

# Appendix 4D

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

## Half-Year Ended 31 December 2022

(Previous corresponding period – Half-Year Ended 31 December 2021)

Revenue from ordinary activities	up	> 100%	to	\$ 19,690,305
Profit from ordinary activities before tax attributable to members	up	> 100%	to	\$ 15,801,217
Profit from ordinary activities after tax attributable to members	up	> 100%	to	\$ 12,318,034

<b>Dividends per share - Fully Paid Ordinary Shares</b>	<b>Amount per security</b>	<b>Franked amount per security</b>
Quarterly dividend - April to June 2022 (paid)	1.28 cents	1.28 cents
Quarterly dividend - July to September 2022 (paid)	1.28 cents	1.28 cents
Quarterly dividend - October to December 2022 (paid on 25 January 2023)	1.30 cents	1.30 cents
Quarterly dividend - January 2023 to March 2023 (payable on 28 April 2023)	1.32 cents	1.32 cents

Record date for determining entitlements to March quarter dividend is 5 April 2023.

### Explanation of Revenue

Investment income for the half-year increased to \$19,690,305 (HY22: \$1,266,354). This increase was primarily due to higher unrealised gain on the portfolio recognised during the half-year (\$15,613,178) due to favourable movement in the market values of the underlying securities held within the portfolios. The net realised loss on disposal of securities for the half year was \$381,033 (HY22: gain of \$7,908,494).

Dividends, trust distributions, and interest income increased by 37% to \$4,446,404 from \$3,241,781 in HY22.

### Explanation of Net Profit to members

Profit after tax attributable to members was \$12,318,034 (HY22: \$16,702). This result was primarily due to higher dividend and trust distributions received and the net unrealised gains during the current half-year.

Total operating expenses during the half-year increased from \$1,336,738 to \$2,821,498. This was mainly due to performance fees of \$1,549,940 during HY23.

## Dividends

Details of dividends paid in relation to the half-year ended 31 December 2022 are as follows:

Record Date	Payment Date	Type	Amount per security	Total Dividend	Franked amount per security	Foreign sourced dividend amount per security
<i>Fully Paid Ordinary Shares</i>						
6 July 2022	28 July 2022	Final	1.28 cents	\$1,794,917	1.28 cents	-
6 October 2022	27 October 2022	Quarterly	1.28 cents	\$1,797,627	1.28 cents	-
		<b>Total</b>	<b>2.56 cents</b>	<b>\$3,592,544</b>	<b>2.56 cents</b>	-
<b>Grossed-up dividend yield including franking</b>					<b>3.66 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)

	<b>December 2022 \$</b>	<b>December 2021 \$</b>
Net tangible asset backing per ordinary share – pre-tax	\$0.860	\$0.945
Net tangible asset backing per ordinary share – post-tax	\$0.870	\$0.935

## 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 2022

**Clime Capital Limited**

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# Interim Financial Statements

For the half-year ended  
31 December 2022

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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 2022.**

## 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*

Ms. Diana D'Ambra  
*Independent Director (Appointed 25 November 2022)*

## Principal activities

The principal activity of the Company during the financial period was investing in domestic securities and unlisted unit trusts.

There were no significant changes in these activities during the current financial period.

## Review of Operations

The Company recorded an after tax profit of \$12,318,034 for the half-year ended 31 December 2022 compared to an after tax profit of \$16,702 for the half-year ended 31 December 2021. This result was primarily due to unrealised gains 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 \$4,065,371 compared to \$11,150,275 for the half-year ended on 31 December 2021. The net unrealised gain on portfolio mark-to-market movements was \$15,613,178 compared to a \$9,883,921 net unrealised loss for the half-year ended 31 December 2021.

The Company has continued payment of quarterly dividends to its ordinary shareholders. Dividends declared during the period totalled \$3,622,684 (31 December 2021: \$3,923,049). September 2022 quarter dividend included a special dividend of 1.28 cents fully franked amounting to \$1,797,627.

As at 31 December 2022 the Company has Net Tangible Assets (NTA) of \$0.86 per share (pre-tax and cum-dividend) (30 June 2022: \$0.78) and \$0.87 per share (post-tax and cum-dividend) (30 June 2022: \$0.80).

## Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company during the financial period.

## After balance date events

On 25 January 2023, a fully franked dividend for the quarter ended 31 December 2022 of 1.30 cents per share was paid on ordinary shares which had been recorded as a dividend payable at balance date.

On the 14 February 2023, the Company confirmed its current on-market buyback (within the 10/12 limit) ends at close of trading on the 14 February 2023 and that it intends to commence a new on-market buyback program starting on 1 March 2023.

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 2022 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/Directors' Reports) Instrument 2016/191*, the amounts in the directors' report have been rounded to the nearest dollar, unless otherwise stated.

## Auditors' 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.

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, 23 February 2023





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**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 2022, 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)*.

**S M Whiddett**  
Partner

**Pitcher Partners**  
Sydney

23 February 2023

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 2022

		Half-year ended	
	Note	31 December 2022 \$	31 December 2021 \$
<b>Investment income</b>			
Investment revenue	3	4,446,404	3,241,781
Net realised (loss)/gain on disposal of financial assets at fair value through profit or loss		(381,033)	7,908,494
Net unrealised gain/(loss) on financial assets at fair value through profit or loss		15,613,178	(9,883,921)
Gain on cancellation of convertible notes bought back		11,756	-
<b>Total investment income</b>		<b>19,690,305</b>	<b>1,266,354</b>
<b>Expenses</b>			
Management fees		(800,827)	(824,333)
Performance fees		(1,549,940)	-
Brokerage costs		(160,234)	(163,143)
Accounting fees		(24,969)	(18,723)
Custody fees		(10,310)	(13,634)
ASX fees		(25,595)	(26,228)
Share registry fees		(51,107)	(61,127)
Directors and company secretarial fees		(93,482)	(92,000)
Legal and professional fees		-	(16,830)
Other administrative expenses		(105,034)	(120,720)
<b>Total expenses before finance costs</b>		<b>(2,821,498)</b>	<b>(1,336,738)</b>
Finance costs	7	(1,067,590)	(875,623)
<b>Profit/(Loss) for the half-year before income tax expense</b>		<b>15,801,217</b>	<b>(946,007)</b>
Income tax (expense)/benefit		(3,483,183)	962,709
<b>Profit for the half-year</b>		<b>12,318,034</b>	<b>16,702</b>
Other comprehensive income for the half-year		-	-
<b>Total comprehensive income for the half-year</b>		<b>12,318,034</b>	<b>16,702</b>
<b>Basic earnings per share</b>	6	<b>8.77 cps</b>	<b>0.01 cps</b>
<b>Diluted earnings per share</b>	6	<b>7.64 cps</b>	<b>0.01 cps</b>

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 2022

		As at	
	Note	31 December 2022 \$	30 June 2022 \$
<b>Assets</b>			
Cash and cash equivalents		2,367,305	8,362,862
Trade and other receivables		253,206	899,285
Financial assets at fair value through profit or loss	2	157,034,663	135,857,818
Current tax benefit		3,850,239	2,735,963
Prepayments		71,481	92,029
Net deferred tax assets		505,885	4,981,648
<b>Total assets</b>		<b>164,082,779</b>	<b>152,929,605</b>
<b>Liabilities</b>			
Trade and other payables		2,944,078	176,063
Dividends payable	5	1,825,057	1,794,917
Convertible notes	7	35,303,337	35,770,969
<b>Total liabilities</b>		<b>40,072,472</b>	<b>37,741,949</b>
<b>Net assets</b>		<b>124,010,307</b>	<b>115,187,656</b>
<b>Equity</b>			
Issued capital	4	125,189,613	125,062,312
Option premium on convertible notes	7	161,310	161,310
Accumulated losses		(40,466,812)	(38,182,846)
Profit reserve		39,126,196	28,146,880
<b>Total equity</b>		<b>124,010,307</b>	<b>115,187,656</b>

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 2022

	Note	Issued Capital	Accumulated Losses	Profit Reserve	Option Premium on Convertible Notes	Total
		\$	\$	\$	\$	\$
<b>Balance at 1 July 2021</b>		<b>119,394,527</b>	<b>(24,185,919)</b>	<b>33,260,455</b>	<b>227,904</b>	<b>128,696,967</b>
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>		<b>-</b>	<b>16,702</b>	<b>-</b>	<b>-</b>	<b>16,702</b>
<b>Transactions with owners in their capacity as owners</b>						
Issue of ordinary shares		544,457	-	-	-	544,457
Shares acquired under buy-back		(304,448)	-	-	-	(304,448)
Transfer of option premium on matured convertible notes		-	227,904	-	(227,904)	-
Convertible notes issued		-	-	-	231,010	231,010
Deferred tax on issue of convertible notes		-	-	-	(69,303)	(69,303)
Conversion of convertible notes into ordinary shares		5,548,913	-	-	-	5,548,913
Transaction costs on shares acquired under on-market buy-back		(123)	-	-	-	(123)
Income tax on transaction costs		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
<b>Balance at 31 December 2021</b>		<b>125,183,363</b>	<b>(26,341,313)</b>	<b>31,737,406</b>	<b>161,707</b>	<b>130,741,163</b>
<b>Balance at 1 July 2022</b>		<b>125,062,312</b>	<b>(38,182,846)</b>	<b>28,146,880</b>	<b>161,310</b>	<b>115,187,656</b>
Profit for the half-year		-	12,318,034	-	-	12,318,034
Other comprehensive income for the half-year		-	-	-	-	-
<b>Total comprehensive income for the half-year</b>		<b>-</b>	<b>12,318,034</b>	<b>-</b>	<b>-</b>	<b>12,318,034</b>
<b>Transactions with owners in their capacity as owners</b>						
Issue of ordinary shares	4	489,925	-	-	-	489,925
Shares acquired under buy-back	4	(362,021)	-	-	-	(362,021)
Transfer of option premium on matured convertible notes	7	-	-	-	-	-
Convertible notes issued	7	-	-	-	-	-
Deferred tax on issue of convertible notes	7	-	-	-	-	-
Conversion of convertible notes into ordinary shares	7	-	-	-	-	-
Transaction costs on shares acquired under on-market buy-back	4	(861)	-	-	-	(861)
Income tax on transaction costs	4	258	-	-	-	258
Dividends provided for or paid		-	-	(3,622,684)	-	(3,622,684)
		127,301	-	(3,622,684)	-	(3,495,383)
Transfer to profit reserve		-	(14,602,000)	14,602,000	-	-
		<b>127,301</b>	<b>(14,602,000)</b>	<b>10,979,316</b>	<b>-</b>	<b>(3,495,383)</b>
<b>Balance at 31 December 2022</b>		<b>125,189,613</b>	<b>(40,466,812)</b>	<b>39,126,196</b>	<b>161,310</b>	<b>124,010,307</b>

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 2022

	<b>Half-year ended</b>	
	<b>31 December 2022 \$</b>	<b>31 December 2021 \$</b>
<b>Cash flows from operating activities</b>		
Proceeds from sale of financial assets	24,632,981	47,933,055
Payments for purchase of financial assets	(29,386,555)	(51,280,709)
	(4,753,574)	(3,347,654)
Dividends and trust distributions received	5,122,332	3,469,583
Interest received	14,117	4,334
Other income received	-	56,484
Payments for administrative and other expenses	(482,865)	(506,223)
Investment manager's fees paid	(785,162)	(812,799)
Performance fee paid	-	(1,110,756)
Income tax paid	(121,438)	(782,632)
<b>Net cash outflow from operating activities</b>	<b>(1,006,590)</b>	<b>(3,029,663)</b>
<b>Cash flows from financing activities</b>		
Dividends paid	(3,102,619)	(3,259,761)
Gross proceeds from issue of convertible notes	-	15,568,847
Payments for share buy-back including transaction costs	(362,882)	(304,571)
Payments for buy-back of convertible notes including transaction costs	(562,911)	-
Payments for convertible notes redeemed	-	(1,190,200)
Finance costs paid on convertible notes	(960,555)	( 789,053)
<b>Net cash (outflow)/inflow from financing activities</b>	<b>(4,988,967)</b>	<b>10,025,262</b>
<b>Net (decrease)/increase in cash held</b>	<b>(5,995,557)</b>	<b>6,995,599</b>
Cash and cash equivalents at beginning of the financial half-year	8,362,862	6,615,753
<b>Cash and cash equivalents at end of the financial half-year</b>	<b>2,367,305</b>	<b>13,611,352</b>
<b>Non-cash financing activities</b>		
Dividends reinvested under DRP	489,925	544,457
Conversion of convertible notes into ordinary shares	-	5,548,913

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

## NOTE 1

### (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*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 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 2022 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 2022. 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 2021. For the Statement of Financial Position, the previous corresponding period is 30 June 2022.

The interim financial report was authorised for issue on 23 February 2023.

#### **New or amended Accounting Standards and Interpretations adopted**

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### (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 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.

## 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 annual report. 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 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 and reference to the current fair value of a substantially similar other instrument. Refer to Note 2(f) for further details.

**NOTE 2****Fair Value Measurement (continued)****(c) Recognised fair value measurements**

The table below presents the Company's financial assets and liabilities measured and recognised at fair value as at 31 December 2022.

<b>At 31 December 2022</b>	<b>Level 1 \$</b>	<b>Level 2 \$</b>	<b>Level 3 \$</b>	<b>Total \$</b>
<b>Financial assets at fair value through profit or loss</b>				
Listed equities - domestic	141,312,418	-	-	141,312,418
Unlisted unit trusts	-	-	15,722,245	15,722,245
<b>Total financial assets at fair value through profit or loss</b>	<b>141,312,418</b>	<b>-</b>	<b>15,722,245</b>	<b>157,034,663</b>
<b>At 30 June 2022</b>				
<b>Financial assets at fair value through profit or loss</b>				
Listed equities - domestic	120,489,661	-	-	120,489,661
Unlisted unit trusts	-	-	15,368,157	15,368,157
<b>Total financial assets at fair value through profit or loss</b>	<b>120,489,661</b>	<b>-</b>	<b>15,368,157</b>	<b>135,857,818</b>

**(d) 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.

There were no transfers between levels in the fair value hierarchy at the end of the reporting period (30 June 2022: nil).

**NOTE 2****Fair Value Measurement (continued)****(e) Reconciliation of recurring Level 3 fair value movements**

	<b>Level 3 Unlisted unit trusts \$</b>
<b>Opening balance - 1 July 2022</b>	15,368,157
Total gains recognised in profit or loss	354,088
<b>Closing balance - 31 December 2022</b>	<b>15,722,245</b>

\$354,088 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.

**(f) 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
<b>As at 31 December 2022</b>		Reported net asset value by investment manager	N/A	Direct
Unlisted unit trusts	15,722,245			
<b>As at 30 June 2022</b>		Reported net asset value by investment manager	N/A	Direct
Unlisted unit trusts	15,368,157			



**NOTE 2****Fair Value Measurement (continued)****(g) Valuation processes used for Level 3 fair value measurements**

The Company's unlisted unit trust 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.

	<b>Price Risk Impact on profit or loss/equity</b>	
	-10%	+10%
	(15,703,466)	15,703,466
<b>31 December 2022</b>		

**(h) 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.

Fair value of the convertible notes as at 31 December 2022 amounting to \$35,307,316 (30 June 2022: \$35,397,810) was determined by reference to published price quotation \$0.983 (30 June 2022: \$0.970) on convertible note ticker ASX:CAMG as at 31 December 2022.

**NOTE 3****Investment Revenue**

	<b>Half-year ended</b>	
	<b>31 December 2022 \$</b>	<b>31 December 2021 \$</b>
Dividends and trust distributions	4,432,287	3,180,963
Interest	14,117	4,334
Other income	-	56,484
<b>Total</b>	<b>4,446,404</b>	<b>3,241,781</b>

**NOTE 4****Issued Capital**

	<b>As at</b>	
	<b>31 December 2022 \$</b>	<b>30 June 2022 \$</b>
Issued and paid-up capital		
140,389,019 (30 June 2022: 140,227,903) ordinary fully paid shares	125,189,613	125,062,312

**NOTE 4****Issued Capital (continued)****(a) Movements in ordinary share capital**

	<b>31 December 2022 Number of shares</b>	<b>30 June 2022 Number of shares</b>	<b>31 December 2022 \$</b>	<b>30 June 2022 \$</b>
Balance at beginning of the period	140,227,903	134,210,421	125,062,312	119,394,527
Shares acquired under on-market buy-back	(442,631)	(1,049,753)	(362,021)	(922,068)
Conversion of convertible notes into ordinary shares	-	5,924,693	-	5,548,913
Transaction costs on shares acquired under buy-back	-	-	(861)	(523)
Income tax on transactions costs	-	-	258	157
Dividend reinvestment plan	603,747	1,142,542	489,925	1,041,306
Balance at the end of the period	<b>140,389,019</b>	<b>140,227,903</b>	<b>125,189,613</b>	<b>125,062,312</b>

**Conversion of Convertible Notes into Equity**

During the six months ended 31 December 2022, no convertible notes were converted to equity shares (30 June 2022: 5,780,118 at \$1.00 face value in ratio of 1.025 ordinary shares for every convertible note).

**On-market share buy-back**

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 14,043,193 fully paid ordinary shares. During the half-year ended 31 December 2022, 442,631 ordinary shares were bought back and cancelled.

During the half-year ended 31 December 2022, Clime Capital Limited, in accordance with its on-market share buy-back scheme, bought back 442,631 (30 June 2022: 1,049,753) 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 Director from time to time in accordance with the *Corporations Act 2001* and the ASX Listing Rules. During the half-year ended 31 December 2022, 603,747 (30 June 2022: 1,142,542) shares were issued under the 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 2022 financial year of 1.28 cents per share was paid on 28 July 2022 (2021: 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)

A fully franked dividend on ordinary shares for the quarter ended 30 September 2022 of 1.28 cents per share was paid on 27 October 2022 (2021: 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)

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

A fully franked dividend for the quarter ended 31 December 2022 of 1.30 cents per share was payable on ordinary shares as at 31 December 2022 (30 June 2022: A fully franked dividend in respect of the 2022 year of 1.28 cents per share was payable on ordinary shares as at 30 June 2022)

**(c) Dividend franking account**

Franking credits balance based on a tax rate of 30%

Impact on franking account balance of dividends payable, paid on 25 January 2023 (2021: 28 January 2022)

Half-year ended	
31 December 2022 \$	31 December 2021 \$
1,794,917	1,678,130
1,797,627	2,126,088
<b>3,592,544</b>	<b>3,804,218</b>
As at	
31 December 2022 \$	30 June 2022 \$
1,825,057	1,794,917
<b>1,825,057</b>	<b>1,794,917</b>
31 December 2022 \$	31 December 2021 \$
3,121,515	1,134,799
(782,167)	(770,126)
<b>2,339,348</b>	<b>364,673</b>

## NOTE 6

## Earnings Per Share

		Half-year ended	
		31 December 2022 \$	31 December 2021 \$
<b>Basic earnings per share</b>		<b>8.77 cps</b>	<b>0.01 cps</b>
<b>Diluted earnings per share</b>		<b>7.64 cps</b>	<b>0.01 cps</b>
Reconciliation of earnings used in calculating basic and diluted earnings per share:			
<i>Basic earnings per share</i>			
Profit for the half-year	\$	12,318,034	16,702
Earnings used in calculating basic earnings per share	\$	12,318,034	16,702
Weighted average number of ordinary shares used in the calculation of basic earnings per share	Nos	140,442,034	137,319,952
<i>Diluted earnings per share</i>			
Earnings used in calculating basic earnings per share	\$	12,318,034	16,702
Add: interest expense on convertible notes (net of tax)	\$	747,313	612,936
Earnings used in calculating diluted earnings per share	\$	13,065,347	629,638
Weighted average number of ordinary shares used in the calculation of basic earnings per share	Nos	140,442,034	137,319,952
Adjustments for calculation of diluted earnings per share:			
• Convertible notes	Nos	30,540,690	28,235,476
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	Nos	170,982,724	165,555,428

**NOTE 7****Convertible Notes***Notes issued under Entitlement Offer and Placement*

On 10 June 2022, the Company announced its intention to buyback a maximum of 5,000,000 convertible notes starting 10 June 2022 and ending on 9 June 2023. Accordingly, the Company has bought back a total of 574,667 Notes with a face value \$1.00 per Note as of 31 December 2022.

Following the respective conversions, redemptions, consolidation, the Note issue pursuant to the Note Prospectus and the Note buybacks, the Company has on issue a total of 35,917,921 Notes, each with a face value of \$1.00 as of 31 December 2022, with a term expiring on 30 November 2025.

In accordance with the approved amendments to the Note terms and Note Prospectus, the quarterly interest rate applicable on all Notes on and from 1 December 2021 is 5.25% p.a.

Noteholders have the right to convert some or all of their notes to shares at any time before the maturity date upon which it will be redeemed.

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:

	<b>As at</b>	
	<b>31 December 2022 \$</b>	<b>30 June 2022 \$</b>
Proceeds from issue of convertible notes (net of raising costs)	35,704,715	35,704,715
Liability component at the date of issue	(35,474,272)	(35,474,272)
Equity component at the date of issue	230,443	230,443
Deferred tax on issue of convertible notes	(69,133)	(69,133)
<b>Equity component at the end of the period</b>	<b>161,310</b>	<b>161,310</b>
Classification of liability component as at the end of the period:		
• Current	160,155	157,468
• Non-current	35,143,182	35,613,501
	<b>35,303,337</b>	<b>35,770,969</b>
	<b>Half-year ended</b>	
	<b>31 December 2022 \$</b>	<b>31 December 2021 \$</b>
Liability component at the beginning of the period	35,770,969	27,211,011
Net proceeds from issue of convertible notes during the period	-	15,568,847
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	1,067,590	875,623
Finance costs paid	(960,555)	(789,053)
Convertible notes (CAMG) bought back	(574,667)	-
Conversion of convertible notes (CAMG) into ordinary shares (CAM)	-	(5,548,913)
<b>Liability component at the end of the period</b>	<b>35,303,337</b>	<b>35,896,305</b>

**NOTE 8**

## **Contingencies and Commitments**

The Company has no contingencies or commitments as at 31 December 2022 and 30 June 2022.

**NOTE 9**

## **Events Subsequent to Reporting date**

On 25 January 2023, a fully franked dividend for the quarter ended 31 December 2022 of 1.30 cents per share was paid on ordinary shares which had been recorded as a dividend payable at balance date.

On the 14 February 2023, the Company confirmed its current on-market buyback (within the 10/12 limit) ends at close of trading on the 14 February 2023 and that it intends to commence a new on-market buyback program starting on 1 March 2023.

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 2022 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 8 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 2022 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, 23 February 2023



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**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 2022, 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 2022 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 2022 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.

**S M Whiddett**  
Partner

23 February 2023

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Sydney

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