules. During the half-year ended 31 December 2021, 581,983 (30 June 2021: 886,914) shares were issued under plan at a one percent discount.

## NOTE 5

### Dividends

#### (a) Paid in the current period

##### Dividends paid in the current period

A fully franked final dividend on ordinary shares in respect of the 2021 financial year of 1.25 cents per share was paid on 28 July 2021 (2020: A fully franked final dividend on ordinary shares in respect of the 2020 financial year of 1.05 cents per share was paid on 30 July 2020)

A fully franked dividend on ordinary shares for the quarter ended 30 September 2021 of 1.52 cents per share was paid on 28 October 2021 (2020: A fully franked dividend on ordinary shares for the quarter ended 30 September 2020 of 1.125 cents per share was paid on 30 October 2020)

#### (b) Provided for in the current period

A fully franked dividend for the quarter ended 31 December 2021 of 1.28 cents per share was payable on ordinary shares as at 31 December 2021 (30 June 2021: A fully franked dividend in respect of the 2021 year of 1.25 cents per share was payable on ordinary shares as at 30 June 2021)

#### (c) Dividend franking account

Franking account balance

Impact on franking account balance of dividends payable, paid on 28 January 2022 (2020: 29 January 2021)

Half-year ended	
31 December 2021 \$	31 December 2020 \$
1,678,130	1,188,964
2,126,088	1,270,525
<b>3,804,218</b>	<b>2,459,489</b>
As at	
31 December 2021 \$	30 June 2021 \$
1,796,961	1,678,130
<b>1,796,961</b>	<b>1,678,130</b>
31 December 2021 \$	31 December 2020 \$
1,134,799	548,540
(770,126)	(590,361)
<b>364,673</b>	<b>(41,821)</b>

## NOTE 6

### Earnings Per Share

		Half-year ended	
		31 December 2021 \$	31 December 2020 \$
Basic earnings per share		0.01 cps	7.68cps
Diluted earnings per share		0.01 cps	6.63cps
Reconciliation of earnings used in calculating basic and diluted earnings per share:			
Basic earnings per share			
Profit for the half-year		16,702	8,736,687
Earnings used in calculating basic earnings per share		16,702	8,736,687
Weighted average number of ordinary shares used in the calculation of basic earnings per share	Nos	137,319,952	113,766,183
Diluted earnings per share			
Earnings used in calculating basic earnings per share		16,702	8,736,687
Add: interest expense on convertible notes (net of tax)		612,936	666,677
Earnings used in calculating diluted earnings per share		629,638	9,403,364
Weighted average number of ordinary shares used in the calculation of basic earnings per share	Nos	137,319,952	113,766,183
Adjustments for calculation of diluted earnings per share:			
• Convertible notes	Nos	28,235,476	28,005,619
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	Nos	165,555,428	141,771,802

## NOTE 7

### Convertible Notes

#### *Notes issued under Entitlement Offer and Placement*

On 18 November 2021 at a meeting of Noteholders, Noteholders approved amendments to the terms of the Company's existing unsecured, redeemable, convertible Notes and trust deed governing the Notes.

Pursuant to its prospectus dated 27 October 2021 and supplementary prospectus dated 24 November 2021 (Note Prospectus), the Company issued 16,268,995 new Notes, each with a face value of \$1.00 per Note on 1 December 2021.

A total of 1,239,792 Notes (each with a face value of \$0.96) were redeemed on 30 November 2021. 21,066,125 Notes (each with a face value of \$0.96) were converted into 20,223,593 Notes (each with a face value of \$1.00) on 1 December 2021.

Following the respective conversions, redemptions, consolidation and the new note issue pursuant to the Note Prospectus, the Company has on issue a total of 36,492,588 Notes, each with a face value of \$1.00 with a term expiring on 30 November 2025.

Noteholders have the right to convert some or all of their notes to shares at any time before the maturity date.

The equity element is presented in equity, under the heading of "option premium on convertible notes". The effective interest rate of the liability element on initial recognition is 5.98% per annum.

## NOTE 7

### Convertible Notes (continued)

The convertible notes are presented in the Statement of Financial Position as follows:

	As at	
	31 December 2021 \$	30 June 2021 \$
Proceeds from issue of convertible notes (net of raising costs)	35,792,440	29,176,618
Liability component at the date of issue	(35,561,430)	(28,851,040)
Equity component at the date of issue	231,010	325,578
Deferred tax on issue of convertible notes	(69,303)	(97,674)
<b>Equity component at the end of the period</b>	<b>161,707</b>	<b>227,904</b>
Classification of liability component as at the end of the period:		
• Current	162,717	27,211,011
• Non-current	35,733,588	-
	<b>35,896,305</b>	<b>27,211,011</b>
	Half-year ended	
	31 December 2021 \$	31 December 2020 \$
Liability component at the beginning of the period	27,211,011	27,437,310
Net proceeds from issue of convertible notes during the period	15,568,847	1,128,912
Equity component at the date of issue	(231,010)	-
Payments for convertible notes redeemed	(1,190,200)	-
Interest expense for the period calculated at effective interest rates	875,623	952,395
Finance costs paid	(789,053)	(836,636)
Convertible notes (CAMG) bought back	-	(24,430)
Conversion of convertible notes (CAMG) into ordinary shares (CAM)	(5,548,913)	(850)
<b>Liability component at the end of the period</b>	<b>35,896,305</b>	<b>28,656,701</b>

#### Fair value

Fair value of the convertible notes as at 31 December 2021 amounting to \$37,222,440 (30 June 2021: \$27,243,454) was determined by reference to published price quotation \$1.020 (30 June 2021: \$0.970) on convertible note ticker ASX:CAMG as at 31 December 2021.

## NOTE 8

### Contingencies and Commitments

The Company has no contingent liabilities or commitments as at 31 December 2021 and 30 June 2021.

## NOTE 9

### Events Subsequent to Reporting date

On 31 January 2022, the Company announced its intention to refresh its ability to implement an on-market buy-back (within the 10/12 limit) for a further 12-month period which commenced from 15 February 2022 and ends on 14 February 2023. During this period, the Company has the ability to buy a maximum of 14,043,192 fully paid ordinary shares.

On 28 January 2022, a fully franked dividend for the quarter ended 31 December 2021 of 1.28 cents per share was paid on ordinary shares.

On 10 February 2022, the Company declared a fully franked dividend for the quarter ended 31 March 2022 of 1.28 cents on ordinary shares payable on 28 April 2022.

No other significant events have occurred since the reporting date which would impact on the financial position of the Company disclosed in the Statement of Financial Position as at 31 December 2021 or on the results and cash flows of the Company for the half-year ended on that date.

## NOTE 10

### Segment Information

The Company is organised into one main segment which operates solely in the business of investment management within Australia.

The Company operates within Australia and holds all assets through an Australian Custodian.

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Directors are of the opinion that the current financial position and performance of the Company is equivalent to the operating segments identified above and as such no further disclosure has been provided.

## NOTE 11

### Company Details

The registered office and principal place of business of the Company is:

Level 12  
20 Hunter Street  
Sydney NSW 2000

## Directors' Declaration

The Directors of the Company declare that:

(a) the financial statements and notes set out on pages 4 to 22:

- (i) comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- (ii) give a true and fair view of the Company's financial position as at 31 December 2021 and of its performance for the 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.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



**John Abernethy**  
Director

Sydney, 18 February 2022



Level 16, Tower 2 Darling Park  
201 Sussex Street  
Sydney NSW 2000

Postal Address  
GPO Box 1615  
Sydney NSW 2001

p. +61 2 9221 2099  
e. [sydneypartners@pitcher.com.au](mailto:sydneypartners@pitcher.com.au)

**Independent Auditors' Review Report  
To the Members of Clime Capital Limited  
ABN 99 106 282 777**

**Report on the Half-Year Financial Report**

**Conclusion**

We have reviewed the half-year financial report of Clime Capital Limited ("the Company") which comprises the statement of financial position as at 31 December 2021, 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 summary of significant accounting policies and other explanatory information, 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 Clime 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 2021 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 *Auditors' 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.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the Directors of the Company, would be in the same terms if given to the Directors as at the time of this Auditors' review report.

**Responsibility of the Directors for the 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.

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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**Independent Auditors' Review Report  
to the Members of Clime Capital Limited  
ABN 99 106 282 777**



**Auditors' Responsibility for the Review of the Financial Report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 2021 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.

**Mark Godlewski**  
Partner

18 February 2022

**Pitcher Partners Sydney**  
Sydney

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