



14 July 2021

Company Announcements  
Australian Securities Exchange

## **CLIME CAPITAL LIMITED (CAM) UNAUDITED PROFIT RESULT**

### **“RECORD PRE TAX PROFIT \$31 MILLION FOR FY21”**

The Board of CAM is pleased to advise shareholders of the preliminary unaudited pre-tax profit for FY21.

The **forecast unaudited pre-tax result is \$31 million** and is calculated after payment of interest on convertible notes (CAMG) of \$1.9 million over FY21.

The result benefited from a strong June quarter gross portfolio return of 11.8% (pre-tax net of fees) compared to 8.3% for the S&P/ASX200 Accumulation Index.

The key drivers of the FY21 result include:

1. Dividend income received \$4.6 million;
2. Realised gains \$11.3 million; and
3. Unrealised gains \$22.0 million.

Profit reserves for CAM as at 30 June have lifted to approximately \$33 million or approximately 24 cents per ordinary share.

Following the payment of tax for FY21 and September quarter taxes, the franking balance will be around \$3 million equivalent to 5 cents per share of fully franked dividends per CAM share.

The Board also anticipates a further lift in dividends by companies in the portfolio that will add to the franking reserves forecast above.

***The Board reiterates its September quarter dividend guidance of no less than 1.265 cents per share.***

The dividend will be declared with the final audited results announcement expected in mid August.

**Clime Capital Convertible Redeemable Notes (CAMG)**

CAMG holders will have the opportunity to participate in the September Quarter dividend if they convert prior to the ex dividend date expected in early October 2021.

CAMG holders can receive both the August quarterly interest payment and the September quarter dividend if they convert in time.

The CAMG holders are entitled to convert their notes at the ratio of 1.025 shares (CAM) for 1 note (CAMG) until 30 November 2021.

Notes that are not converted can be redeemed at 96 cents per note on 30 November 2021.

**The CAM offer**

Clime Capital (ASX: CAM) provides investors with exposure to a portfolio of high-quality large caps, small caps, and income focused securities. In turn, this allows CAM to meet its objective of delivering a dividend yield and franking rate that is consistently higher than that achieved by the S&P/ASX200 Index.

CAM has paid a quarterly fully franked dividend every quarter since 2009. The company has now increased its dividend for the last four quarters from 1.05c in the June 2020 quarter to 1.25c for the June 2021 quarter. The Board is now guiding to a 1.265 cent dividend in the September quarter 2021.

The company generates a reliable stream of fully franked dividends from its portfolio. In addition, CAM may also realise gains upon the sale of investments. The realisation of invested capital typically occurs when prices more than fully reflect fair value, and may include cases whereby investee companies are acquired. In doing so, the company realises a profit, pays tax, and generates further franking credits to be distributed to shareholders in the form of fully franked dividends.

Clime's focus on investing in quality companies while maintaining strong valuation discipline generally translates to longer term holding periods. As companies within the portfolio execute against their strategic objectives successfully, value is created via an increasing stream of earnings and dividends. This allows the investment manager to take a longer term view, reflecting the permanent capital of the company.

This announcement is authorised for release by the Board of Clime Capital Limited.

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