

# 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	27%	to	\$9,007,917
Profit from ordinary activities before tax attributable to members	down	-37%	to	\$376,616
Profit from ordinary activities after tax attributable to members	down	-47%	to	\$236,353

Dividends per share	Amount per security	Franked amount per security
Final Dividend – FY22 (paid)	0.4 cents	0.4 cents

### Breakdown of operating results (pre-non-cash amortisation and tax)

	31 December 2022 (\$'000)	31 December 2021 (\$'000)	Change
Operating profit	42	869	(95%)
Investment income	218	174	25%
Cash earnings	260	1,043	(75%)
Mark to Market (MTM) Investments	318	(191)	n/m
Cash earnings plus MTM	579	852	(32%)
Net Non-recurring	119	80	49%
Profit reported pre-amortisation and tax	698	932	(25%)

n/m= not meaningful

### Explanation of Revenue and Net Profit

Please refer to the Directors' Report included in the interim financial statements for the half-year ended 31 December 2022 for further explanations.

### Net tangible assets per security

	31 December 2022	31 December 2021
Net tangible asset backing per ordinary share before tax	6.7 cents	18.0 cents
Net tangible asset backing per ordinary share after tax	6.7 cents	18.0 cents

### Dividends

Details of dividends/distributions declared or paid during or subsequent to the six months ended 31 December 2021 are as follows:

Record Date	Payment Date	Type	Amount per security	Total Dividend \$000's	Franked amount per security	Foreign sourced dividend amount per security
29 September 2022	27 October 2022	Final	0.4 cents	289	0.4 cents	-

**Dividend/Distribution Reinvestment Plans**

The consolidated entity does not currently operate a dividend/distribution reinvestment plan.

**Associates and Joint Venture Entities**

Name of the entities	Ownership Interest		Contribution to net profit	
	31 December 2022 %	30 June 2022 %	31 December 2022 %	31 December 2021 %
James Street Private Wealth - Joint Venture	30%	30%	(10%)	-

**Review**

This report is based on accounts that have been reviewed. The unqualified review report is on page 26 of the attached Interim Financial Report.





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# Clime Investment Management Limited

and Controlled Entities

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Interim Financial Report  
31 December 2022

Clime Investment Management Limited

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# General Purpose Interim Financial Report

31 December 2022

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# Directors' Report

The Directors of Clime Investment Management Limited submit herewith the financial report of Clime Investment Management Limited and its subsidiaries ("the Group", "Company", "Clime") for the half-year ended 31 December 2022 ("HY 2022"). In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

## Directors

The names of the Directors of the Company during or since the end of the half-year are:

John Abernethy  
Non-Executive Chairman  
Susan Wynne  
Independent Director (appointed 27 September 2021)  
Michael Kollo  
Independent Director (appointed 27 September 2021)  
Ronni Chalmers  
Non-Independent Director (appointed 27 September 2021)  
Claire Bibby  
Independent Director (appointed 18 October 2021)

## Financial Highlights for HY 2022

The Group recorded a net profit before tax of \$376,616 compared with \$597,220 in HY 2021.

The Group recorded an after-tax profit attributable to members of \$236,353 for HY 2022 (HY 2021: \$445,434). The operating result is reported after amortisation of intangibles of \$291,173 compared with \$287,005 during HY 2021.

Basic earnings per share for HY 2022 were 0.3 cents per share compared with 0.7 cents per share for HY 2021.

## Review of Operations

Gross balances of Funds under Management & Advice ("FUM&A") as at 31 December 2022 were \$5,507 million compared to \$5,122 million as at 30 June 2022, an increase of 8%.

Gross Funds under Management (FUM)	31 December 2022 millions	30 June 2022 millions
Clime Individually Managed Accounts	\$574	\$508
Listed Investment company (Clime Capital - ASX: CAM)	\$159	\$145
Managed Funds and Mandates	\$260	\$285
Separately Managed Accounts	\$312	\$269
<b>Sub-Total Funds Under Management</b>	<b>\$1,305</b>	<b>\$1,207</b>
Funds Under Management and Advice - WealthPortal*	\$521	\$527
Funds Under Advice - Other investment platforms	\$3,631	\$3,335
Insurance Premiums Under Advice	\$50	\$53
<b>Sub-Total Funds and Insurance Premiums Under Advice</b>	<b>\$4,202</b>	<b>\$3,915</b>
<b>Total FUM&amp;A</b>	<b>\$5,507</b>	<b>\$5,122</b>

## Review of Financial Results

Revenue and Profit from Financial Assets Held at Fair Value for December 2022

Below is a summary of the Group's profit and loss on a sector basis to enable shareholders to distinguish between the operational investment management business and the direct investment components.

	31 December 2022 \$	31 December 2021 \$
Funds management and related activities revenue	4,482,257	5,173,627
Revenues from MFG Entities	1,431,309	1,476,423
Investment software revenue	55,931	114,042
Private wealth	1,445,560	171,319
Performance fees generated	1,374,689	-
<b>Gross income</b>	<b>8,789,746</b>	<b>6,935,411</b>
Staff Costs before redundancy cost	(5,112,065)	(3,922,018)
Short-term incentives to staff	(620,332)	-
<b>Total staff costs</b>	<b>(5,732,397)</b>	<b>(3,922,018)</b>
Depreciation of right-of-use assets	(214,722)	(214,722)
Finance cost on lease liabilities	(73,074)	(47,957)
Short term leases	(187,592)	(84,168)
<b>Total occupancy costs</b>	<b>(475,388)</b>	<b>(346,847)</b>
Other administrative expenses	(1,957,231)	(1,220,892)
Third party custody, management & fund administration services	(381,482)	(403,963)
Sales and marketing expenses	(201,077)	(172,765)
<b>Total other operating expenses</b>	<b>(2,539,790)</b>	<b>(1,797,620)</b>
<b>Operating profit</b>	<b>42,171</b>	<b>868,926</b>
Direct investment income – dividends, distributions and interest	218,171	174,456
Realised and unrealised gains/(losses) on investments	318,276	(191,693)
<b>Income/(loss) generated by financial assets held at fair value</b>	<b>536,447</b>	<b>(17,237)</b>
Share of loss from associate	(23,250)	-
Other non-recurring expenses	(21,158)	(36,912)
Other non-recurring income	163,761	116,830
<b>Total net non-recurring income and expenses</b>	<b>119,353</b>	<b>79,918</b>
<b>Profit before depreciation and amortisation</b>	<b>697,971</b>	<b>931,607</b>
Depreciation of property, plant and equipment	(30,182)	(47,382)
Amoritisement of intangibles	(291,173)	(287,005)
<b>Total depreciation and amortisation</b>	<b>(321,355)</b>	<b>(334,387)</b>
<b>Statutory profit before income tax</b>	<b>376,616</b>	<b>597,220</b>
Income tax expense	(140,263)	(151,786)
<b>Statutory profit after income tax</b>	<b>236,353</b>	<b>445,434</b>



To further explain the results, it is useful to understand how the Group's margins are derived. These are a function of these sources: operating earnings, performance fees, return on financial assets held at fair value on the Group's statement of financial position and investment in intangible assets.

## Operating Earnings

Operating earnings for HY 2022 were \$42,171 (HY 2021: \$868,926), a decrease of \$826,755 or (95%) reflecting higher investment in the underlying business underpinning strategic growth.

Funds management fees of \$4,482,257 decreased from \$5,173,627 earned in HY 2021 largely reflecting net outflows of funds under management and lower average market values. MFG Entities contributed \$1,431,309 in HY 2022 in comparison to \$1,476,423 of revenues during HY 2021.

Staff, occupancy and other operating expenses rose to \$8,747,575 in HY 2022 from \$6,066,485 incurred in HY 2021 mainly due to the acquisition of MTIS Wealth Management Pty Limited, Investment Strategists Accounting Services Pty Limited ("MTIS") and Ralton Asset Management Pty Limited ("Ralton") businesses, higher short-term performance related incentives and higher investment in the underlying business underpinning strategic growth.

## Performance Fees

The Group earned \$1,374,689 in performance fees in HY 2022 (2021: Nil) with contributions from Clime Capital Limited (listed investment company) and Clime All Cap Australian Equity Fund (wholesale fund). A number of Clime's investment products are performing well, particularly Clime Capital Limited with a gross portfolio return of 17.6% (against benchmark return of 9.7%) at 31 December 2022.

## Financial Assets Held at Fair Value

Direct investment income comprises dividends, trust distributions and interest income. For the HY 2022, this represented \$218,171 compared to \$265,107 in HY 2021. Net realised and unrealised gains on investments were \$318,276 compared to a loss of \$191,693 during HY 2021.

## Capital Raising

There were no capital raisings during the half year ended 31 December 2022.

## Intangible Assets

During HY 2022, the Company acquired 100% of the share capital of MTIS and recognised \$3,826,828 in goodwill and \$2,963,037 in customer relationships.

During HY 2022, the Company acquired the remaining 25% of the share capital of Ralton and recognised \$206,343 in goodwill and \$66,687 in investment management contracts and relationships, reflecting the management of circa \$270 million of Funds Under Management.

## Summary of Total Equity

The Total Equity at balance date comprised the following:

	31 December 2022 \$	30 June 2022 \$
Cash and cash equivalents	3,479,195	8,141,740
Other financial asset at amortised cost	346,369	289,545
Trade and other receivables less payables	(543,648)	(808,057)
Listed investment – Clime Capital Limited	5,503,446	5,137,064
Unlisted investments - Managed funds	576	65,622
Equity accounted investments	146,482	119,731
Other tangible assets less liabilities	(4,134,336)	(1,393,001)
<b>Net tangible assets</b>	<b>4,798,084</b>	<b>11,552,644</b>
Intangible assets, right-of-use assets and contract costs	20,110,071	13,317,401
Deferred tax assets (Gross)	441,505	435,681
<b>Total Equity</b>	<b>25,349,660</b>	<b>25,305,726</b>
No. of Ordinary Shares on Issue (Excluding shares issued under EIS)	<b>71,160,265</b>	70,975,080
Equity per Share	<b>35.6 cents</b>	35.7 cents
Net Tangible Assets per Share	<b>6.7 cents</b>	16.3 cents

## Dividend

During HY 2022, shareholders received 0.4 cents per share fully franked dividend amounting to \$289,100, which was paid on 27 October 2022.

## Subsequent Events

No matters or circumstances have arisen since the end of the reporting period which significantly affect or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in the future financial periods.



## Auditors' Independence Declaration

The Auditors' Independence Declaration as required under section 307C of the *Corporations Act 2001* is included on page 10 of the half-year report.

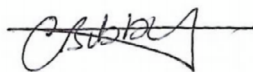
## Rounding off of amounts

In accordance with the *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* dated 24 March 2016, and in accordance with that Corporations Instrument, amounts in this Directors' Report and in the financial statements are rounded to the nearest dollar, unless otherwise stated.

This report is made in accordance with a resolution of the Directors and is signed for and on behalf of the Directors by:



**John Abernethy**  
Chairman



**Claire Bibby**  
Director

Sydney, 24 February 2023



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**Auditor's Independence Declaration  
To the Directors of Clime Investment Management Limited  
ABN 37 067 185 899**

In relation to the independent auditor's review 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)*.

This declaration is in respect of Clime Investment Management Limited and the entities it controlled during the year.

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

**S M Whiddett**  
Partner

**Pitcher Partners**  
Sydney

24 February 2023

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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# Interim Financial Statements

31 December 2022

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These interim financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly, these 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 Clime Investment Management Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.



	Note	Half-Year	
		31 December 2022 \$	31 December 2021 \$
<b>Revenue</b>	<b>4</b>	<b>9,007,917</b>	<b>7,109,867</b>
Net realised and unrealised gains/(loss) on financial assets at fair value through profit or loss		318,276	(191,693)
Other Income		163,761	116,830
Occupancy expenses		(187,592)	(84,168)
Depreciation and amortisation expense		(536,077)	(549,110)
Administrative expenses		(8,293,345)	(5,756,549)
Share of results of associate		(23,250)	-
Finance costs		(73,074)	(47,957)
<b>Profit before income tax</b>		<b>376,616</b>	<b>597,220</b>
Income tax expense attributable to operating profit		(140,263)	(151,786)
<b>Profit for the period</b>		<b>236,353</b>	<b>445,434</b>
Other comprehensive income, net of income tax		-	-
<b>Total comprehensive income for the period</b>		<b>236,353</b>	<b>445,434</b>
<b>Profit attributable to members of Clime Investment Management Limited</b>		<b>236,353</b>	<b>445,434</b>
<b>Total comprehensive income attributable to members of Clime Investment Management Limited</b>		<b>236,353</b>	<b>445,434</b>
<b>Earnings per share</b>			
Basic - cents per share		0.3 cents	0.7 cents
Diluted - cents per share		0.3 cents	0.6 cents

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.



**INTERIM FINANCIAL STATEMENTS | Consolidated Statement of Financial Position**  
As at 31 December 2022

	Notes	31 December 2022 \$	30 June 2022 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		3,479,195	8,141,740
Trade and other receivables		4,268,633	2,084,765
Current tax assets		-	238,629
Other current assets		527,097	672,548
Financial assets at fair value through profit or loss	8	5,504,022	5,202,686
<b>Total Current Assets</b>		<b>13,778,947</b>	<b>16,340,368</b>
<b>Non-Current Assets</b>			
Other financial asset		346,369	289,545
Investment in associate		146,482	119,731
Property, plant and equipment		142,662	145,373
Right-of-use assets		1,073,612	1,288,334
Deferred tax assets - net		441,505	435,681
Contract costs		393,120	421,200
Intangible assets	9	18,643,339	11,607,868
<b>Total Non-Current Assets</b>		<b>21,187,089</b>	<b>14,307,732</b>
<b>Total Assets</b>		<b>34,966,036</b>	<b>30,648,100</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		4,547,624	3,131,451
Lease Liabilities		451,291	425,835
Current tax liabilities		264,658	-
Contract liabilities		80,608	96,826
Provisions		780,331	616,593
<b>Total Current Liabilities</b>		<b>6,124,512</b>	<b>4,270,705</b>
<b>Non-Current Liabilities</b>			
Lease liabilities		774,477	1,010,182
Provisions		82,338	61,487
Deferred consideration payable	9	2,635,049	-
<b>Total Non-Current Liabilities</b>		<b>3,491,864</b>	<b>1,071,669</b>
<b>Total Liabilities</b>		<b>9,616,376</b>	<b>5,342,374</b>
<b>Net Assets</b>		<b>25,349,660</b>	<b>25,305,726</b>
<b>EQUITY</b>			
Issued capital		25,587,865	25,487,865
Reserves		313,787	290,137
Accumulated losses		(551,992)	(482,851)
<b>Equity attributable to owners of the Company</b>		<b>25,349,660</b>	<b>25,295,151</b>
Non-controlling interest		-	10,575
<b>Total Equity</b>		<b>25,349,660</b>	<b>25,305,726</b>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

**INTERIM FINANCIAL STATEMENTS | Consolidated Statement of Changes in Equity**  
For the half-year ended 31 December 2022

Consolidated Statement of Changes in Equity	Notes	Issued capital	Share-based payments reserve	Accumulated losses	Attributable to owners of Company	Non-controlling interest	Total
		\$	\$	\$	\$	\$	\$
<b>Balance as at 1 July 2021</b>		<b>21,539,410</b>	<b>294,951</b>	<b>1,242,039</b>	<b>23,076,400</b>	<b>-</b>	<b>23,076,400</b>
Profit for the period		-	-	445,434	445,434	-	445,434
Other comprehensive income for the period, net of tax		-	-	-	-	-	-
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>445,434</b>	<b>445,434</b>	<b>-</b>	<b>445,434</b>
<b>Transactions with equity holders in their capacity as equity holders:</b>							
• Issue of ordinary shares by way of placement and share purchase plan	3	4,140,131	-	-	4,140,131	-	4,140,131
• Transaction cost on issue of ordinary shares		(38,300)	-	-	(38,300)	-	(38,300)
• Shares bought back on-market and cancelled	3	(151,820)	-	-	(151,820)	-	(151,820)
• Issue of ordinary shares under CIW Employee Share Plan		27,400	-	-	27,400	-	27,400
• Transfer from share-based payments reserve to issued capital on completion of EIS loan term	3	42,850	(42,850)	-	-	-	-
• Transfer of loan repayment to issued capital on completion of EIS loan term	3	250,901	-	-	250,901	-	250,901
• Recognition of share-based payments		-	21,245	-	21,245	-	21,245
• Dividends paid or provided for	2	-	-	(1,097,787)	(1,097,787)	-	(1,097,787)
<b>Balance as at 31 December 2021</b>		<b>25,810,572</b>	<b>273,346</b>	<b>589,686</b>	<b>26,673,604</b>	<b>-</b>	<b>26,673,604</b>
<b>Balance as 1 July 2022</b>		<b>25,487,865</b>	<b>290,137</b>	<b>(482,851)</b>	<b>25,295,151</b>	<b>10,575</b>	<b>25,305,726</b>
Profit for the period		-	-	236,353	236,353	-	236,353
Other comprehensive income for the period, net of tax		-	-	-	-	-	-
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>236,353</b>	<b>236,353</b>	<b>-</b>	<b>236,353</b>
<b>Transactions with equity holders in their capacity as equity holders:</b>							
• Recognition of share-based payments		-	23,650	-	23,650	-	23,650
• Dividends paid or provided for	2	-	-	(289,100)	(289,100)	-	(289,100)
• Issue of shares - Ralton AM Pty Limited		100,000	-	-	100,000	-	100,000
• Non-controlling interest in Ralton AM Pty Limited	9	-	-	(76)	(76)	76	-
• Reversal of Non-controlling interest in Ralton AM Pty Limited	9	-	-	10,651	10,651	(10,651)	-
• Reversal of bargain purchase gain - Ralton		-	-	(26,969)	(26,969)	-	(26,969)
<b>Balance as at 31 December 2022</b>		<b>25,587,865</b>	<b>313,787</b>	<b>(551,992)</b>	<b>25,349,660</b>	<b>-</b>	<b>25,349,660</b>

The above Consolidated Statement of changes in equity should be read in conjunction with the accompanying notes.

		Half-Year	
	Notes	31 December 2022 \$	31 December 2021 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Fees received in the course of operations		8,218,279	9,806,344
Expense payments in the course of operations		(8,423,925)	(9,179,246)
Dividends and distributions received		201,834	165,988
Interest received		16,337	8,394
Income tax refund received net of payment		172,281	(394,865)
<b>Operating cashflows</b>		<b>184,806</b>	<b>406,615</b>
Proceeds from disposal of financial assets at fair value through profit or loss		22,464	650,901
Payments for financial assets at fair value through profit or loss		(5,524)	(936,836)
		<b>16,940</b>	<b>(285,935)</b>
<b>Net cash provided by operating activities</b>		<b>201,746</b>	<b>120,680</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for acquisition of subsidiaries net of cash acquired	9	(4,014,199)	-
Payment for investment in associate		(50,000)	(41,667)
(Payments for) /proceeds from maturity of other financial asset at amortised cost		(3,715)	157
Payment for property, plant & equipment		(27,470)	(32,741)
Payment for intangible assets		(235,669)	(327,036)
<b>Net cash used in investing activities</b>		<b>(4,331,053)</b>	<b>(401,287)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Issue of share capital under placement and share purchase plan		-	4,391,032
Transaction cost on issue of ordinary shares		-	(38,300)
Payments for shares bought back (including transaction costs)		-	(151,820)
Principal elements of lease payments		(210,248)	(186,574)
Finance costs paid		(33,890)	(43,631)
Dividends paid to Company’s shareholders	2	(289,100)	(1,097,787)
<b>Net cash (used in)/provided by financing activities</b>		<b>(533,238)</b>	<b>2,872,920</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(4,662,545)</b>	<b>2,592,313</b>
Cash and cash equivalents at beginning of the period		8,141,740	6,078,777
<b>Cash and cash equivalents at end of the period</b>		<b>3,479,195</b>	<b>8,671,090</b>
<b>Non-cash investing activities</b>			
Conversion of convertible notes into ordinary shares in Clime Capital Limited		-	<b>649,307</b>
<b>Non-cash financing activities</b>			
Issue of shares - Ralton AM Pty Ltd		<b>100,000</b>	-

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.



**NOTE 1**

## Basis of Preparation of the Interim Financial Report

### (a) Basis of accounting

These consolidated general purpose financial statements for the interim half-year reporting period ended 31 December 2022 have been prepared in accordance with the *Corporations Act 2001* and *AASB 134 Interim Financial Reporting*.

The half-year financial statements have been prepared on the basis of the historical cost convention, as modified by the valuation of investments.

These interim half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial statements. Accordingly, these half-year 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 Group during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

### 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, the 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 date is 30 June 2022.

### (b) Accounting policies

The accounting policies applied in these interim financial statements have been applied consistently throughout the period. The accounting policies in these half-year financial statements are the same as those applied in the Company's financial statements for the year ended 30 June 2022.

*New and revised accounting standards effective during the reporting period.*

There are no new and revised accounting requirements that significantly affect the half year financial report.

### (c) Rounding off of amounts

In accordance with the *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, the amounts in the Directors' Report and in the financial statements have been rounded to the nearest dollar, unless otherwise stated.

**NOTE 2**

## Dividends

	Half-Year	
	2022 \$	2021 \$
<b>Fully Paid Ordinary Shares</b>		
<b>0.4 cents per share (HY 2021: 1.5 cent) fully franked dividends were paid during the period in respect of the previous financial period</b>	<b>289,100</b>	<b>1,097,787</b>

**NOTE 3**

## Issuing and repurchases of equity securities

	Half -Year		Half - Year	
	2022 No. of shares	2021 No. of shares	2022 \$	2021 \$
<b>Issuing and repurchases of ordinary shares during the half-year</b>				
Issue of ordinary shares by way of placement and share purchase plan	-	6,677,285	-	4,140,131
Transaction cost on issue of ordinary shares	-	-	-	(38,300)
On-market buy-back of ordinary shares during the half-year	-	(253,634)	-	(151,820)
Transfer of loan repayment to issued capital on completion of EIS loan term	-	350,000	-	250,901
Shares issued under Employee Share Plan	-	46,050	-	27,400
Transfer from share-based payments reserve to issued capital on completion of EIS loan term	-	-	-	42,850
Issue of shares on acquisition of Ralton Asset Management Pty Ltd	185,185	-	100,000	-

### Institutional Placement and Share Purchase Plan (SPP)

During the period ended 31 December 2022, the Company issued nil fully paid ordinary shares (31 December 2021: 6,677,285 shares at 62 cents per share) through institutional placement and associated SPP.

As at 31 December 2022, there are 1,300,000 (31 December 2021: 1,450,000) EIS 'in-substance' options on issue. During the period, nil (31 December 2021: 350,000) in-substance options carrying a fair value of nil (31 December 2021: 42,850) were exercised.

Share options granted under the Company's EIS carry no rights to dividends and are subject to a three-year lock in period.

### Employee Share Plan ("ESP")

The Company issued nil fully paid ordinary shares (31 December 2021: 46,050 shares) under the ESP for nil consideration. These shares were issued to all Clime employees (excluding Directors). The participants under the ESP are entitled to dividends and are subject to a three-year lock in period in accordance with the ESP rules.

### Issue of shares on acquisition of Ralton Asset Management Pty Ltd

On 15 December 2022, 185,185 fully paid ordinary shares were issued at a issue price of \$0.54 cents in settlement of part consideration on 100% acquisition of Ralton Asset Management Pty Ltd.

**NOTE 4**

## Revenue

	<b>Half-Year</b>	
	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue from contract with customers</b>		
Funds Management fees <sup>1</sup>	4,171,249	4,770,280
Performance fees <sup>2</sup>	1,374,689	-
Other fees <sup>2</sup>	311,008	403,347
	<b>5,856,946</b>	<b>5,173,627</b>
<b>Private wealth</b>		
Advice fees <sup>1</sup>	1,311,918	95,917
Other fees <sup>2</sup>	133,642	75,402
	<b>1,445,560</b>	<b>171,319</b>
<b>Revenues from MFG Entities</b>		
Dealership, portfolio management and other fees <sup>1</sup>	1,431,309	1,476,423
<b>Investment software</b>		
Subscription fees <sup>1</sup>	55,931	114,042
<b>Direct investments income</b>		
Dividends and distributions	201,834	166,062
Interest income	16,337	8,394
	<b>218,171</b>	<b>174,456</b>
<b>TOTAL REVENUE</b>	<b>9,007,917</b>	<b>7,109,867</b>

<sup>1</sup> Revenue from contracts with customers recognised over time

<sup>2</sup> Revenue from contracts with customers recognised at a point in time

Refer to Note 5 for an analysis of revenue by segment.

**NOTE 5**

## Segment Information

Our internal reporting system produces reports in which business activities are presented in a variety of ways. Based on these reports, the Directors, who are responsible for assessing the performance of various components of the business and making resource allocation decisions as Chief Operating Decision Makers (“CODM”), evaluate business activities in a number of different ways. The Group’s reportable segments under AASB 8 are as follows:

- Funds Management
- MFG Entities
- Private Wealth
- Investment Software
- Direct Investments

### Funds Management

The Group’s Funds Management businesses, primarily consist of Clime Asset Management Pty Limited, CBG Asset Management Limited and Ralton Asset Management Pty Ltd, which are based in Sydney. These businesses generate operating revenue (investment management and performance fees) as remuneration for managing the investment portfolios of individuals, corporations and mandates.

### MFG Entities

MFG Entities include Madison Financial Group Pty Limited, AdviceNet Pty Limited, WealthPortal Pty Limited and ProActive Portfolios Pty Limited. These entities generate operating revenue in the form of licensee fees from Authorised Representatives (Madison) and portfolio management fees (AdviceNet, WealthPortal and ProActive).

### Private Wealth

The Group, through Clime Private Wealth, MTIS Wealth Management Pty Limited and ISAS Pty Limited, delivers tailored private wealth advisory services for retail, wholesale and sophisticated investors.

### Investment Software

Revenue generated from external subscriptions to the Group’s proprietary web-based investment software, Stocks in Value Pty Limited (trading as Clime Direct), is included within this segment.

### Direct Investments

Includes revenue generated by the Group’s direct investments in listed, unlisted securities and managed investment schemes. A significant proportion of the Group’s direct investments are ‘self-managed’ and include a substantial investment in the ASX listed company, Clime Capital Limited.

Other than the inclusion of Ralton Asset Management Pty Ltd in Funds Management segment and MTIS Wealth Management Pty Limited and ISAS Pty Limited in the Private Wealth segment, there has been no changes in the basis of segmentation or the basis of segment profit or loss since the previous financial report as at 31 December 2021.



**NOTE 5**

## Segment Information (continued)

The following is an analysis of the Group's revenue and results by reportable operating segment for the periods under review:

Half-year ended 31 December 2022	Funds Management	MFG Entities	Private Wealth	Investment Software	Direct Investments	Unallocated	Consolidated
	\$	\$	\$	\$	\$	\$	\$
<b>Segment revenue</b>							
Sales to external customers	5,215,029	1,431,309	2,011,568	55,931	-	239,670	8,953,507
Investment income	-	-	-	-	218,171	-	218,171
<b>Total segment revenue</b>	5,215,029	1,431,309	2,011,568	55,931	218,171	239,670	9,171,678
Net realised and unrealised gains on financial assets at fair value through profit or loss	-	-	-	-	318,276	-	318,276
<b>Net group result</b>							
Net group result before tax	1,612,326	(229,921)	525,089	(20,800)	536,447	(2,046,525)	376,616
Income tax expense							(140,263)
<b>Profit for the year</b>							236,353
Depreciation and amortisation expense	393,578	38,100	-	41,570	-	62,829	536,077

Half-year ended 31 December 2021	Funds Management	MFG Entities	Private Wealth	Investment Software	Direct Investments	Unallocated	Consolidated
	\$	\$	\$	\$	\$	\$	\$
<b>Segment revenue</b>							
Sales to external customers	4,488,814	1,476,423	779,132	114,042	-	193,830	7,052,241
Investment income	-	-	-	-	174,456	-	174,456
<b>Total segment revenue</b>	4,488,814	1,476,423	779,132	114,042	174,456	193,830	7,226,697
Net realised and unrealised losses on financial assets at fair value through profit or loss	-	-	-	-	(191,693)	-	(191,693)
<b>Net group result</b>							
Net group result before tax	2,087,865	201,165	75,895	(32,935)	(17,237)	(1,717,533)	597,220
Income tax expense							(151,786)
<b>Profit for the year</b>							445,434
Depreciation and amortisation expense	450,389	-	-	32,452	-	66,269	549,110

Information about the segment assets and liabilities are not regularly reviewed by the CODM. As a result, information relating to segment assets and liabilities are not presented.

**NOTE 6**

## Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

**NOTE 7**

## Contingent Liabilities and Commitments

During the prior financial year, there was a claim instigated against one of the advisers operating under the MFG Australian Financial Services Licence.

In addition to the legal claim, it is anticipated that any potential liabilities may be supplemented by the escrow account created as part of the acquisition of Madison Entities with SC Australian Holdings 1 Pty Limited.

There are no other contingent liabilities, contingent assets or commitments since the last annual reporting date.

**NOTE 8**

## Fair Value Measurement

The Group measures and recognises financial assets and liabilities held at fair value through profit or loss on a recurring basis. The Group has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liability that are not based on observable market data (unobservable inputs).

### (i) Recognised fair value measurements

All financial instruments that are measured subsequent to initial recognition at fair value comprise financial assets at fair value through profit or loss.

**NOTE 8**

## Fair Value Measurement (continued)

At 31 December 2022	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets at fair value through profit or loss				
Listed equities and convertible notes	5,503,446	-	-	5,503,446
Unlisted unit trusts	-	576	-	576
	5,503,446	576	-	5,504,022
At 30 June 2022	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets at fair value through profit or loss				
Listed equities	5,137,064	-	-	5,137,064
Unlisted unit trusts	-	65,622	-	65,622
	5,137,064	65,622	-	5,202,686

### (ii) Transfers 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.

### (iii) Fair value of financial instruments not carried at fair value

The carrying value of cash and cash equivalents, trade and other receivables, and other financial assets and trade and other payables, are assumed to approximate their fair values due to their short-term nature.

### (iv) Valuation techniques

#### Listed Investments

When fair values of publicly traded securities are based on quoted market prices in an active market, the instruments are included within Level 1 of the hierarchy. The Group values these investments at closing prices at period end.

#### Unlisted unit trusts

Investments in unlisted unit trusts are recorded at the redemption value per unit as reported by the investment managers of such funds and are included within Level 2 of the hierarchy.

## NOTE 9

## Business Combinations and acquisition of non-controlling interest

### Acquisition of MTIS Wealth Management Pty Ltd and Investment Strategist Accounting Service Pty Ltd

On 14 August 2022, the Company acquired 100% of the share capital of MTIS Wealth Management Pty Limited ("MTIS") and Investment Strategists Accounting Services Pty Limited ("ISAS"), with the Group obtaining beneficial ownership and rights from 1 July 2022. MTIS is a diversified wealth management, advisory and accounting/tax services business. MTIS offers similar and complementary services to Clime Private Wealth and expands the Group's presence in Melbourne's CBD, creating new market opportunities for the Group. The Group will obtain synergies from merging the Melbourne offices and by providing administration support and AFS Licensing support by MFG.

	\$
<b>Details of the purchase consideration</b>	
Cash paid	3,969,511
Shares issued	-
Contingent consideration <sup>1</sup>	2,595,865
<b>Total purchase consideration</b>	<b>6,565,376</b>

<sup>1</sup> The MTIS contingent consideration reflects maximum deferred consideration payable based on successful business performance criteria extending to 31 July 2024.

### Assets and liabilities acquired

Assets and liabilities recognised as a result of the business combination were:

	Half Year \$
Cash	129,862
Receivables/other assets	-
Intangible assets	2,963,037
Payables	(354,351)
Net identifiable assets acquired	2,738,548
 Add: Goodwill	 3,826,828
<b>Total purchase consideration</b>	<b>6,565,376</b>

MTIS has contributed revenue of \$1.2m and profit after tax of \$0.4m in the half year ended 31 December 2022 which is included in the consolidated statement of comprehensive income. The Ralton contribution is not material to the Group results.

The consolidated goodwill of the Group has increased by \$4.03m since 30 June 2022 to \$12.6m reflecting the MTIS and Ralton business acquisitions.



NOTE 9

## Business Combinations and acquisition of non-controlling interest (continued)

### Acquisition of Minority Interest in Ralton Asset Management Pty Ltd

On 24 February 2022, the Company acquired 75% of the share capital of Ralton Asset Management Pty Limited ("Ralton"), with the Company acquiring the remaining 25% of Ralton on 18 November 2022. Ralton is a specialist Australian equities managed accounts provider with a value-oriented investment approach managing portfolios on behalf of retail and institutional clients. The Group will derive synergies from bringing the investment management capability and separately managed accounts / managed discretionary accounts ("SMA/MDA") operations of both businesses together providing a platform for growth.

	\$
<b>Details of the purchase consideration</b>	
Cash paid	200,000
Shares issued	100,000
<b>Total purchase consideration</b>	<b>300,000</b>

### Assets and liabilities acquired

Assets and liabilities recognised as a result of the business combination were:

	Half Year \$
Cash	25,450
Receivables/other assets	57,697
Intangible assets	66,687
Payables	(47,187)
Net identifiable assets acquired	102,647
 Add: Goodwill	 206,343
Less: non-controlling interest	(8,990)
<b>Total purchase consideration</b>	<b>300,000</b>

### Net cash outflow on acquisitions

\$3,969,511 and \$200,000 of purchase consideration in MTIS and Ralton respectively, was fully paid in cash and has been provisionally allocated as follows:

	MTIS \$	Ralton \$	Total \$
Total purchase consideration paid in cash	3,969,511	200,000	4,169,511
Cash and cash equivalents	(129,862)	(25,450)	(155,312)
<b>Net cash flow</b>	<b>3,839,649</b>	<b>174,550</b>	<b>4,014,199</b>

## Directors' Declaration

The Directors declare that:

- (a) in the Directors' opinion, the financial statements and notes set out on pages 11 to 24 are in accordance with the *Corporations Act 2001*; and
  - (i) comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*; and
  - (ii) give a true and fair view of the financial position of the Group 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, at the date of this declaration, 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



**Claire Bibby**  
Director

Sydney, 24 February 2023



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**Independent Auditor's Review Report  
To the Members of Clime Investment Management Limited  
ABN 37 067 185 899**

**Report on the Half-Year Financial Report**

**Conclusion**

We have reviewed the half-year financial report of Clime Investment Management Limited ("the Company") and its Controlled Entities ("the consolidated entity"), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated 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 Investment Management Limited and its Controlled Entities does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity'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 *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the consolidated entity 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.

**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 Auditor's Review Report  
to the Members of Clime Investment Management Ltd  
ABN 37 067 185 899**



**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 consolidated entity'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

**Pitcher Partners**  
Sydney

24 February 2023

# Corporate Directory

## Clime Investment Management Limited

ABN 37 067 185 899

The shares of Clime Investment Management Limited are listed on the Australian Securities Exchange under the trade symbol CIW.

### Directors

John Abernethy  
Susan Wynne  
Michael Kollo  
Ronni Chalmers  
Claire Bibby

### Chief Executive Officer

Annick Donat

### Company Secretary

Andrew Metcalfe

### Head office and registered office

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### Auditor

#### Pitcher Partners

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