

Appendix 4D

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

Half-Year Ended 31 December 2023

(Previous corresponding period – Half-Year Ended 31 December 2022)

| | | | | |
|--|------|-----|----|--------------|
| Revenue from ordinary activities | down | 67% | to | \$ 6,472,259 |
| Profit from ordinary activities before tax attributable to members | down | 74% | to | \$ 4,053,602 |
| Profit from ordinary activities after tax attributable to members | down | 70% | to | \$ 3,668,581 |

| Dividends per share - Fully Paid Ordinary Shares | Amount per security | Franked amount per security |
|--|---------------------|-----------------------------|
| Quarterly dividend - April to June 2023 (paid) | 1.34 cents | 1.34 cents |
| Quarterly dividend - July to September 2023 (paid) | 1.35 cents | 1.35 cents |
| Quarterly dividend - October to December 2023 (paid on 25 January 2024) | 1.35 cents | 1.35 cents |
| Quarterly dividend - January 2024 to March 2024 (payable on 24 April 2024) | 1.35* cents | 1.35* cents |

*Record date for determining entitlements to March quarter dividend is 5 April 2024.

Explanation of Revenue

Investment income for the half-year decreased to \$6,472,259 (HY23: \$19,678,549). This decrease was primarily due to lower unrealised gain on the portfolio recognised during the half-year \$4,926,147 (HY23: \$15,613,178) due to unfavorable 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 \$1,634,249 (HY23: \$381,033).

Dividends, trust distributions, and interest income decreased by 28% to \$3,180,361 from \$4,446,404 in HY23.

Explanation of Net Profit to members

Profit after tax attributable to members was \$3,668,581 (HY23: \$12,318,034). This result was primarily due to lower dividend and trust distributions received, and lower net unrealised gains during the current half-year.

Total operating expenses during the half-year decreased to \$1,383,754 (HY23: \$2,821,498). This was mainly due to performance fees of \$1,549,940 paid during HY23 and no performance fee paid during HY24.

Dividends

Details of dividends paid in relation to the half-year ended 31 December 2023 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 2023 | 28 July 2023 | Final | 1.34 cents | \$1,876,505 | 1.34 cents | - |
| 6 October 2023 | 26 October 2023 | Quarterly | 1.35 cents | \$1,967,002 | 1.35 cents | - |
| | | Total | 2.69 cents | \$3,843,507 | 2.69 cents | - |
| Grossed-up dividend yield including franking | | | | | 3.84 cents | |

Dividend/Distribution Reinvestment Plans

The Company operates a dividend reinvestment plan, which has been applied to 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 2023 \$ | December 2022 \$ |
|--|---------------------------------|---------------------------------|
| Net tangible asset backing per ordinary share – pre-tax | \$0.835 | \$0.860 |
| Net tangible asset backing per ordinary share – post-tax | \$0.835 | \$0.870 |

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.



climecapital

Clime Capital Limited

Interim Financial Statements
For the half-year ended
31 December 2023

Clime Capital Limited

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Interim Financial Statements

For the half-year ended
31 December 2023

| Contents | Page No. |
|--|----------|
| Directors' Report | 5 |
| Auditor's Independence Declaration | 7 |
| Statement of Profit or Loss and Other Comprehensive Income | 8 |
| Statement of Financial Position | 9 |
| Statement of Changes in Equity | 10 |
| Statement of Cash Flows | 11 |
| Notes to the Financial Statements | 12 |
| Directors' Declaration | 23 |
| Independent Auditor's Review Report to the Shareholders | 24 |

Directors' Report

Your Directors present their report on Clime Capital Limited ("the Company" or "CAM") for the half-year ended 31 December 2023.

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 (resigned on 24 November 2023)

Mr. Ronni Chalmers
Non-Independent Director

Mr. Marc Schwartz
Independent Director

Ms. Diana D'Ambra
Independent Director

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 \$3,668,581 for the half-year ended 31 December 2023 compared to an after tax profit of \$12,318,034 for the half-year ended 31 December 2022. This result was primarily due to a decrease in investment revenue.

Investment revenue amounted to \$6,472,259 compared to \$19,678,549 in the corresponding comparable period. This included \$4,926,147 unrealised gain on the investments (31 December 2022: \$15,613,178), offset by a realised loss on investments of \$1,634,249 (31 December 2022: \$381,033) and dividend revenue of \$3,180,361 (31 December 2022: \$4,446,404).

The Company has continued payment of quarterly dividends to its ordinary shareholders. Dividends declared during the period totalled \$3,934,782 (31 December 2022: \$3,622,684).

As at 31 December 2023, the Company has Net Tangible Assets (NTA) of \$0.84 per share (pre-tax and cum-dividend) (30 June 2023: \$0.86) and \$0.84 per share (post-tax and cum-dividend) (30 June 2023: \$0.85).

Significant changes in the state of affairs

On 4 October 2023, the Company announced the successful completion of its share purchase plan (SPP) that raised \$4.5 million from eligible shareholders at an issue price of \$0.81 per share.

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

Events subsequent to reporting date

On 25 January 2024, a fully franked dividend for the quarter ended 31 December 2023 of 1.35 cents per share was paid on ordinary shares which had been recorded as a dividend payable at reporting date.

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 2023 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.

Auditor's independence declaration

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

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, 27 February 2024



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

In relation to the independent auditor's review of Clime Capital Limited for the half year ended 31 December 2023, 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)*.

A handwritten signature in black ink, appearing to read 'S M Whiddett'.

S M Whiddett
Partner

Pitcher Partners
Sydney

27 February 2024

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 2023

| | | Half-year ended | |
|--|------|------------------------|------------------------|
| | Note | 31 December 2023 \$ | 31 December 2022 \$ |
| Investment income | | | |
| Investment revenue | 3 | 3,180,361 | 4,446,404 |
| Net realised loss on disposal of financial assets at fair value through profit or loss | | (1,634,249) | (381,033) |
| Net unrealised gain on financial assets at fair value through profit or loss | | 4,926,147 | 15,613,178 |
| Net investment income | | 6,472,259 | 19,678,549 |
| Expenses | | | |
| Management fees | | (793,445) | (800,827) |
| Performance fees | | - | (1,549,940) |
| Brokerage costs | | (199,457) | (160,234) |
| Accounting fees | | (26,098) | (24,969) |
| Custody fees | | (10,465) | (10,310) |
| ASX fees | | (26,976) | (25,595) |
| Share registry fees | | (87,441) | (51,107) |
| Directors and company secretarial fees | | (109,028) | (93,482) |
| Legal and professional fees | | (16,085) | - |
| Other administrative expenses | | (114,759) | (105,034) |
| Total expenses before finance costs | | (1,383,754) | (2,821,498) |
| Finance costs | 7 | (1,034,903) | (1,055,834) |
| Profit for the half-year before income tax expense | | 4,053,602 | 15,801,217 |
| Income tax expense | | (385,021) | (3,483,183) |
| Profit for the half-year | | 3,668,581 | 12,318,034 |
| Other comprehensive income for the half-year | | - | - |
| Total comprehensive income for the half-year | | 3,668,581 | 12,318,034 |
| Basic earnings per share | 6 | 2.57 cps | 8.77 cps |
| Diluted earnings per share | 6 | 2.52 cps | 7.64 cps |

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying Notes to the financial statements.

INTERIM FINANCIAL STATEMENTS | Statement of Financial Position

As at 31 December 2023

| | | As at | |
|---|------|------------------------|--------------------|
| | Note | 31 December 2023 \$ | 30 June 2023 \$ |
| Assets | | | |
| Cash and cash equivalents | | 7,371,727 | 17,691,999 |
| Trade and other receivables | | 326,320 | 1,167,429 |
| Financial assets at fair value through profit or loss | 2 | 149,253,472 | 140,724,092 |
| Current tax benefit | | 1,807,502 | - |
| Prepayments | | 79,990 | 102,080 |
| Net deferred tax assets | | 3,057,954 | 4,248,921 |
| Total assets | | 161,896,965 | 163,934,521 |
| Liabilities | | | |
| Trade and other payables | | 190,766 | 4,808,588 |
| Dividends payable | 5 | 1,967,780 | 1,876,505 |
| Current tax liability | | - | 1,403,978 |
| Convertible notes | 7 | 34,454,096 | 34,939,523 |
| Total liabilities | | 36,612,642 | 43,028,594 |
| Net assets | | 125,284,323 | 120,905,927 |
| Equity | | | |
| Issued capital | 4 | 129,546,024 | 124,901,427 |
| Option premium on convertible notes | 7 | 161,310 | 161,310 |
| Accumulated losses | | (41,992,047) | (42,032,628) |
| Profit reserve | | 37,569,036 | 37,875,818 |
| Total equity | | 125,284,323 | 120,905,927 |

The above Statement of Financial Position should be read in conjunction with the accompanying Notes to the financial statements.

INTERIM FINANCIAL STATEMENTS | Statement of Changes in Equity

For the half-year ended 31 December 2023

| | Note | Issued Capital | Accumulated Losses | Profit Reserve | Option Premium on Convertible Notes | Total Equity |
|---|------|--------------------|---------------------|--------------------|-------------------------------------|--------------------|
| | | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 July 2022 | | 125,062,312 | (38,182,846) | 28,146,880 | 161,310 | 115,187,656 |
| Profit for the half-year | | - | 12,318,034 | - | - | 12,318,034 |
| Other comprehensive income for the half-year | | - | - | - | - | - |
| Total comprehensive income for the half-year | | - | 12,318,034 | - | - | 12,318,034 |
| Transactions with owners in their capacity as owners | | | | | | |
| Issue of ordinary shares under dividend reinvestment plan | 4 | 489,925 | - | - | - | 489,925 |
| Shares acquired under buy-back | 4 | (362,021) | - | - | - | (362,021) |
| 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 | - | - |
| Balance at 31 December 2022 | | 125,189,613 | (40,466,812) | 39,126,196 | 161,310 | 124,010,307 |
| Balance at 1 July 2023 | | 124,901,427 | (42,032,628) | 37,875,818 | 161,310 | 120,905,927 |
| Profit for the half-year | | - | 3,668,581 | - | - | 3,668,581 |
| Other comprehensive income for the half-year | | - | - | - | - | - |
| Total comprehensive income for the half-year | | - | 3,668,581 | - | - | 3,668,581 |
| Transactions with owners in their capacity as owners | | | | | | |
| Issue of ordinary shares | 4 | 4,547,940 | - | - | - | 4,547,940 |
| Issue of ordinary shares under dividend reinvestment plan | | 506,280 | - | - | - | 506,280 |
| Shares acquired under buy-back | 4 | (405,993) | - | - | - | (405,993) |
| Transaction costs on shares acquired under on-market buy-back | 4 | (5,186) | - | - | - | (5,186) |
| Income tax on transaction costs | 4 | 1,556 | - | - | - | 1,556 |
| Dividends provided for or paid | | - | - | (3,934,782) | - | (3,934,782) |
| | | 4,644,597 | - | (3,934,782) | - | 709,815 |
| Transfer to profit reserve | | - | (3,628,000) | 3,628,000 | - | - |
| Balance at 31 December 2023 | | 129,546,024 | (41,992,047) | 37,569,036 | 161,310 | 125,284,323 |

The above Statement of Changes in Equity should be read in conjunction with the accompanying Notes to the financial statements.

INTERIM FINANCIAL STATEMENTS | Statement of Cash Flows

For the half-year ended 31 December 2023

| | Half-year ended | |
|--|-----------------------------|-----------------------------|
| | 31 December 2023 | 31 December 2022 |
| | \$ | \$ |
| Cash flows from operating activities | | |
| Proceeds from sale of financial assets | 38,743,478 | 24,632,981 |
| Payments for purchase of financial assets | (48,215,651) | (29,386,555) |
| | (9,472,173) | (4,753,574) |
| Dividends and trust distributions received | 3,991,800 | 5,122,332 |
| Interest received | 94,434 | 14,117 |
| Payments for administrative and other expenses | (645,004) | (482,865) |
| Investment manager's fees paid | (787,684) | (785,162) |
| Performance fee paid | (376,871) | - |
| Income tax paid | (2,403,978) | (121,438) |
| Net cash outflow from operating activities | (9,599,476) | (1,006,590) |
| Cash flows from financing activities | | |
| Dividends paid net of dividend reinvestment | (3,337,227) | (3,102,619) |
| Proceeds from issue of ordinary shares under Share Purchase Plan (SPP) | 4,547,940 | - |
| Payments for share buy-back including transaction costs | (411,179) | (362,882) |
| Payments for buy-back of convertible notes including transaction costs | (575,643) | (562,911) |
| Finance costs paid on convertible notes | (944,687) | (960,555) |
| Net cash outflow from financing activities | (720,796) | (4,988,967) |
| Net decrease in cash held | (10,320,272) | (5,995,557) |
| Cash and cash equivalents at beginning of the financial half-year | 17,691,999 | 8,362,862 |
| Cash and cash equivalents at end of the financial half-year | 7,371,727 | 2,367,305 |
| Non-cash financing activities | | |
| Dividends reinvested under DRP | 506,280 | 489,925 |

The above Statement of Cash Flows should be read in conjunction with the accompanying Notes to the financial statements.

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 2023 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 2023. 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 2022. For the Statement of Financial Position, the previous corresponding period is 30 June 2023.

The interim financial report was authorised for issue on 27 February 2024.

New or amended Accounting Standards and Interpretations effective during the period

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 2023.

(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 *Fair Value Measurement* 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 2023.

| At 31 December 2023 | Level 1 \$ | Level 2 \$ | Level 3 \$ | Total \$ |
|--|-----------------------|-----------------------|-----------------------|---------------------|
| Financial assets at fair value through profit or loss | | | | |
| Listed equities - domestic | 136,361,297 | - | - | 136,361,297 |
| Unlisted unit trusts | - | - | 12,892,175 | 12,892,175 |
| Total financial assets at fair value through profit or loss | 136,361,297 | - | 12,892,175 | 149,253,472 |
| At 30 June 2023 | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Listed equities - domestic | 125,214,676 | - | - | 125,214,676 |
| Unlisted unit trusts | - | - | 15,509,416 | 15,509,416 |
| Total financial assets at fair value through profit or loss | 125,214,676 | - | 15,509,416 | 140,724,092 |

(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 2023: nil).

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

| | Level 3 Unlisted unit trusts \$ |
|---|--|
| Opening balance - 1 July 2023 | 15,509,416 |
| Sales | (687,500) |
| Total losses recognised in profit or loss | (1,929,741) |
| Closing balance - 31 December 2023 | 12,892,175 |

\$1,929,741 of the total losses 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 |
|-------------------------------|------------------|--|--|--|
| As at 31 December 2023 | | Reported net asset value by the respective investment managers of the underlying unlisted unit trusts | N/A | Direct |
| Unlisted unit trusts | 12,892,175 | | | |
| As at 30 June 2023 | | Reported net asset value by the respective investment managers of the underlying unlisted unit trusts | N/A | Direct |
| Unlisted unit trusts | 15,509,416 | | | |

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.

| | Price Risk Impact on profit or loss/equity | |
|-------------------------|---|------------|
| | -10% | +10% |
| 31 December 2023 | (14,925,347) | 14,925,347 |
| 30 June 2023 | (14,072,409) | 14,072,409 |

(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 2023 amounting to \$33,966,409 (30 June 2023: \$34,420,739) was determined by reference to published price quotation \$0.974 (30 June 2023: \$0.971) on convertible note ticker ASX:CAMG as at 31 December 2023.

NOTE 3**Investment Revenue**

| | Half-year ended | |
|-----------------------------------|------------------------------------|------------------------------------|
| | 31 December 2023 \$ | 31 December 2022 \$ |
| Dividends and trust distributions | 3,085,927 | 4,432,287 |
| Interest | 94,434 | 14,117 |
| Total | 3,180,361 | 4,446,404 |

NOTE 4

Issued Capital

Share Purchase Plan (SPP)

On 4 October 2023, the Company announced the successful completion of its share purchase plan (SPP) that raised \$4.5 million from eligible shareholders at an issue price of \$0.81 per share.

Conversion of Convertible Notes into Equity

During the half-year ended 31 December 2023, none were converted to equity share (30 June 2023: nil).

On-market share buy-back

During the half-year ended 31 December 2023, Clime Capital Limited, in accordance with its on-market share buy-back scheme, bought back 508,864 (30 June 2023: 1,377,814) 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 2023, 621,357 (30 June 2023: 1,187,606) shares were issued under plan at a one percent discount.

NOTE 5**Dividends****(a) Paid in the current period**

A fully franked final dividend on ordinary shares in respect of the 2023 financial year of 1.34 cents per share was paid on 28 July 2023 (2022: 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)

A fully franked dividend on ordinary shares for the quarter ended 30 September 2023 of 1.35 cents per share was paid on 26 October 2023 (2022: 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)

| Half-year ended | |
|---------------------|---------------------|
| 31 December 2023 | 31 December 2022 |
| \$ | \$ |
| 1,876,505 | 1,794,917 |
| 1,967,002 | 1,797,627 |
| 3,843,507 | 3,592,544 |

(b) Provided for in the current period

A fully franked dividend for the quarter ended 31 December 2023 of 1.35 cents per share was payable on ordinary shares as at 31 December 2023 (30 June 2023: A fully franked dividend in respect of the 2023 year of 1.34 cents per share was payable on ordinary shares as at 30 June 2023)

| As at | |
|---------------------|------------------|
| 31 December 2023 | 30 June 2023 |
| \$ | \$ |
| 1,967,780 | 1,876,505 |
| 1,967,780 | 1,876,505 |

(c) Dividend franking account

Franking credits balance based on a tax rate of 30%
Impact on franking account balance of dividends paid on 25 January 2024 (2022: 25 January 2023)

| Half-year ended | |
|---------------------|---------------------|
| 31 December 2023 | 31 December 2022 |
| \$ | \$ |
| 2,369,346 | 3,121,515 |
| (843,334) | (782,167) |
| 1,526,012 | 2,339,348 |

NOTE 6

Earnings Per Share

| | | Half-year ended | |
|--|-----|---------------------------|---------------------------|
| | | 31 December 2023 \$ | 31 December 2022 \$ |
| Basic earnings per share | | 2.57 cps | 8.77 cps |
| Diluted earnings per share | | 2.52 cps | 7.64 cps |
| Reconciliation of earnings used in calculating basic and diluted earnings per share: | | | |
| <i>Basic earnings per share</i> | | | |
| Profit for the half-year | \$ | 3,668,581 | 12,318,034 |
| Earnings used in calculating basic earnings per share | \$ | 3,668,581 | 12,318,034 |
| Weighted average number of ordinary shares used in the calculation of basic earnings per share | Nos | 142,820,174 | 140,442,034 |
| <i>Diluted earnings per share</i> | | | |
| Earnings used in calculating basic earnings per share | \$ | 3,668,581 | 12,318,034 |
| Add: interest expense on convertible notes (net of tax) | \$ | 724,432 | 747,313 |
| Earnings used in calculating diluted earnings per share | \$ | 4,393,013 | 13,065,347 |
| Weighted average number of ordinary shares used in the calculation of basic earnings per share | Nos | 142,820,174 | 140,442,034 |
| Adjustments for calculation of diluted earnings per share: | | | |
| • Convertible notes | Nos | 31,656,381 | 30,540,690 |
| Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share | Nos | 174,476,555 | 170,982,724 |

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

The Company has on issue a total of 34,873,110 Notes, each with a face value of \$1.00 as of 31 December 2023, with a term expiring on 30 November 2025.

In accordance with 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.

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

| | As at | |
|--|------------------------------------|------------------------------------|
| | 31 December 2023 \$ | 30 June 2023 \$ |
| 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) |
| Equity component at the end of the period | 161,310 | 161,310 |
| | | |
| | Half-year ended | |
| | 31 December 2023 \$ | 31 December 2022 \$ |
| Liability component at the beginning of the period | 34,939,523 | 35,770,969 |
| Interest expense for the period calculated at effective interest rates | 1,034,903 | 1,055,834 |
| Finance costs paid | (944,687) | (960,555) |
| Convertible notes (CAMG) bought back | (575,643) | (562,911) |
| Liability component at the end of the period | 34,454,096 | 35,303,337 |

NOTE 8**Related Party Transactions**

All transactions with related entities were made on normal commercial terms and conditions no more favourable than transactions with other parties unless otherwise stated.

(a) Management, performance and other fees

Management, performance and other fees paid to companies related to the Directors were as follows:

| | Half-year ended | |
|--|---------------------------|---------------------------|
| | 31 December 2023 \$ | 31 December 2022 \$ |
| Clime Asset Management Pty Limited - Note (c)(i) | 793,445 | 2,350,767 |
| Clime Investment Management Ltd - Note (c)(ii) | 77,364 | 69,050 |
| Total | 870,809 | 2,419,817 |

As at 31 December 2023, \$136,656 (30 June 2023: \$507,766) of the Company's management fees and performance fees remain unpaid and is included with in Trade and Other Payables.

(b) Dividends

All dividends paid and payable by the Company to Directors and Director related entities are on the same basis as to other shareholders.

(c) Nature of Relationships**(i) Clime Asset Management Pty Limited**

Mr. John Abernethy and Mr. Ronni Chalmers are Directors of the Investment Manager, Clime Asset Management Pty Limited (a wholly owned subsidiary of ASX listed company Clime Investment Management Ltd). Clime Asset Management Pty Limited receives management and performance fee as remuneration for managing the Company's investment portfolio.

Management and performance fees paid and payable are determined by the underlying Investment Management Agreement, the terms of which entitle the Investment Manager to a management fee, calculated as a percentage of funds under management, and a performance fee, should performance targets outlined in the Investment Management Agreement be achieved.

(ii) Clime Investment Management Ltd

Mr. John Abernethy and Mr. Ronni Chalmers are Directors of Clime Investment Management Limited (CIW) and did not receive any form of remuneration from the Company. Clime Investment Management Ltd received management fees as remuneration for the employment of the Chairman, a Director and the Company Secretary as well as reimbursement for marketing fees and shared expenses.

NOTE 8

Related Party Transactions (continued)

Clime Investment Management Ltd directly owns 3.66% (30 June 2023: 3.98%) of the share capital of the Company as at 31 December 2023. Clime Investment Management Ltd, through the Investment Manager, has the indirect power to dispose 3.57% (30 June 2023: 3.66%) of the Company's shares and has the indirect power to dispose 6.54% (30 June 2023: 7.55%) of the Company's Convertible Notes held by the Investment Manager's Individually Managed Accounts (IMAs) and other managed funds.

NOTE 9

Contingencies and Commitments

The Company has no contingencies or commitments as at 31 December 2023 and 30 June 2023.

NOTE 10

Events Subsequent to Reporting date

On 25 January 2024, a fully franked dividend for the quarter ended 31 December 2023 of 1.35 cents per share was paid on ordinary shares which had been recorded as a dividend payable at reporting date.

No other significant events have occurred since the reporting date which would impact the financial position of the Company disclosed in the Statement of Financial Position as at 31 December 2023 or on the results and cash flows of the Company for the half-year ended on that date.

NOTE 11

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 12

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 2023 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
Chairman

Sydney, 27 February 2024



Pitcher Partners Sydney

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**Independent Auditor's 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 interim statement of financial position as at 31 December 2023, the interim statement of profit or loss and other comprehensive income, interim statement of changes in equity and interim statement of cash flows for the half-year ended on that date, a summary of material 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 2023 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 *Auditor's 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 Auditor's review report.

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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



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.

Auditor's 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 2023 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.

A handwritten signature in black ink, appearing to read 'S M Whiddett'.

S M Whiddett
Partner

28 February 2024

A handwritten signature in black ink, appearing to read 'Pitcher Partners'.

Pitcher Partners
Sydney

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