

22 FEBRUARY 2019

**CLIME CAPITAL LIMITED (“CAM”)
INTERIM FINANCIAL REPORT, DIVIDEND DECLARATION AND
PORTFOLIO UPDATE**

Interim Result

CAM has announced an interim financial loss after tax of \$5.2 million.

The result reflects adverse market price movements of the Company’s listed share portfolio over the six-month period and particularly over the December quarter.

The six-month period had two distinct phases for the Australian equity market which impacted the portfolio and the reported profit. A strong first quarter was followed by a particularly weak December quarter. Notably the CAM portfolio outperformed in the first quarter but underperformed in the second quarter.

As outlined in the December 2018 NTA Update, concerns of a spill over from largely known geopolitical concerns to the real economy drove a marked selloff in growth-focused assets in December.

Dividend Declaration

The Board of CAM is pleased to declare a March 2019 quarter (interim) dividend of 1.25 cents per share fully franked. The dividend will be paid on 26 April 2019.

The dividend represents a 2.5% increase on the dividend declared in the previous corresponding quarter due to the 1 for 40 bonus issue issued on ordinary shares in September 2018.

Portfolio Update

The first 8 weeks of the third quarter has seen a strong recovery in the listed share portfolio.

To understand the movements in gross portfolio value this financial year, the following is presented:

- 30 June 2018 gross portfolio \$106.9 million
- July Dividend (\$0.94 million) cash paid net of DRP
- 30 September 2018 gross portfolio \$110.9 million
- October Dividend (\$0.96 million) cash paid net of DRP
- 31 December 2018 gross portfolio \$96.7 million
- January Dividend (\$0.96 million) cash paid net of DRP
- 21 February 2019 gross portfolio \$102.8 million

From 1 July 2018 through to 21 February 2019, the Company has paid \$524k for shares bought back on market.

As can be seen from the above figures, the gross portfolio has had a substantial recovery since 31 December 2018, rising by about \$6 million after dividends and operating expenses.

Shareholders and noteholders should refer to the Company's monthly NTA updates, announced on the ASX, where the major holdings are disclosed.

Convertible Notes

The Company pays quarterly interest on its issued convertible notes (ASX: CAMG) at the rate of 6.25% per annum based on the issue price of 96 cents.

Interest is paid in March, June, September and December.

Noteholders on conversion into shares will accrue all bonus shares declared and the current conversion rate is 1.025 CAM shares for each CAMG held.

If not converted, the notes are redeemable in November 2021.

For further information

John Abernethy

Chairman

Clime Capital Limited