

12December 2019

## CORPORATE UPDATE – NUMBER 7 – Cash Distribution to Shareholders

- Shareholders have approved the Board Determination to make a Return of Capital
- The Board has determined there will be a total cash distribution of \$521,000 being \$0.003/share on or about 13 Dec 2019.
- The December distribution brings the total distributed to shareholders in 2019 to \$1,042,000 or \$0.006/share.
- Subject to business as usual Board has determined to make another similar cash distribution to shareholders in May 2020
- \$400,000 of Alterra debt facility has been repaid ahead of schedule

Carbon Conscious Investments Ltd (**CCIL** or **Company**) is pleased to provide an update on the result of the General Meeting held on 10 December 2019 and of recent determinations made by the Board.

### 1. Determining to Distribute Cash to Shareholders in December 2019

*"That Shareholders approve, for the purposes of sections 256B and 256C of the Corporations Act and for all other purposes, the issued share capital of the Company be reduced by between approximately \$187,000 and \$228,000 by returning to Shareholders on a pro-rata basis of between approximately \$0.00107 and \$0.00131 for each Share held as at the Record Date, as more particularly described and on the terms set out in the Explanatory Memorandum."*

RESOLUTION	For	Against	Discretionary	TOTAL
	86,900,198	64,360	1,765,300	88,729,858
	97.94%	0.07%	1.99%	

- The Chair reported the Proxies submitted by shareholders and informed the meeting he would vote discretionary proxies in the affirmative and the Resolution was passed on a show of hands.
- The Board subsequently made a determination to pay a cash distribution to Shareholders of \$0.003 per share on or about **13 December 2019**. It will be a combination of a Return of Capital and a Franked Dividend per Share held in the Company on the Record Date being 10 December 2019.

### 2. Executing the Cash Distribution to Shareholders

- The Directors have determined that the proposed distributions be made via electronic funds transfer and that the Company's share registry, Automic, will manage the distribution process and will send (via post or email) the appropriate Statement for Tax Purposes.
- Funds have been transferred to Automic and the target date for cash distribution remains 13 December.
- If Shareholders **have not registered their bank details** prior to the Record Date, their funds will be held and managed in future distribution runs and then in accordance with the Company's constitution.



### 3. Recap on 2019

To recap, the Carbon Conscious Investments Limited (**CCIL**) group (Figure 1) was previously a wholly owned subsidiary of Alterra Limited and was demerged by in-specie distribution to Alterra shareholders effective 1 January 2019.

It followed that 30 September 2019 represented the first end of a financial year for the CCIL group, and as the calendar year draws to a close the Company is pleased to note the following highlights.

#### Cash Distributions to Shareholders

- In March the Board determined that there was sufficient cash flow and balance sheet strength to make a cash distribution of \$521,000 to shareholders in May. Tax advice revealed that the Company did not have enough accumulated profits to distribute the cash that the Directors determined was possible as a dividend and therefore:
  - Following support by shareholders the Company added a Return of Capital to a Fully Franked Dividend distributed \$521,000 [\$0.003/share] to shareholders in May 2019.
  - Shareholder support of the December General Meeting Resolution the Company added another Return of Capital to a Fully Franked Dividend thereby distributing a further \$521,000 [\$0.003/share] to shareholders in December.
- The Board has determined that subject to business as usual there will be a further cash distribution of approximately \$521,000 to shareholders in May 2020.

#### Operations and Corporate

- The Company remains customer and supplier focused and all contractual obligations with Origin, BP, Resimac, the ERF, and Alterra are within terms.
- A high standard of CFI Act compliance was confirmed with another independent audit revealing 100% compliance and the Company remains on good terms with the Clean Energy Regulator, and retains its good corporate citizen and leadership reputation through its interactions with the Carbon Market Institute, the CSIRO, the Federal Department of Environment, and various other tiers of Government.
- The CER issued the ACCUs corresponding to the 2019 Offsets Report and ACCU claim in week 1 of December and the Company has delivered against existing client-contracts and is in the process of selling a surplus.
- The Company has affected repayments of \$400,000 against the unsecured Alterra loan facility and remains well within all terms.
- The Company's accounts are currently being audited and will be presented in January 2020 in time for an AGM in late February.
- Management looks forward to the Company delivering continued strong financial returns and making a positive impact within its operating environment.

**Yours faithfully**



**Anthony Fitzgerald - Executive Director and Company Secretary**