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Company Announcements  
Australian Securities Exchange

## **Madison Financial Group divestment and strategic partnership to drive future growth and collaboration.**

- Clime has executed a Heads of Agreement to sell Madison Financial Group (all terms to be included in comprehensive transaction documents).
- Cultural alignment with the acquirer ensuring smooth transition for advisers, while enabling strategic partnership opportunities.
- Clime to streamline operations with a focus on funds management and private wealth, while benefiting from cost efficiencies.
- The proposed transaction is expected to produce approximately \$500K normalised operating profit improvement.

Clime Investment Management Limited (ASX:CIW) (Clime) has today announced that it has executed a Heads of Agreement to divest 100 per cent of the share capital of each of Madison Financial Group Pty Ltd (“Madison”) and WealthPortal Pty Ltd (“WealthPortal”) and their respective subsidiaries (together the “Group”) with Infocus Wealth Management Limited (“Infocus”).

In combination with the cost initiatives already enacted, the divestment of Madison positions the Company for profit improvement in FY25. This strategic move enables Clime to concentrate on its core asset management and private wealth capability, which currently exceeds \$1.3 billion in funds under management and advice.

The headline purchase price for the acquisition of the Group is \$2 million and will be paid in the form of convertible loan notes issued by Infocus (“Convertible Notes”). The Convertible Notes will have a three-year term and 8% per annum coupon payable half yearly. Upon conversion, Clime may elect to receive cash for the redemption or convert the Convertible Notes to be redeemed into ordinary shares in Infocus.

The transaction is subject to satisfaction of certain conditions precedent (to be confirmed following completion of due diligence) but is currently expected to be completed by the end of the financial year.

Established in 1994, Infocus Wealth Management Limited is one of Australia’s leading wealth managers and post-acquisition it will have over 200 advisers, funds under advice of approximately \$16 billion and market share of ~1.5%, becoming the 12th largest financial advisory network in Australia.

Clime and Infocus will benefit from a strategic relationship in addition to the transaction, with opportunities to leverage the Infocus dealer-to-dealer services, while diversifying distribution through the integration of Clime products into the Infocus proprietary platform.



**Clime CEO, Annick Donat said:** “Infocus will be excellent custodians of the Madison business. It is clear there is strong cultural and strategic alignment between the firms, and they have an outstanding track record of supporting financial advisers.

“Clime will work closely with Infocus to ensure a seamless transition, including the use of the group’s dealer-to-dealer services, and longer term we will collaborate to drive mutual success and unlock further revenue opportunities.”

“The transaction simplifies Clime’s business and enables us to focus on our private wealth and funds management arms. With over 30 years of history delivering exceptional client outcomes through a pragmatic approach to advice and investing, we anticipate that focusing on our strengths will enhance client results. It is also value accretive with the group set to experience material cost benefits and increase in operating margins, while potentially participating in the upside growth of Infocus in the coming years.”

**Infocus Wealth Management Founder and Managing Director, Darren Steinhardt said:** “Infocus is an ideal home for the Madison group and we’re looking forward to welcoming the advisers to our fold. Infocus will be a home where the Madison group can integrate into a strong community, benefit from an outstanding culture, and take advantage of industry leading hands-on support and infrastructure to grow their advice businesses.

Beyond the transaction, we are keen to build a strategic relationship with Clime, one that delivers meaningful value for all parties.”

This announcement is approved by the Board of Directors of Clime Investment Management Limited for release to the ASX.

**John Abernethy**  
**Chairman**

**Ends**

***For media enquiries, please contact:***

Max Hewett, Patterson Advisory – 0432 332 215 / [mhewett@pattersonadvisory.com.au](mailto:mhewett@pattersonadvisory.com.au)